



**OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS**

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**BUSINESS APPOINTMENT APPLICATION: Gaven Smith CB FReng, former Director General Technology, GCHQ – paid appointment with Faculty AI**

1. Mr Smith sought advice from the Advisory Committee on Business Appointments (the Committee) under the government's Business Appointments Rules for Former Crown Servants (the Rules) on his proposal to work with Faculty AI.
2. The purpose of the Rules is to protect the integrity of the government. The Committee has considered the risks associated with the actions and decisions Mr Smith made during his time in office, alongside the information and influence he may offer Faculty AI. The material information taken into consideration by the Committee is set out in the annex.
3. The Committee considered whether this appointment was unsuitable given Mr Smith's former role as Director General Technology at GCHQ and Faculty AI's work within the software and AI sector. The Committee must also consider the information provided by his former departments about his specific dealings with this employer and the sector.
4. The Committee's advice is not an endorsement of the appointment – it imposes a number of conditions to mitigate the potential risks to the government under the Rules.
5. The Rules<sup>1</sup> set out that Crown servants must abide by the Committee's advice. It is an applicant's personal responsibility to manage the propriety of any appointment. Former Crown servants are expected to uphold the highest standards of propriety and act in accordance with the 7 Principles of Public Life.

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<sup>1</sup> Which apply by virtue of the Civil Service Management Code, The Code of Conduct for Special Advisers, The King's Regulations and the Diplomatic Service Code.

### The Committee's consideration of the risk presented

6. Faculty AI is a technology company that provides software, consulting services and artificial intelligence (AI) solutions to customers. It works internationally across several sectors, and holds contracts with government including GCHQ, which confirmed Mr Smith had no dealings with the company in office – policy and regulation sat elsewhere and he made no decisions specific to the company. The Committee<sup>2</sup> considered the risk he could be seen to have been offered this role as a reward for decisions or actions taken whilst in office to be low.
7. As Director General Technology, Mr Smith would have had access to a range of sensitive information, including that which relates to technology, software and AI within government and the national security sector. There are real and perceived risks he could offer Faculty AI an unfair advantage due to insight gained in office. Mr Smith's access to privileged information is general; GCHQ had no concerns about specific information, noting that he was focussed on delivery and unaware of any upcoming changes, and that his knowledge was already out of date given the passage of time since he last had access to information. This is a broad risk that would apply to a number of companies, and is not specific to Faculty AI. It is also relevant that Mr Smith stepped aside from his role as Director General Technology on 3 November 2023 and has had no access to relevant information since that date. The risk is therefore limited.
8. Mr Smith's network and influence within government could offer an unfair advantage to Faculty AI. The Committee noted Mr Smith confirmed his role would not involve contact with government to manage the risks associated with any perceived lobbying of government, given the lobbying ban that is expected under governments Rules.
9. Faculty AI operates in the same area as Mr Smith's responsibilities at GCHQ and its clients are unknown. Whilst Mr Smith's aim is to draw broadly from his 30 years of experience in the technology sector to advise the company in a role that is not client facing, the intention is for him to advise on strategy formulation, which could risk drawing on his insights inappropriately. This risk is most significant were Mr Smith to advise on the UK intelligence agencies given this overlaps with his time at GCHQ.

### The Committee's advice

10. The Committee determined the risks identified in this application can be appropriately mitigated by the conditions below. These make it clear Mr Smith

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<sup>2</sup> This application for advice was considered by Andrew Cumpsty; Isabel Doverty; Hedley Finn OBE; Sarah de Gay; Dawid Konotey-Ahulu CBE; The Rt Hon Lord Eric Pickles; Michael Prescott; and Mike Weir.

cannot make use of information or influence gained from his time in Crown service to the unfair advantage of Faculty AI. While the Committee recognised the opportunity to offer an unfair advantage is limited given the views from GCHQ, it is difficult to demonstrate this where Mr Smith advises Faculty AI on matters directly overlapping with the UK national security and intelligence communities. The Committee has therefore imposed a ban on him advising on matters relating to UK security or intelligence agencies – this includes having no direct engagement with the UK government on behalf of Faculty AI.

11. Mr Smith has not been in his role as Director General Technology since 3 November 2023, serving out the remainder of his Crown service until January 2024 on leave from GCHQ. More than eight months have therefore passed since his access to information. In the circumstances of this application, the Committee deemed this an appropriate gap.

12. The Committee advises, under the government's Business Appointment Rules, that Mr Smith's appointment with **Faculty AI** be subject to the following conditions:

- he should not draw on (disclose or use for the benefit of himself or the persons or organisations to which this advice refers) any privileged information available to him from his time in Crown service;
- for two years from his last day in Crown service, he should not become personally involved in lobbying government or any of its arm's length bodies on behalf of Faculty AI (including parent companies, subsidiaries, partners and clients); nor should he make use, directly or indirectly, of his contacts in government and/or Crown service to influence policy, secure business/funding or otherwise unfairly advantage Faculty AI (including parent companies, subsidiaries, partners and clients);
- for two years from his last day in Crown service, he should not provide advice to Faculty AI (including parent companies, subsidiaries or partners) on the terms of, or with regard to the subject matter of, a bid or contract with, or relating directly to the work of the UK government or its arm's length bodies;
- for two years since his last day in office, he should not advise Faculty AI Limited or its clients on any matters relating to the UK security or intelligence agencies and he must not directly engage with the UK government or its arm's length bodies on Faculty AI's behalf.

13. The advice and the conditions under the government's Business Appointment Rules relate to Mr Smith's previous role in government only; they are separate from rules administered by other bodies such as the Office of the Registrar of Consultant Lobbyists, the Parliamentary Commissioner for Standards and the

Registrar of Lords' Interests<sup>3</sup>. It is an applicant's personal responsibility to understand any other rules and regulations they may be subject to in parallel with this Committee's advice.

14. By 'privileged information' we mean official information to which a minister or Crown servant has had access as a consequence of his or her office or employment and which has not been made publicly available. Applicants are also reminded that they may be subject to other duties of confidentiality, whether under the Official Secrets Act, the Ministerial Code/Civil Service Code or otherwise.
15. The Business Appointment Rules explain that the restriction on lobbying means that the former Crown servant/Minister "*should not engage in communication with Government (Ministers, civil servants, including special advisers, and other relevant officials/public office holders) – wherever it takes place – with a view to influencing a Government decision, policy or contract award/grant in relation to their own interests or the interests of the organisation by which they are employed, or to whom they are contracted or with which they hold office.*"
16. Mr Smith must inform us as soon as he takes up this work or if it is announced that he will do so. Similarly, he must inform us if he proposes to extend or otherwise change his role with the organisation as depending on the circumstances, it might be necessary for him to seek fresh advice.
17. Once this appointment has been publicly announced or taken up, we will publish this letter on the Committee's website.

Yours sincerely

Dougie Thornton  
**Committee Secretariat**

## **Annex – material information**

### The role

1. Mr Smith wishes to take up a part-time, paid role with Faculty AI as Strategic Advisor to CEO and Senior Leadership Team, advising on:
  - Technology and business strategy formulation

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<sup>3</sup> All Peers and Members of Parliament are prevented from paid lobbying under the House of Commons Code of Conduct and the Code of Conduct for Members of the House of Lords. Advice on your obligations under the Code can be sought from the Parliamentary Commissioners for Standards, in the case of MPs, or the Registrar of Lords' Interests, in the case of peers.

- Technical support to implementation and delivery
  - Executive leadership support, leadership development and advice
2. The role will not involve any direct commercial bidding or business development.

#### Dealings in office

3. Mr Smith advised the Committee he did not meet with Faculty AI while in service. He was not involved in any commercial or contractual decisions relating to Faculty AI. He also told the Committee he did not have any involvement in any relevant policy development or decisions that would have affected Faculty AI and did not meet with its competitors; nor did he have access to sensitive information regarding its competitors.
4. Mr Smith said that as Director General Technology at GCHQ, he was responsible for very little technology policy. That is because policy is either owned by the operational policy team in GCHQ or by other departments in government e.g. DSIT, and ultimately set by the Council for Science and Technology.<sup>4</sup> Mr Smith said his role in office was heavily leadership and delivery focused – being responsible for GCHQ's technical capability that enables it to deliver its mission and for driving the innovation to meet future technological challenges – rather than policy based.

#### Departmental assessment

5. GCHQ confirmed the details in Mr Smith's application.
  6. GCHQ said that Mr Smith would have an awareness of the national security offer from leading providers of artificial intelligence and of the sector but also that his knowledge was now already out of date. It did not consider he would offer Faculty AI an unfair advantage in this role.
  7. GCHQ recommended the standard conditions, noting there would be a gap between him leaving his role and starting new employment.
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<sup>4</sup> <https://www.gov.uk/government/groups/national-security-council>