OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS
G/7 Ground Floor, 1 Horse Guards Road SW1A 2HQ
Telephone: 020 7271 0839
Email: acoba@acoba.gov.uk
Website: http://www.gov.uk/acoba

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BUSINESS APPOINTMENT APPLICATION: Air Marshal Stephen Shell CB OBE MA RAF, former Director General, Defence Safety Authority. Paid appointment with The Soldiers Sailors Airmen and Families Association.

1. Air Marshal Stephen Shell (AM Shell) sought advice from the Advisory Committee on Business Appointments (the Committee) under the government's Business Appointment Rules for Former Crown Servants (the Rules) on an appointment he wishes to take up with The Soldiers Sailors Airmen and Families Association (SSAFA) as Chief Executive Officer.

2. The purpose of the Rules is to protect the integrity of the government. Under the Rules, the Committee's remit is to consider the risks associated with the actions and decisions made during AM Shell's time in government service, alongside the information and influence a former Crown servant may offer SSAFA. The material information taken into consideration by the Committee is set out in the annex.

3. 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 associated with the appointment under the Rules.

4. The Rules[1] 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.

<u>The Committee's consideration of the risks presented</u>

[1] 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.

5. SSAFA is a charitable organisation providing support to serving personnel, veterans and families of the UK Armed Forces, based in the UK and operating globally. The organisation has a contractual relationship with the Ministry of Defence (MOD) to deliver areas of support and welfare.[2]

6. AM Shell's role in government was to lead the MOD's safety regulator – the Defence Safety Authority – in setting defence safety regulations and providing assurance and enforcements. AM Shell was not involved in any decisions specific to SSAFA, and its work with the MOD sat outside of his purview. Therefore, the Committee[3] considered that the risk he could reasonably be seen to have been offered this role as a reward for decisions made or actions taken in office was low.

7. As SSAFA is a charity that works with the MOD, the Committee recognised that there is an indirect overlap with the work AM Shell carried out whilst in government service. It is significant that the MOD does not consider him to possess any specific information or insight that could offer SSAFA an unfair advantage, and he was not involved in policy or operational matters specific to the organisation in office.

8. There are risks attached to AM Shell's potential to offer unfair influence or access to the government/MOD. It is significant that there is already an existing, contractual relationship between SSAFA and the MOD, preceding both AM Shell's time in post at the MOD and this proposed appointment as CEO. The Committee agreed with the MOD that there was a limited risk associated with the delivery of organisation's work with the MOD generally. It would be improper for him to negotiate with the MOD, as this risks the perception of unfair influence. The National Chair of the SSAFA confirmed that AM Shell's role is ringfenced from any advice or contractual negotiations on the organisation's service provisions to government.

9. Given the lobbying ban that applies to all former senior Crown servants under the Rules, it would be improper for AM Shell to seek to influence the government whilst he is subject to the Rules. This would not prevent him from reporting on the organisation's activities, nor would it prevent him from engaging with the MOD or the government more widely if it is initiated by the MOD/government.

<u>The Committee's advice</u>

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[2] www.ssafa.org.uk/about-us/how-we-help/

[3] This application for advice was considered by Andrew Cumpsty; Isabel Doverty; Hedley Finn OBE; Sarah de Gay; Dawid Konotey-Ahulu CBE DL; The Rt Hon Lord Eric Pickles; Michael Prescott; The Baroness Thornton; and Mike Weir. The Baroness Thornton was unavailable.

10. The Committee determined that the risk associated with AM Shell's access to information is limited. The majority of risks identified in this application can be appropriately mitigated by the standard conditions. These seek to prevent AM Shell from making improper use of his privileged access to information, contacts and influence from his time in office, alongside his ongoing duty of confidentiality.

11. Whilst the organisation has a clear focus on the MOD and its policy toward supporting personnel and their families, this charitable work is aligned with government and the Armed Forces Covenant.[4] Further, the organisation's confirmation that the role can and will be carried out in accordance with the conditions below helps to mitigate the risk of unfair influence.

12. In the circumstances, the Committee's advice under the government's Business Appointment Rules is that this appointment with **The Soldiers, Sailors, Airmen and Families Association** should be made 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 the UK government or any of its arm's length bodies on behalf of The Soldiers, Sailors, Airmen and Families Association (including parent companies, subsidiaries, partners and clients); nor should he make use, directly or indirectly, of his contacts in the government and/or Crown service contacts to influence policy, secure business/funding or otherwise unfairly advantage The Soldiers, Sailors, Airmen and Families Association (including parent companies, subsidiaries, partners and clients); and

- for two years from his last day in Crown service, he must not work or advise on any bids to secure governmental funding or contracts for The Soldiers Sailors Airmen and Families Association. He may only work on or advise on the subject matter of funding/contracts with the government (or related matters), provided he does not draw on any privileged information or contacts from his time in office.

[4] www.gov.uk/government/collections/armed-forces-covenant-supporting-information#:~:text=Contents&text=The%20government%20is%20committed%20to,authorities%2C%20charities%20and%20the%20public.

13. The advice and the conditions under the government's Business Appointment Rules relate to an applicant'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.[5] 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. AM Shell 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,

Hamzah Rizvi
Committee Secretariat

[5] 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 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.

Annex – Material Information

The role

1. According to its website, SSAFA is a charitable organisation providing support to serving personnel, veterans and families of the UK Armed Forces based in the UK and globally. This comes in a variety of forms, primarily centering on welfare, but also including healthcare, financial advice, housing support, disability support.

2. SSAFA's Health and Social Care department provides direct support to serving personnel and their families, and has a contract with the MOD.[6] This is in support of its duty to uphold the principles of the Armed Forces Covenant[7] – which is in place to ensure those serving, or who have served in, the Armed Forces, and their families, are treated fairly.

3. SSAFA is funded in various ways, including via the MOD's Armed Forces Covenant Fund - as noted in the SSAFA's most recent annual report.[8]

4. In his paid, full-time role as Chief Executive Officer (CEO), AM Shell stated that he would work alongside the National Chair, Sir Simon Bollom (a retired RAF officer), and Board of Trustees to determine and deliver the strategy, mission, and vision of the organisation. He will manage and hold financial responsibility through delivery of the organisation's business plan, including:

    - managing charitable, fundraising, marketing, communications and commercial activities; and
    - providing leadership and oversight of the organisation, including the Senior Executive team.

5. AM Shell said that given SSAFA supports military personnel, and works closely with the MOD, this makes it likely that the position will require meetings with MOD staff, though it would not require lobbying of the government.

6. The National Chair of SSAFA, Sir Simon Bollom, confirmed to the MOD that the CEO role can be ringfenced from any advice or contractual negotiations on its service provision to the MOD and its arm's length bodies. Further, influencing activity will be compliant with the lobbying ban, for the period the Rules apply.

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[6] www.ssafa.org.uk/about-us/how-we-help/
[7] www.gov.uk/government/collections/armed-forces-covenant-supporting-information#:~:text=Contents&text=The%20government%20is%20committed%20to,authorities%2C%20charities%20and%20the%20public.
[8] www.ssafa.org.uk/media/r5spwvz3/ssafa-annual-report-and-accounts-2023.pdf

7. AM Shell's career has been in the armed forces, starting as a pilot in the RAF in the late 1980s. His previous MOD roles have included:

    - NATO and EU Air Policy Adviser, MOD;
    - Officer Commanding 27 Squadron;
    - Deputy Director Air & Littoral Manoeuvre, Cap AM;
    - Commanding Officer RAF Odiham and UK Chinook Force;
    - Personal Staff Officer to Commander-in-Chief Air Command;
    - Chief of Defence Staff Liaison Officer to Chairman of Joint Chiefs (US);
    - Chief of Staff Operations (Air).

Dealings in office

8. AM Shell stated he was not involved in decisions specific to SSAFA during his time in post, nor did he have access to sensitive information specific to the organisation.

9. AM Shell stated he did not have dealings with SSAFA during his recent postings with the MOD. He worked infrequently with SSAFA employees/volunteers over 10 years ago whilst at RAF Odiham during his role as Station Commander, where SSAFA provided welfare support to Station personnel and families.

Departmental assessment

10. The MOD confirmed the details AM Shell provided and stated that:

    - it has a contractual relationship with SSAFA;
    - AM Shell's most recent roles did not involve decision-making regarding the MOD's commercial relationships with welfare and healthcare providers, including SSAFA;
    - it did not consider AM Shell to possess sensitive information that may provide an unfair advantage to SSAFA;
    - AM Shell had influence at the highest levels of Air Command and the MOD;
    - SSAFA's principal contracts with the MOD will not reach renewal points while AM Shell is subject to the Business Appointment Rules;
    - there is one contract due to expire at the end of 2025, and the National Chair of SSAFA has confirmed that the CEO role can be ringfenced from any involvement in negotiating this contract.

11. The MOD recommended the standard conditions with an exception to the usual condition that prevents applicants from working on bids and contracts with the UK MOD, specifically relating to working on SSAFA's existing services with the MOD, given that its contracts with the MOD support veterans and their families; and any margins SSAFA makes from its contracts with the MOD go back into support for its beneficiaries.

12. The National Chair of SSAFA, Sir Simon Bollom, confirmed to the MOD that the CEO can be ringfenced from any advice or contractual negotiations on service provision to the department.