



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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BUSINESS APPOINTMENT APPLICATION: The Rt Hon James Heappey, former Minister of State for the Armed Forces at the Ministry of Defence. Paid appointment with Serco Group Plc.

1. You sought advice from the Advisory Committee on Business Appointments (the Committee) under the government's Business Appointment Rules for Former Ministers (the Rules) on your role as a Senior Adviser with Serco Group Plc (Serco).
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 taken during your time in office, alongside the information and influence you may offer Serco as a former minister. 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 this appointment in any other respect – it imposes a number of conditions to mitigate the potential risks to the government associated with the appointment under the Rules.
4. The Ministerial Code sets out that ministers must abide by the Committee's advice. It is an applicant's personal responsibility to manage the propriety of any appointment. Former ministers of the Crown, and Members of Parliament, are expected to uphold the highest standards of propriety and act in accordance with the 7 Principles of Public Life.

The Committee's consideration of the risks presented

5. Serco is a multinational outsourcing services company. Serco is not a defence company but operates in the defence and other sectors. It works extensively with

the UK government and your former department, the Ministry of Defence (MOD). You said that your role as a senior adviser at Serco will be to advise internally, with no client contact, focused on evolving existing services, diversifying into new services, and finding new business opportunities.

6. The MOD confirmed that, as Minister of State for the Armed Forces, you made no policy, regulatory or commercial decisions specific to Serco. You would have been aware of and sighted on some decisions on the multiple contracts that Serco holds with the MOD. The department confirmed that you had no influence in any policy or contractual decisions, and that relevant procurement decisions did not form part of your ministerial portfolio. These decision-making responsibilities fell to other ministers – including the Minister for Defence Procurement and the Secretary of State for Defence. Overall, the Committee¹ considered that the risk that this work could reasonably be perceived as a reward for decisions or actions taken in office is limited.
7. As the former Minister of State for the Armed Forces, you would have had broad access to sensitive information that could be beneficial to a range of organisations – particularly companies that are interested in working with the MOD and in the defence and security space more generally. There are various factors that help to limit this risk:
 - The MOD is unaware of any specific information that would grant Serco an unfair advantage.
 - Much of the relevant information to which you had access is no longer sufficiently up to date.
 - You have been out of office for 17 months – creating a significant gap since you last had access to sensitive information.
 - There has been a change of administration and a number of significant decisions on defence policy and spending during this time, including via the Strategic Defence Review 2025.²
 - Whilst Serco holds many contracts with the MOD, its relevant contracts did not generally fall within your ministerial purview and there is no suggestion that you had access to specific commercial information to which Serco would not already be privy.
8. This is, therefore, a general risk, most likely to apply in relation to possible commercial opportunities, as opposed to specific contracts.

¹ This application for advice was considered by Isabel Doverty; Hedley Finn OBE; Sarah de Gay; Dawid Konotey-Ahulu CBE DL; Michael Prescott; and The Baroness Thornton.

² <https://www.gov.uk/government/publications/the-strategic-defence-review-2025-making-britain-safer-secure-at-home-strong-abroad>

9. The Committee considered that there remain risks associated with your general access to privileged information that could be beneficial to Serco. This is most likely to arise should you be asked to advise on its defence work, where matters might overlap with your ministerial portfolio.
10. You would also have amassed a range of contacts within the MOD and government during your time as minister at the MOD. There is a reasonable concern you could offer Serco unfair access – particularly in terms of competing for MOD contracts. Whilst you said your role will not involve any contact with the UK government, the Committee considered that, given Serco's extensive relationship with the MOD, any contact you may have with the UK government or the MOD would risk being seen as lobbying for the purposes of gaining business.
11. As part of your ministerial role you operated internationally with bilateral partners, and met with several private companies who are MOD stakeholders. Given that your role includes advising on business opportunities, albeit internally, there is a risk that you may be seen to draw on contacts from your time as minister in overseas governments and external organisations to offer an unfair advantage to Serco in securing new business.
12. The Committee considered it significant that you served in the armed forces for a decade and have retained an interest in defence matters whilst a Member of Parliament. You therefore gained experience and contacts in the defence sector outside of, and prior to, your ministerial roles.

The Committee's advice

13. The Committee determined that the main risk in this application is that you may be seen to offer Serco an unfair advantage through unfair access to the MOD and government. It considered, therefore, that it would be inappropriate for you to initiate any engagement with the UK government on behalf of Serco, even where this is not for the purposes of influencing actions or decisions.
14. The Committee recognised that your ability to offer an unfair advantage to Serco through any specific piece(s) of information was limited, but considered that there are risks, whether real or perceived, that you could offer commercially valuable information to organisations operating in the defence and security sector, including Serco. The Committee has therefore advised that you must not work on the UK defence market.
15. The remaining conditions below seek to prevent you from making improper use of privileged information, contacts and influence to the unfair advantage of Serco in carrying out this business development role. Serco has confirmed its commitment to complying with these conditions.

16. The Committee advises, under the government's Business Appointment Rules, that this appointment as senior adviser with **Serco Group Plc** should be subject to the following conditions:

- you should not draw on (disclose or use for the benefit of yourself or the persons or organisations to which this advice refers) any privileged information available to you from your time in ministerial office;
- for two years from your last day in ministerial office, you should not become personally involved in lobbying the government or its arm's length bodies on behalf of Serco Group Plc (including parent companies, subsidiaries, partners and clients); nor should you make use, directly or indirectly, of your contacts in the government and/or Crown service to influence policy, secure business/funding or otherwise unfairly advantage Serco Group Plc (including parent companies, subsidiaries, partners and clients);
- for two years from your last day in ministerial office, you should not provide advice to Serco Group Plc (including parent companies, subsidiaries, partners and clients) on the terms of, or with regard to the subject matter of, a bid with, or contract relating directly to the work of, the UK government and its arm's length bodies, including the Ministry of Defence or its trading funds;
- for two years from your last day in ministerial office, you must not become personally involved in lobbying contacts you developed during your time in office and in other governments and external organisations for the purpose of securing business for Serco Group Plc (including parent companies, subsidiaries, partners and clients);
- for two years from your last day in ministerial office you must not:
 - advise Serco Group Plc (including parent companies, subsidiaries and partners) on the UK defence sector; nor
 - initiate engagement with the UK MOD/the UK government or its arm's length bodies on behalf of Serco Group Plc (including parent companies, subsidiaries, partners and clients).

17. The advice and the conditions under the government's Business Appointment Rules relate to your 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.³ 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.

18. 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 Civil Service Code or otherwise.
19. 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.*'
20. You must inform us as soon as you take up this role, or if it is announced that you will do so. You must also inform us if you propose to extend or otherwise change the nature of your role as, depending on the circumstances, as it may be necessary for you to make a fresh application.
21. Once the appointment has been publicly announced or taken up, we will publish this letter on the Committee's website, and where appropriate, refer to it in the relevant annual report.

Isabel Doverty

**Interim Chair
ACOBA**

³ 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. Serco Group plc is an outsourcing services company. It is a listed, multinational company headquartered in the UK, operating in Europe, the Middle East, the Asia Pacific region, including Australia and Hong Kong, and North America. It provides tech solutions across the defence, health, space, justice, migration, customer services, and transport. It works with governments globally, including in the UK.
2. It has numerous contracts with the MOD, including to provide the following services:
 - UK air defence radars: In May 2023 it was awarded a £32m contract to maintain and operate this for the next 5 years.
 - Recruitment:⁴ Serco was awarded a £1 billion contract to deliver the MOD's next-generation recruiting solution for the Royal Navy, British Army, Royal Air Force, and Strategic Command. It will provide an end-to-end recruitment service, from candidate attraction to onboarding.
 - Support for Royal Navy Vessels: Serco provides technical management services and support for the Royal Navy's experimental ship, including maintenance and bespoke capability enhancements.
 - Training: Serco plays a role in enabling training for the Armed Forces by delivering services, technology, and processes that support the Ministry of Defence. This includes operating simulators and running the Defence Academy of the UK.
 - Aviation support: Specifically for air traffic control and technical support for military aircraft.
3. You told the Committee you wish to take up a part-time, paid role with Serco. Your role as a senior adviser will involve advising on evolving current services, diversifying into new services, and business development. You confirmed that this appointment will not involve contact with government generally, including your former department, the MOD.
4. You told the Committee you had involvement with the defence sector, prior to your ministerial role:
 - You are a veteran of the British Army.
 - As a backbench MP you attended meetings, lunches, and dinners of the All-Party Parliamentary Group for the Armed Forces. You also

⁴ www.recruiter.co.uk/news/2025/02/serco-awarded-mods-uk-armed-forces-recruitment-service-programme#:~:text=Serco%20will%20deliver%20the%20MoD's%20next%2Dgeneration%20recruiting,the%20Royal%20Air%20Force%20and%20Strategic%20Command

accepted hospitality at events such as the Farnborough Airshow and the Royal International Air Tattoo. During these engagements, you furthered your network, including senior members of the UK Armed Forces whom you had not known during your previous military service and senior executives in the UK defence industry.

Correspondence with Serco

5. Serco provided the following confirmation to the Committee:

- it will comply with the Committee's advice and conditions; and
- your role will not involve lobbying or seeking to influence policy or using your contacts gained in office to secure business or funding for Serco, nor participating in bids and contracts for government work.

Dealings in office

6. Of your time as Minister for the Armed Forces, you told the Committee that:

- you did not make any policy, operational or commercial decisions specific to Serco;
- you had no access to sensitive information that could grant Serco an unfair advantage;
- Serco provides services to the MOD and other government departments, such as the Home Office for accommodation and support services for asylum seekers while their claims are processed.⁵
- Until April 2021, you had ministerial responsibility for Armed Forces recruiting and had some sight of matters relating to the then-incumbent provider of Army recruiting, Capita. You have not had sight of these matters since April 2021, and you do not have any information that is not now in the public domain.

Departmental assessment

7. The MOD was consulted on this application and stated that:

- You did not make any policy, regulatory, operational or commercial decisions specific to Serco.
- Serco is a strategic supplier to the MOD. It holds several contracts:
 - The Armed Forces Recruiting Programme – a programme designed to bring together all three single Service recruiting operations into one tri-Service solution.
 - It has a 50% stake in the Vivo⁶ Joint Venture (Engie has the other 50%), since 2021. Serco and Vivo currently have 27 active contracts with the MOD, with a total contract value of £6.6bn.

⁵ www.serco.com/uk/sector-expertise/immigration/asylum-accommodation-support-services

⁶ A company that is a defence services supplier. It is committed to enabling defence capability through maintaining and enhancing the built estate in which the Armed Forces live, work and train.

The outstanding value of these contracts (as at May 25) is £3.5bn . 18 of the 27 contracts were signed by the MOD during the period that you were a minister.

- Serco and Vivo continue to bid on future work with the MOD.
- The Armed Forces Recruitment Programme contract was not finalised until October/November 2024 – seven months after you left office.
- You had no specific involvement in the Armed Forces Recruitment Programme contract – this fell under the purview of a different minister.
- You were consulted in January 2024 over a £2.4M contract that the MOD placed with Serco in support of the Afghan Relocations and Assistance Policy (ARAP).⁷ You were due to meet with Serco to discuss a workforce management strategy for this, but the meeting was cancelled and not rearranged as you left ministerial office. No decisions were linked to this.
- You had some insight into commercial matters and were sighted on information relating to contracts with Serco and Vivo – where the decisions fell to other ministers – for example, the Secretary of State for Defence and the Minister for Defence Procurement. The MOD confirmed there is no evidence you influenced these decisions.
- You had access to information on the Procurement Reform Programme, which would have had an impact on all contractors with the MOD, including Serco. This is now in the public domain, following the publication of the Defence Command Paper Refresh.
- In your former ministerial role as Minister for Defence Procurement (December 2019-February 2020) you did have direct involvement in procurement decisions, and some of the contracts signed during your former role remain in force, but you left this role over 5 years ago.
- You did meet with a number of defence suppliers during his time in the MOD (for example during DSEI⁸ 2023).

8. The MOD recommended the standard conditions.

⁷ Serco is involved in the Afghan relocation policy, specifically through its role as a contractor for the Home Office in procuring properties for Afghan refugees.

⁸ The UK's flagship defence event with exhibitors from across the defence sector (public, civilian, private) and talks/presentations/panels.