



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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BUSINESS APPOINTMENT APPLICATION: Gen Sir Nick Carter, former Chief of the Defence Staff at the Ministry of Defence. Paid appointment with Equilibrium Gulf Limited and Equilibrium Global Limited.

1. Gen Sir Nick Carter 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 taking up a role with both Equilibrium Gulf Limited and Equilibrium Global Limited (Equilibrium) as Chairman. The material information taken into consideration by the Committee is set out in the annex.
2. The Committee considered whether this consultancy was unsuitable given Gen Sir Nick Carter's former role as Chief of the Defence Staff at the very centre of government, and the broadly defined nature of Equilibrium's advisory work - which has the potential to overlap with his time in office. The Committee also considered the information provided by the department.
3. The Committee has advised that a number of conditions and a waiting period be imposed to mitigate the potential risks to the government associated with this appointment under the Rules; this does not imply the Committee has taken a view on the appropriateness of the former Chief of the Defence Staff taking up this role with Equilibrium in any other respect.
4. The Rules¹ 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.

The Committee's consideration of the risk presented

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. Gen Sir Nick did not meet with Equilibrium while in government; nor did he make any decisions specific to Equilibrium. Further, Equilibrium works outside of the UK and has no contracts with the UK government. The Committee² therefore considered the risk this appointment could reasonably be perceived as a reward for decisions or actions taken in office is low.
6. Gen Sir Nick described Equilibrium as providing geo-strategic advice internationally - helping to devise and implement the right strategies. He said Equilibrium is currently working on a contract it has had for some time with the Government of Bahrain to provide advice on issues covered by Bahrain's Government Priorities Framework - which specifically excludes Defence. It would not be improper for Gen Sir Nick to work on international matters, drawing on knowledge, skills and experience gained from his many years in military and government service at the MOD.
7. However, as the former Chief of the Defence Staff, Gen Sir Nick would have had access to a wide range of privileged information regarding defence and security. Given the span of that information and his proximity to decisions and other senior decision makers at the heart of government - he could offer Equilibrium and its clients unfair access to information and influence.
8. The Committee agreed with the MOD there are a number of mitigating factors that help to reduce the risks associated with Gen Sir Nick's access to information and the unfair insight he may be seen to offer Equilibrium:
 - Gen Sir Nick has confirmed that Equilibrium's work has not, and will not, involve defence matters;
 - Equilibrium's work is restricted to overseas clients - it does not operate in the UK;
 - the MOD confirmed Gen Sir Nick withdrew completely from all defence matters from his last day in post - in November 2021;
 - As Chief of the Defence Staff he is subject to a waiting period of three months from his last day in Crown service. Once this period passes, it will be 10 months since General Sir Nick has had access to information and decisions within government/ and the MOD. This reduces the currency of this information;
 - Gen Sir Nick is prevented from drawing on privileged information and has an ongoing duty of confidentiality; and
 - This is a general risk associated with his wide ranging and influential role at the heart of defence in government. There is nothing specific the MOD has made the Committee aware of that might offer a significant advantage to Equilibrium. On the contrary, the MOD considers the risk associated with any specific information is low.
9. As Chief of the Defence Staff, Gen Sir Nick will have gained contacts within the UK and internationally - within other governments and private companies, particularly in defence. As such there is a risk his network and influence might be used to assist Equilibrium unfairly.

² This application for advice was considered by Jonathan Baume; Andrew Cumptsy; Isabel Doverty; Dr Susan Liautaud; The Rt Hon Lord Pickles; Richard Thomas; Mike Weir; Lord Larry Whitty and Sarah de Gay were unavailable.

10. The Committee noted Equilibrium already has an established relationship with the British Embassy in Bahrain which the FCDO is supportive of. Responsibility for this is currently held by others within Equilibrium and Gen Sir Nick has confirmed we will not have any contact with the MOD or government. For the avoidance of doubt the Committee considered, as the former Chief of the Defence Staff, it would be inappropriate for Gen Sir Nick to have any direct contact with the MOD or the UK government on behalf of Equilibrium.
11. The Committee agreed with the MOD that there are risks in relation to the unknown clients that Equilibrium may take on. It considered these risks are most likely to arise where they overlap with his time in office, and most likely involving defence and security. Equilibrium wrote to the Committee to explain its intention is not to work in defence and that as Chairman, Gen Sir Nick would be able to recuse himself from any matters - ensuring he can abide by the Committee's advice.

The Committee's advice

12. The Committee noted the mitigating factors above that help to reduce the risks associated with Gen Sir Nick's access to information. There are standard conditions which prevent individuals from making improper use of privileged information and contacts gained in office, which are set out below and the Committee would draw his attention to these. The Committee agreed with the MOD that it would not be appropriate for Sir Nick to advise on the UK defence market and has imposed a specific condition which limits the work he can undertake with Equilibrium, to prevent him working in the UK defence market. The Committee noted this is entirely in keeping with his intention (and Equilibrium's) to advise only on international matters and that do not include defence.
13. Additionally, to address the risk associated with Equilibrium's unknown clients, the Committee also considered it necessary to impose a condition alongside the ban on working on the UK defence market. This makes it clear that Gen Sir Nick should not advise on operational or policy matters he had specific involvement in or responsibility for as Chief of the Defence Staff.
14. The Committee advises, under the Government's Business Appointment Rules, that Gen Sir Nick's role with **Equilibrium Gulf Limited/Global Limited** and his role on its work with the Government of Bahrain should 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 the UK government or any of its Arm's Length Bodies on behalf of Equilibrium Gulf Limited and Equilibrium

Global Limited (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 Equilibrium Gulf Limited and Equilibrium Global Limited (including parent companies, subsidiaries, partners and clients);

- for two years from his last day in Crown service, he should not provide advice to Equilibrium Gulf Limited and Equilibrium Global Limited (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 the UK government, the Ministry of Defence or its trading funds;
- for two years from his last day in Crown service, he should not become personally involved in lobbying contacts he has developed during his time in office and in other governments and organisations for the purpose of securing business for Equilibrium Gulf Limited and Equilibrium Global Limited (including parent companies, subsidiaries and partners);
- For two years from his last day in Crown service, he should not advise Equilibrium Gulf Limited and Equilibrium Global Limited on the UK defence sector; and
- for two years from his last day in Crown service, he should not advise Equilibrium Gulf Limited and Equilibrium Global Limited (including parent companies, subsidiaries, partners and clients) on work with regard to any policy or operational matter he had specific involvement in or responsibility for as Chief of the Defence Staff, or where he had a relationship with the company or organisation during his time as Chief of the Defence Staff.

15. The advice and the conditions under the government's Business Appointment Rules relate to Gen Sir Nick's previous role in government only; they are separate to rules administered by other bodies such as the Office of the Registrar of Consultant Lobbyists or the Parliamentary Commissioner for Standards. 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.

16. 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.

17. 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’.

18. You must inform us as soon as Gen Sir Nick takes up employment with this organisation, or if it is announced that Gen Sir Nick will do so. We shall otherwise not be able to deal with any enquiries, since we do not release information about appointments that have not been taken up or announced. This could lead to a false assumption being made about whether Sir Nick has complied with the Rules. Please also inform us if Gen Sir Nick proposes to extend or otherwise change the nature of his role as, depending on the circumstances, it may be necessary for him to make a fresh application.
19. 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.

Yours Sincerely,

Isabella Wynn
Committee Secretariat

Annex - Material information

The role

1. Gen Sir Nick said Equilibrium is a *‘UK-based geo-strategic advisory company with an international focus. It has been established to assist governments and major commercial corporations to devise and implement strategies that help ensure success in an ever more turbulent world.’* Gen Sir Nick said it does not cover Defence related issues in its current work and will not do so in the future - noting none of its advisers work on any defence matters. Gen Sir Nick described it as *centred on ‘...the provision of eminent international advisors, who are contracted to Equilibrium, to provide advice to the Crown Prince & Prime Minister of Bahrain (and to those Bahraini Ministers who report to the Prime Minister). This advice by Equilibrium has always been bounded by the issues covered by Bahrain’s Government Priorities Framework³ which specifically excludes Defence’.* Gen Sir Nick said this is because Defence is not in the remit of the Prime Minister of Bahrain and those Ministers who report to him; the Prime Minister of Bahrain is instead *‘...focused on the mechanics of statecraft and the issues reflected in the attached material, notably the economy (in its wider sense) and, internal, societal, issues.’*

³ <https://pmo.gov.bh/en/category/about-his-royal-highness>

2. Recently, Sir Nick said Equilibrium's advisors have been focused on Bahrain's post-Covid recovery plan - Key focus areas for Equilibrium's advisors over recent years include:
 - Foreign Direct Investment (FDI)
 - Bahrain's National Digital Economic Strategy
 - Industry 4.0
 - Digital/frictionless trade
 - Ministry of Interior reform
 - Strategic Communications
 - Strategic workforce planning and talent management
3. Sir Nick also informed the Committee that Equilibrium Gulf was set up specifically for the Bahrain contract. It was decided that if Equilibrium Gulf wanted to trade in Africa for example, then it would be better to have a name that did not imply that the company was solely focused on a particular region – hence 'Equilibrium Global' was created. Sir Nick said '...to all intents and purposes the name Equilibrium Gulf for now is interchangeable with Equilibrium Global'.
4. Sir Nick said as Chairman his role on the Bahrain contract is to sit as the Deputy Chair of the Advisory Board (the Chair is the Crown Prince) and to ensure that the work of the Equilibrium Gulf is coordinated and coherent with overarching Bahraini National strategies such as Vision 2030, GPF and the Bahrain Economic Recovery Plan. It will not involve work on Defence & Security as this is not under the remit of the Prime Minister of Bahrain.
5. The nature and type of work Equilibrium Gulf does in Bahrain means that the main '...institutional interlocutor' in Bahrain is its Economic Development Board (EDB) and Bahrain contracts Equilibrium Gulf, through its EDB. The company works very closely with the British Embassy in Bahrain ensuring they have good visibility of what Equilibrium Gulf does in Bahrain. He confirmed responsibility for contact with the British Embassy in Bahrain/ the FCDO is handled on behalf of EQG by the Chief Operating Officer - Nick Ashmore. Gen Sir Nick said the purpose of the contact is coordination and unity of purpose. He will not have any involvement in the relationship.
6. Sir Nick said '*...in the event of further work materialising for Equilibrium Gulf (Global) within the two-year period following my last day of Crown Service, I will return to the Committee for further advice, particularly if there was any risk that it might involve Defence matters. However, it would be straightforward enough for me to recuse myself from such work, as my role is to identify and apply the right resource (advisory capacity) to the task we might be asked to conduct*'.
7. In the meantime, Sir Nick said the priority remains the company's work in Bahrain. He said his priority, upon taking on the company, is to secure a 2-to-3-year extension to the current contract with the Prime Minister of Bahrain, which expires in May 2023.

Dealings in office

8. Sir Nick advised the Committee he did not meet with Equilibrium whilst in office. Further, he said he did not have any involvement in any policy development or decisions that would have been specific to Equilibrium and held no commercial or contractual responsibilities relating to them. He said he did not meet with competitors of the company; nor did he have access to sensitive information regarding these competitors.

Department Assessment

9. The MOD confirmed the details Sir Nick provided, stating they have no concerns with the appointment. The MOD also confirmed it has no contractual relationship with Equilibrium.
10. The MOD stated Sir Nick had the highest levels of influence across UK and international governments on all matters related to defence and security. However, the MOD said given that his consulting will be restricted to overseas clients, and he won't be contracting with any Defence officials or leaders in foreign governments, nor will he be calling on his network of serving UK military or civilian defence colleagues or leaders in service of Equilibrium's contracts, the risk of perception of undue profit by access to his UK or overseas defence network, is low.
11. The Permanent Secretary approved the Business Appointment Panel's recommendation that this appointment be subject to the following conditions:
 - A ban preventing Sir Nick advising on the UK defence market;
 - Lobbying ban preventing Sir Nick using UK or international defence contacts developed during Crown Service to win business for Equilibrium;
 - Ban preventing Sir Nick advising Equilibrium on any bids or contracts work with the UK government;
 - A condition which mitigates the risks associated with new clients that Equilibrium Gulf may take on and he may be personally involved in delivering.
12. FCDO was also consulted as Equilibrium's current client is the Government of Bahrain. It stated *'Sir Nick is taking up a similar arrangement to previously, when a previous CDS (Lord Richards) held the same post. Equilibrium's role here is to support Bahrain's modernisation and reform efforts through providing expert advice, consultancies and contacts, which often complements work that the Embassy is engaged in. We are in touch with Equilibrium on a fairly regular basis.'*
13. Equilibrium Global wrote to the Committee to demonstrate how Gen Sir Nick's role would operate. In particular how as Chairman he could recuse himself from any business that might conflict in any way with the Committee's advice. The company also confirmed his role would be in keeping with the conditions above as it will not involve defence related work.