

*From the Chair*



**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](mailto:acoba@acoba.gov.uk)

Website: <http://www.gov.uk/acoba>

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You approached the Committee for advice on accepting a commission from Wilton Engineering Services Ltd to research and write a report.

The Committee's role and remit

As you will be aware, it is the Committee's role to advise on the conditions that should apply to appointments or employment under the Government's Business Appointments Rules for Former Ministers (the Rules), which apply to former Ministers for two years after they leave office. The Rules seek to counter suspicion that:

- a) the decisions and statements of a serving Minister might be influenced by the hope or expectation of future employment with a particular firm or organisation; or
- b) an employer could make improper use of official information to which a former Minister has had access; or
- c) there may be cause for concern about the appointment in some other particular respect.

When the Committee considers applications it must have in mind that Government has judged that it is in the public interest that former Ministers with experience in Government should be able to move into business or into other areas of public life, and to be able to start a new career or resume a former one. It is equally important that when a former Minister takes up a particular appointment or employment, there should be no cause for any suspicion of impropriety.

Wilton Engineering Services Ltd (Wilton)

You informed the Committee that you had been asked by Wilton to research and write a report on "local content" in their supply chain contracts, which will look at how Wilton has

increased the involvement of Teesside companies. The report will also look at Government policy in encouraging national content, for example, the effectiveness of recent procurement guidelines encouraging the use of UK steel.

This is a one-off piece of paid work, which will take approximately 4-5 days, and will be published. It will not involve any contact or dealings with Government.

You informed the Committee that as Energy Minister in 2013-14 you had responsibility for the offshore wind sector. You co-chaired the Offshore Wind Industry Council and you believe that you met Wilton's Chief Executive, Bill Scott, at meetings of the Fabricators' Forum during that period.

The job offer arose through your contacts in Teesside - you were MP for Darlington between 1983 and 1992.

The Committee approached the Permanent Secretaries at the Ministry of Defence (MOD) and the Department for Business, Energy and Industrial Strategy (BEIS) for their views on the appointment.

The MOD has confirmed that the Department has no contracts or spend with Wilton Engineering Services and that it has no knowledge of official contact between you and Wilton. The MOD has no concerns about this appointment.

BEIS was asked whether you made any policy or contractual decisions while Minister that might have advantaged Wilton. BEIS explained; *"Sir Michael was Energy Minister during the period when a number of renewables projects were assessed and awarded contracts for electricity generation by the department. Wilton Engineering are involved in one such project - Ørsted's Hornsea One, a large offshore windfarm. Ørsted have contracted with Steelwind Nordenham for the construction of certain parts of the wind turbines and Steelwind, in turn, are using Wilton Engineering for a large part of that work. Offshore Structures Britain may also use Wilton for work they are doing for the same project since the two companies work closely together. Given that Ørsted run a competitive tender process for their Tier 1 contracts (Wilton are Tier 2), it is not thought that they would have gained an advantage as a result of Sir Michael's decisions in office."*

BEIS was asked whether there is a risk of your appointment affording Wilton an unfair advantage (e.g. by virtue of the information held or the contacts developed while Energy Minister). The department's assessment is that Wilton would not gain any unfair advantage for future work they may bid for if you were appointed.

In conclusion, BEIS has confirmed that the Department has no concerns about this appointment.

#### The Committee's consideration

The Committee noted that the research project you have been asked to undertake appears to have no connection with your position as Defence Secretary, but has possible links to

your previous Ministerial portfolio as Energy Minister.

The Committee must consider the risk of this appointment being perceived as a reward for decisions that you made whilst in office. The information provided by BEIS suggests that Wilton has benefitted from the decision to award a contract for electricity generation to Ørsted's Hornsea One offshore windfarm. However, the link between the Government's decision to award the contract to Ørsted and Wilton's involvement is indirect as Ørsted contracted with Steelwind Nordenham following a competitive tender process, and Steelwind is, in turn, engaging Wilton Engineering. There is, consequently, no basis for perceiving decisions you made in office were in expectation of this short-term appointment with Wilton.

The Committee's assessment is that it is unlikely that Wilton will stand to gain an unfair advantage as a result of your time in Ministerial office. 3 ½ years have passed since you left your role as Energy Minister and while it is possible that you were party to discussions about energy matters in Cabinet as Defence Secretary, the Committee considers that the privileged information and lobbying bans set out below sufficiently mitigate any remaining risks. The nature of the work that you propose to undertake was also relevant to the Committee's consideration of this aspect of the Business Appointment Rules as it is a specific and short-term project to produce a report on Wilton's approach to increasing UK companies in their supply chain.

Taking into account the specific facts in this case, in accordance with the Government's Business Appointment Rules, the Committee advises the appointment be subject to the following conditions:

- you should not draw on (disclose or use for the benefit of yourself or the organisation to which this advice refers) any privileged information available to you from your time in ministerial office; and
- for two years from your last day in Ministerial office, you should not become personally involved in lobbying the UK Government on behalf of Wilton Engineering Services Ltd or their clients. Neither should you make use, directly or indirectly, of your contacts in Government to influence policy or secure business on their behalf.

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 or otherwise.

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.*"

I should be grateful if you would inform us as soon as you take up this appointment, or if it is

announced that you will do so, either by returning the enclosed form or by emailing the office at the above address. 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 you had complied with the Ministerial Code. Similarly, I should be grateful if you would inform us if you propose to extend or otherwise change your role with the organisation as depending on the circumstances, it might be necessary for you to seek fresh advice.

Once this appointment has been publicly announced or taken up, we will publish this letter on the Committee's website and include the main details of the application, together with the Advisory Committee's advice, in the regularly updated consolidated list on our website and in the next annual report.

The Baroness Browning

Rt Hon Sir Michael Fallon MP