



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

Room G/08, 1 Horse Guards Road, London, SW1A 2HQ

Telephone: 020 7271 0839

Email: [acoba@acoba.gov.uk](mailto:acoba@acoba.gov.uk)

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

27 September 2018

Dear Mr Crouch,

You sought the Committee's advice about taking up an appointment with University College London (UCL). The Committee has now considered your application.

Commission details

You advised the Committee you had been invited to take up a position as Principal Research Associate for Energy Markets at UCL, a part-time paid role of fixed duration (6 months at 2.5 days per week).

You would contribute to a research project on electricity interconnection.

The project involves academic experts from UCL and the Universities of Cambridge and Strathclyde and is funded by the Industrial Strategy Challenge Fund (Energy Revolution challenge) via the Engineering and Physical Sciences Research Council (EPSRC)<sup>1</sup>.

The UK Research and Innovation website provides information about the Energy Revolution Challenge:

*"Smart energy systems can intelligently link energy supply, storage and use, and power heating and transport in ways that dramatically improve efficiency. It's a huge market opportunity, with \$2 trillion a year estimated to be invested in global energy infrastructure.*

*The government is enabling the UK to take advantage of this by funding industry and researchers to create new systems. They will provide cleaner, cheaper energy, while creating high value jobs for the UK.*

*Doing so will meet government's priorities set out in the Clean Growth Strategy, the Smart Energy Systems and Flexibility Plan and Industrial Strategy's clean growth pillar. It will help the UK to meet air quality targets at lower investment costs, avoid power cuts and ensure its compliance with the fifth carbon budget (from 2028)."*

---

<sup>1</sup> The EPSRC is the main funding body for engineering and physical sciences research in the UK and part of UK Research and Innovation, which is principally funded through the Science Budget by the Department for Business, Energy and Industrial Strategy (BEIS).

You stated the project aims to assess the value of UK interconnectors<sup>2</sup> to the UK, EU-27 countries and Norway, examining both the GB and Single Irish electricity markets. It aims to identify the optimum level of UK interconnection to neighbouring markets, using an analysis that addresses the limitations of previous studies.

You explained your role would involve looking at regulatory models and investment business cases.

You said the work is likely to involve limited interaction with Ofgem and BEIS, among other stakeholders, to understand policy drivers and the views of officials on investor risk perceptions. You confirmed it would not involve lobbying of Government.

You stated you had no official dealings with UCL during your last two years in service and no access to commercially sensitive information about any competitors. Dermot Nolan, Chief Executive of Ofgem, has no reservations about the appointment. He confirmed that Ofgem has no relationship with UCL.

#### The Committee's consideration

The Committee<sup>3</sup> agrees that this commission is consistent with the terms of your independent consultancy - to advise on issues relating to developments in the energy sector.

When considering this application the Committee took into account that this fixed-term, academic project is funded by the Industrial Strategy Challenge Fund as part of the Energy Revolution challenge - the Government's challenge to industry and research to create more efficient energy systems and benefit the UK economy from the global uptake.

The Committee noted you had no official dealings with UCL while in post and Ofgem does not have a relationship with the university. This supports a conclusion that there is no basis for it to be perceived that this commission is a reward for decisions made in office.

The academic nature of the work and Government backing for the project suggests there is limited scope for your appointment to confer an unfair advantage on UCL or other participants in the project. The contact with government officials that you envisage raises no issues under the Business Appointment Rules in this context, given you have been clear your role will not involve lobbying of Government (and is in line with the conditions applied to your independent consultancy below).

Under the Government's Business Appointment Rules, the commission with UCL should be subject to the same conditions that apply to your independent consultancy, namely:

- you should not draw on (disclose or use for the benefit of yourself or the organisations to which this advice refers) any privileged information available to you from your time in Crown office;
- for two years from your last day in Crown service, you should not become involved in or advise on matters relating to any enforcement cases opened by, or pending in, Ofgem during the time that you were responsible for enforcement at Ofgem;
- for six months from your last day in Crown service, you should not become involved in or advise on matters relating to "R/IO-2" and Ofgem's Retail Price Cap;

---

<sup>2</sup> Electricity interconnectors are the physical links that allow the transfer of electricity across borders.

<sup>3</sup> This application for advice was considered by Sir Alex Allan; Jonathan Baume; Baroness Angela Browning; Terence Jagger; Dr Susan Liautaud; Richard Thomas and John Wood. Lord Michael German and Baroness Helen Liddell were unavailable.

- for two years from your last day in Crown service, you should not provide advice to any company or organisation on the terms of, or with regard to the subject matter of, a bid or contract relating directly to the work of Ofgem;
- for two years from your last day in Crown service you should not become personally involved in lobbying the UK Government on behalf of those you advise under your independent consultancy or their subsidiaries, partners or clients. Nor should you make use, directly or indirectly, of his Government and/or Crown Service contacts to influence policy or secure business or funding on their behalf; and
- for two years from your last day in Crown service, before accepting any commissions and or/before extending or otherwise changing the nature of any commission, you should seek advice from the Committee. The Committee will decide whether each commission is consistent with the terms of the consultancy and consider any relevant factors under the Business Appointment Rules, including whether additional conditions should be imposed.

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.

The Business Appointment Rules explain that the restriction on lobbying means that the former Crown servant "*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 let me know when you take up this commission, or if it is announced that you are to do so. This will enable the Committee to publish this letter on the Committee's website, and where appropriate, refer to it in the relevant annual report.

Yours sincerely,

Nicola Richardson  
Committee Secretariat

