



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

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**BUSINESS APPOINTMENT APPLICATION: Lord Ian Duncan of Springbank**

1. The Committee has considered your application to work with the Association for Decentralised Energy as its Honorary President.

The Committee's role and remit

2. It is the Committee's role to advise on any 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.
3. 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.
4. 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.

5. It is not the Committee's role to pass judgment on whether an appointment is appropriate or suitable in any other regard.

### Appointment Details

6. ADE is a trade association that represents over 160 different interested parties from industrial, commercial and public sectors advocating a more decentralised approach to energy. It defines this approach as '*energy based at or near the energy user*' further stating that decentralised energy solutions are '*are low carbon and efficient, offer users more choice in how they meet their energy needs and control over their energy costs, reduce network investment costs as long term demand decreases and/or users offer demand flexibility*'. The association acts as an advocate for its members and engages with the Government and key decision makers then provides insight and information to its members based on this work.

7. You described your role as being a figurehead for the organisation, hosting events including providing welcome, giving speeches, presenting awards and engaging with stakeholders. You would also be providing guidance to stakeholders on particular energy issues. You noted that this role would involve presenting and hosting events which would likely bring you into contact with Government ministers, most notably from your former department BEIS. You further stated that it was an honorary, paid role with no executive function

8. You informed the Committee you had no contact with ADE during your time in office. Though you stated you would have been involved in areas that would be of interest to ADE, you had no involvement in policy decisions or development during your time in office that would have impacted specifically impacted ADE. You also stated you did not make any commercial or contractual decisions that would have affected ADE.

9. The Northern Ireland Office (NIO), Scotland Office (SO) and the Department for Business Energy and Industrial Strategy (BEIS) were contacted about this application confirming the details you provided. NIO and SO stated they had no further concerns regarding this appointment. BEIS stated it had a relationship with ADE as it is a key stakeholder in the development of heat networks but confirmed it had no contractual relationship with the organisation. It also confirmed you did not have any involvement in policy that would have specifically impacted ADE and did not award any funding or contracts to ADE.

10. BEIS confirmed you were responsible for Heat Networks, but noted the only relevant decisions from your time in office:

- You approved the publication of consultations for a new regulatory framework (in Nov 2019 and Jan 2020)
- you approved the *announcement* of funding for heat networks in September 2019 (the funding was provided via investment fund, Triple Point Investment Management, which received £320 million in Government funding before you were in office. Some of the funding announced in the first round went to companies and councils that were members of ADE)

BEIS also confirmed you do not have any access to sensitive information that may confer an unfair advantage to ADE.

## The Committee's consideration

11. The Committee noted that you approved the announcement of funding for heat networks that would have affected member organisations of ADE. However this funding was awarded by an investment fund separate to Government, which received Government funds taken before you were in office, with the decision for funding being taken separately and your role only being to approve the announcement. The Committee noted you did not approve any funding for ADE nor make any policy or decisions that would have specifically impacted ADE. The Committee therefore considered these factors to mitigate the risk that this appointment would be considered as a reward for any actions taken in office.

12. The Committee also noted that as a former Under Secretary of State at BEIS you may have had general access to policy and information that could be perceived to benefit any organisation, including ADE. However, though BEIS noted you were advised on issues that might be of relevance to ADE, it confirmed along with NIO and SO that you no longer have access to information that would risk you offering an unfair advantage to ADE. The Committee also considered it relevant that it has now been 5 months since you left office. Therefore, the risks associated with your access to sensitive information is low. However, the Committee would also draw your attention to the ban on using privileged information.

13. The Committee noted you propose to have some contact with the Government. The Committee was concerned about the possible perception risk around your proposed hosting of a Parliamentary Reception. Given this would involve contact with a range of ministers and officials, including your former department, at one event where you would be the host, it could be perceived that lobbying may take place. In response to these concerns you provided the written confirmation at Annex A about the nature of your hosting role. This provides confirmation that you would not be performing any lobbying on ADE's behalf and stated that this event would not take place until 17 months after you leave office.

14. The Committee would draw your attention to the conditions below which make it clear you must not lobby the Government at these events, not use your contacts in government to influence policy or secure funding for ADE or its members. However, the contact described would not be improper. The Committee would also remind you that in addition to this advice, it is an applicant's personal responsibility to manage the propriety of any appointment. Former ministers of the Crown, and Members of the House of Lords, are expected to uphold the highest standards of propriety and act in accordance with the various rules and principles which apply, including those in the House of Lords and the 7 Principles of Public Life.

15. Further, the restriction below on providing advice on the terms of a bid or contract relating directly to the work of the UK Government prevents you from providing an unfair advantage to ADE as a result of your time in office as a Minister, in respect of any future bid for funding from the UK Government.

16. The Committee considered that as you worked as Parliamentary Under Secretary of State at both the Scottish Office and the Northern Ireland Office, these conditions should be applied to the Scottish Government and Northern Ireland Government too.

17. In accordance with the Government's Business Appointment Rules, the Committee advises this appointment 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 as a Minister; and
- You are permitted to be in contact with the UK Government to host and present events, as is in keeping with your role and where it is aligned with Government policy. However, you should not become personally involved in lobbying the UK Government on behalf of Association for Decentralised Energy (including parent companies, subsidiaries, partners and clients). You must not make use, directly or indirectly, of your Government and/or contacts to influence policy, secure funding/business or otherwise unfairly benefit the Association for Decentralised Energy (including parent companies, subsidiaries, partners and clients).
- for two years from your last day in office you should not advise the Association for Decentralised Energy or its partners or clients on the terms of a bid or contract with, or relating directly to the work of the UK Government, Scottish Government or Northern Irish Executive.

18. The Committee also notes that in addition to the conditions imposed on this appointment, there are separate rules in place with regard to your role in the House of Lords.

19. 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.

20. 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."

21. I would be grateful if you would ensure that we are informed as soon as you take up your role or the ADE announces it. We shall otherwise not be able to deal with any enquiries, since we do not release information about appointments which have not been taken up or announced, and this could lead to a false assumption being made about whether he had complied with the rules.

22. Once you have taken up your role/it has been announced we will publish this letter on the Committee's website and in the relevant annual report.

The Rt Hon the Lord Duncan of Springbank

The Rt Hon the Lord Pickles