



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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BUSINESS APPOINTMENT APPLICATION: John Loughhead CB OBE FRend

1. The Committee has been asked to consider an application for John Loughhead, former Chief Scientific Adviser at BEIS between September 2016 - 30 November 2020.
2. His last day in service was 24 July 2019.

Application details

3. Professor Loughhead sought advice on taking up a paid, part-time role as Member of the Investment Committee for Turquoise International (Turquoise). Professor Loughhead describes Turquoise as an *'investment Bank specialising in financing early stage companies developing low carbon technologies and services'*. On its website, Turquoise states it *'is a merchant bank specialising in Energy, Environment and Efficiency'*. It was founded in 2002, and states it works within the *'fundraising, M&A and investment management'* sectors. Professor Loughhead stated that his role will be *'providing technical advice on feasibility of technologies aiming to be developed by companies seeking equity funding'*. He also stated that prior to his immediate past role in government he was a member of the Investment Committee *'for a predecessor fund (Low Carbon Investment Fund 1) managed by the same company, over a period of three years. On learning of the end of my HMG contract the company approached me to play the same role for the new fund'*.

4. Professor Loughhead confirmed that Turquoise is a member of the Energy Research Partnership, a public-private body which provides independent views on energy research and development priorities by publishing on a public website the findings of studies they initiate. Until September 2020, he was 'Co-Chair of the Energy Research Partnership of which BEIS is also a member and he would have met representatives of Turquoise at meetings.'. He also confirmed he did not have access to commercially sensitive information on competitors of the organisation while in post.

5. The Department for Business, Energy and Industrial Strategy (BEIS) and were consulted on this application. The details Professor Loughhead provided in his application were confirmed. The following additional information was also provided:

- *'Prof. Loughhead was named in one of the bids for a BEIS procurement in 2020 (Clean Growth Fund) identified as a 'friend' of the prospective employer but claiming to have no conflict (real or perceived). The Department reviewed the position and as indicated, mitigations were put in place in the form of a declaration from the applicant to BEIS confirming that he had no dealings while in office, and for the prospective employer to correct inaccurate information published on their website. With mitigations, the bid was assessed and ended up unsuccessful in April 2020.'*
- It is considered unlikely that, in his role as co-chair of the Energy Research Partnership, he had any material influence on Turquoise nor its competitors
- The department considered there to be no conflict of interest regarding this application, provided Professor Loughhead does not draw on privileged information from his time in Crown service and necessary conditions related to lobbying the Government be applied.

The Committee's Consideration

6. The Committee noted that whilst Professor Loughhead had contact with the organisation whilst in office, this was limited to co-chairing the Energy Research Partnership as part of his role in Crown service. The Committee noted the departments' view that it is unlikely he would have had any influence on Turquoise or its competitors in this capacity. The Committee agreed with the department and considered the risk that this role was offered as a reward for decisions made in post, as low.

7. The Committee noted that as the former Chief Scientific Adviser for BEIS, there are inherent risks given the broad, scientific crossover - Professor Loughhead may have general access to policy and information that could be perceived to benefit any organisation within the science sector. The Committee would draw to Professor Loughhead's attention the ban on using privileged information, subject to all former Crown servants on leaving post.

8. Additionally, due to his seniority as former Chief Scientific Adviser, there is a risk Professor Loughhead may offer an unfair advantage to the business in relation to access to the contacts he gained while in service. Whilst Professor Loughhead has stated his role will not include contact with his former department or wider Government the lobbying ban imposed below makes clear that it would be inappropriate for him to use his contacts across Government and Whitehall to the unfair advantage of Turquoise - in line with the responsibilities of the role Professor Loughhead describes. Further, given the funding relationship between Turquoise and MHCLG, the Committee would also draw his attention to the ban on providing advice on the terms of, a bid or contract relating directly to the work of the UK Government.

9. The Committee recommends to the Prime Minister, that under the Government's Business Appointment Rules, this appointment with **Turquoise International** should be subject to the following conditions:

- that he should not draw on (disclose or use for the benefit of himself or the organisations to which this advice refers) any privileged information available to him from his time in office;

- for two years from his last day in Crown service he should not become personally involved in lobbying the UK Government on behalf of Turquoise International (including its parent companies, subsidiaries, partners or clients).
- for two years from his last day in Crown service he should not undertake any work with Turquoise International (including parent companies, subsidiaries, partners or clients) that involves providing advice 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.

10. 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.

11. 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.*"

12. I should be grateful if you would inform us as soon as Professor Loughhead takes up this appointment, or if it is announced that Professor Loughhead 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 Professor Loughhead has complied with the Rules.

13. Please also inform us if Professor Loughhead proposes to extend or otherwise change the nature of appointment as, depending on the circumstances, it may be necessary for her to make a fresh application.

14. 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.

Andrea Benjamin
Committee Secretariat