



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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The Rt Hon Pat McFadden MP
Chancellor of the Duchy of Lancaster and
Minister for Intergovernmental Relations

18 December 2024

Dear The Rt Hon Pat McFadden MP

I am writing to you in my capacity as Chair of the Advisory Committee on Business Appointments (ACOBA) regarding a failure to follow the government's Business Appointment Rules (the Rules) by Mr James Heapey. This is outlined in the correspondence ACOBA has exchanged with Mr Heapey, set out in the annex.

The Committee is independent, with a remit to consider applications received under the Rules, consider the risks and advise on the conditions that should apply.

The Business Appointment Rules (the Rules) are set by the government, with the policy owned by the Cabinet Office. The requirement for former ministers to seek and abide by ACOBA's advice is set out clearly in the Ministerial Code, including specifically that: '*...Former Ministers must ensure that no new appointments are announced, or taken up, before the Committee has been able to provide its advice.*'

Mr Heapey has acknowledged that he should have sought advice before signing a contract and has apologised for his failure to do so.

The Rules, and any advice offered as a result, seek to prevent any reasonable concern that a former minister's employer may be offered unfair access to privileged information or influence within government as a result of their former role. This failure to seek advice means the opportunity to manage these risks appropriately has been lost. This leaves the government, Mr Heapey and the organisation open to concerns

that he may offer this organisation an unfair advantage in its work within the UK defence market.

Failure to await advice in this case is a breach of the government's Rules. The Committee's view is that this type of breach is one that challenges the central purpose of the Rules. What action you take is a matter for the government.

It is the Committee's policy to act transparently, including making public any failure to follow the Rules that it is made aware of - correspondence on this matter will be published on our website.

A handwritten signature in black ink, appearing to read "Lord Pickles". The signature is written in a cursive, slightly slanted style.

The Rt. Hon Lord Pickles

Copied to: The Rt Hon Nick Thomas-Symonds MP, Minister for the Cabinet Office;
Darren Tierney Director General, Propriety and Ethics, Cabinet Office.

Annex - Previous correspondence

1. Letter from The Rt Hon Lord Pickles to Mr Heappey, 18 December 2024



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By email

Dear James,

Thank you for your recent correspondence to the Advisory Committee on Business Appointments (ACOBA) enclosing your applications for advice. This included an application to work with HPO Technologies.

You informed ACOBA that you left your role as Minister of State for the Armed Forces, Ministry of Defence (MOD) in March 2024 and subsequently signed a contract of employment with HPO Technologies on 16 September 2024. You said you were aware of the ACOBA process and suspect you should not have signed a contract with the company prior to receiving advice. You were correct in your suspicion: you should have sought the advice of the Committee before signing a contract with the company. Consequently, you are unambiguously in breach of the government's Business Appointment Rules (the Rules).

Under the Ministerial Code and the government's Rules all former Ministers are obligated to seek advice for two years after leaving office. The Code states that '*Former ministers must ensure that no new appointments or employment are taken up, before ACOBA is able to provide its advice*'. Further, you were made aware of the process you are required to follow in the letter from ACOBA to all departing ministers sent on 28 March 2024; and it is the departmental process for the relevant

Permanent Secretary to write to all ministers upon departure from government about the leaving process.

The Rules are a set of principles which exist to protect the integrity of government. This is impossible to do credibly after someone has taken on a role. There is an obvious overlap between your responsibilities in office, having spent more than four years as a minister at the Ministry of Defence, and your role at HPO Technologies which operates in defence. This is exactly the kind of risk to the integrity of government that the Rules are designed to protect. Had you sought advice before joining the company, a risk assessment would have been carried out in relation to this role and the appropriate conditions would have been made clear to you, HPO Technologies and the public.

Applicants have a personal responsibility to understand and comply with the Rules and to manage the propriety of appointments taken up after leaving government service. Failure to seek and await advice in this case was a breach of the government's Rules and the requirements set out in the Ministerial Code.

Please see the correspondence enclosed, reporting this matter to the government, as the owners of the Rules. In line with ACOBA's commitment to transparency, the exchange of correspondence will be published on our website.



The Rt Hon Lord Pickles

2. Correspondence from Mr Heappey to ACOBA, 14 October 2024

Dear Acoba,

'Please find attached a business appointments application form for your consideration. I draw your attention to the apology in the final section. I had been under the impression that I must achieve Acoba approval prior to taking up the role but, having chatted about Acoba with friends also going through your process, I suspect that I probably shouldn't have signed the contract prior to receiving your advice. In any case, and as I set out in the apology in that section, I have not commenced the employment and will not do so until your advice is provided.'

'.....With sincerest apologies to the committee, I signed a contract with HPO Technologies on 16th September 2024 for this role. It was my understanding that before commencing the role, I should seek advice from ACOBA but I did not appreciate that this should be done prior to signing the contract. I wish to reassure the committee that (a) the contract can be immediately terminated by either side should the committee advise that this role is incompatible and (b) that I have not yet started the role, I have not spoken to any potential clients (military, government, corporate nor anything else) about the possibility of me doing so, I have not received any payment whatsoever, nor is any payment imminent, and my only engagement with the company since signing the contract was a 90 minute meeting with the Managing Director as an orientation. I was not paid for my time when attending this meeting.'