



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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BUSINESS APPOINTMENT APPLICATION: The Lord Callanan, former Parliamentary Under Secretary of State (Minister for Energy Efficiency and Green Finance) at the Department for Energy Security and Net Zero. Paid appointment with NorthPoint Strategy Ltd.

1. You approached the Advisory Committee on Business Appointments (the Committee) under the government's Business Appointment Rules for Former Ministers (the Rules) seeking advice on taking up an appointment as Senior Counsel with NorthPoint Strategy Ltd (NorthPoint).
2. The purpose of the Rules is to protect the integrity of the government. The Committee has considered the risks associated with the actions and decisions made during your time in office, alongside the information and influence you may offer NorthPoint as a former minister.
3. The Committee considered whether this appointment was unsuitable given that NorthPoint is a lobbying firm and represents clients in the UK energy market and that you were formerly Minister for Energy Efficiency and Green Finance and, prior to that, Minister for Business, Energy and Corporate Responsibility. The Committee has also considered the information provided by you and your former department. The material information taken into consideration by the Committee is set out in the annex below.
4. The Committee has advised that a number of conditions and a waiting period be imposed to mitigate the potential risks to government associated with this appointment under the Rules. The Committee's advice is not an endorsement of this application in any other respect.
5. The Ministerial Code sets out that ministers must abide by the Committee's advice. It is an applicant's personal responsibility to manage the propriety of any appointment. Former ministers of the Crown, and Members of Parliament,

are expected to uphold the highest standards of propriety and act in accordance with the 7 Principles of Public Life.

The Committee's consideration of the risk presented

6. NorthPoint is an independent political and communications consultancy, incorporated in February 2023, specialising in public affairs and public relations. It has been registered as a consultant lobbyist since April 2023¹. You told the Committee that the prospective Senior Counsel role will involve supporting internal structures and processes as the firm grows and providing strategic advice about UK risk and opportunities and how to manage the complexities of navigating the European Parliament, and will not include any work with the firm's energy market clients, involving instead tech, AI, blockchain and crypto and expanding into the European market.
7. Your former department, the Department for Energy Security and Net Zero (DESNZ; formerly the Department of Business, Energy and Industrial Strategy), stated that you attended two meetings organised by NorthPoint – a dinner with the Heat and Building Business Council and the opening of a new site for Tepeo (a zero-emissions boiler manufacturer) – but no other contact with the firm in your capacity as minister. It also confirmed that you made no policy, regulatory or commercial decisions relevant to NorthPoint while in office. Therefore, the Committee² considered the risk that you were offered this role as a reward for decisions made or actions taken in office to be low.
8. As a former minister, you will have had access to a broad range of privileged information relating to policy development, discussions and therefore possible future options for government policy in energy efficiency. DESNZ highlighted in particular that you had access to privileged information on government policy formulation on matters of interest to some NorthPoint clients, namely:
 - regulation of minimum energy efficiency standards for buildings
 - the proposed introduction of the Clean Heat Market Mechanism
 - product standards for boilers and energy-related products
 - policy on a range of large-scale government buildings retrofit delivery programmes.
9. DESNZ noted that the change of government had made it less clear whether that access would now give any of NorthPoint's clients an unfair advantage compared to competitors but flagged that your knowledge would include the

¹ https://orcl.my.site.com/CLR_Public_Profile?id=0014J00000vNZSvQAO

² This application for advice was considered by Andrew Cumpsty; Sarah de Gay; Hedley Finn OBE; Dawid Konotey-Ahulu CBE DL; The Rt Hon Lord Eric Pickles; The Baroness Thornton; and Mike Weir. Michael Prescott was recused. Isabel Doherty was unavailable.

detail of policy analysis behind announced decisions and the emerging policy view on matters not yet announced; and commercially sensitive information about competitors of NorthPoint clients, particularly in the heat pump and heat storage sector. This raises a reasonable risk that you could be seen to offer an unfair advantage to NorthPoint or to its clients operating in this sector and having an interest in UK government policy on energy efficiency.

10. That the role is defined around other matters and other sectors helps to limit the risks. Nonetheless, there remains a risk associated with your access to privileged information. It is unknown which clients you will advise; and what on. The greatest risk arises should you offer advice to clients in the energy market, and in particular on matters related to the UK energy sector.
11. There are significant risks associated with your potential influence that might be seen to advantage NorthPoint unfairly. It would be improper, given the lobbying ban that applies to all former ministers, for you to join a lobbying firm where the work cannot be separated from the company's influence agenda. In this case, it is significant that the purpose of the role is to support NorthPoint's expansion in the EU, where you have previous experience of working, and to influence EU markets and institutions from outside your time as a minister. There is no evidence this would exploit your contacts gained as a minister in DESNZ and it would be in keeping with the lobbying ban as long as the activity does not face the UK government.
12. It is significant that NorthPoint has confirmed that your role will not involve lobbying the UK government and that you will not undertake any activities which conflict with ACOBA's advice. NorthPoint also confirmed that tech clients make up the majority of its work by income and by far the majority of its client base. It said your role will be to lead work on supporting those clients to understand better and engage NorthPoint further on their work in the EU, utilising your understanding of EU processes and procedures to provide advice on strategy and communications. NorthPoint confirmed the detailed working arrangements that it would implement to create information barriers around your work via the separation of workstreams, a remote working arrangement and restricted communication – for your work which will span two days a month.

The Committee's advice

13. You are subject to the lobbying ban and must ensure there can be no reasonable cause for concern that you are lobbying the UK government. To prevent any reasonable suspicion of unfair influence, the Committee has advised that you must not have any engagement with the UK government in this role. It is significant that NorthPoint has confirmed that the role will not involve lobbying the UK government and it will be separate from this, focussed

in the EU.

14. The main risks in this case are any potential overlap with your responsibilities with your ministerial role in energy. You focused mainly on efficiency and green energy, and it is significant that NorthPoint has set out detailed working arrangements to create information barriers to separate your work from the firm's other work. However, as the clients and matters you may be asked to work on, whether now or in the future, remain unknown, the risks cannot be fully assessed. Therefore, the Committee considered it was necessary to impose a condition that limits the work to the European role you describe and prevents you working on matters in the UK energy sector – including advising any companies you had official dealings with in office.
15. The Committee agreed that the remaining risks associated with your access to privileged information, influence and contacts are appropriately mitigated by the conditions set out below.
16. In accordance with the government's Business Appointment Rules, the Committee advises that this appointment with **NorthPoint Strategy Ltd** be subject to the following conditions:
 - a waiting period of six months from your last day in office;
 - 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 from your time in ministerial office;
 - for two years from your last day in ministerial office, you should not become personally involved in lobbying the UK government or any of its arm's length bodies on behalf of NorthPoint Strategy Ltd (including parent companies, subsidiaries, partners and clients); nor should you make use, directly or indirectly, of your contacts in the government and/or ministerial office to influence policy, secure business/funding or otherwise unfairly advantage NorthPoint Strategy Ltd (including parent companies, subsidiaries, partners and clients);
 - for two years from your last day in ministerial office, you should not provide advice to or on behalf of NorthPoint Strategy Ltd (including parent companies, subsidiaries, partners and clients) 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 or any of its arm's length bodies;
 - for two years from your last day in ministerial office, this role must be limited to those matters set out in the role description. In doing so you must avoid:

- advising on matters relating to the energy sector within the UK;
- advising on matter related to clients with whom you had a material relationship while in office;
- for two years from your last day in ministerial office you should not initiate any engagement on behalf of NorthPoint Strategy Ltd (including parent companies, subsidiaries, partners and clients) with the UK Government.

17. The advice and the conditions under the government's Business Appointment Rules relate to your previous role in government only; they are separate from rules administered by other bodies such as the Office of the Registrar of Consultant Lobbyists, the Parliamentary Commissioner for Standards and the Registrar of Lords' Interests.³ You are reminded that as a Member of the House of Lords you are prevented from any paid lobbying under the House of Lords Code of Conduct. It is an applicant's personal responsibility to understand any other rules and regulations they may be subject to in parallel with this Committee's advice.

18. 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.

19. 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."*

20. You must inform us as soon as you take up employment with this organisation(s), or if it is announced that you will do so. Please also inform us if you propose to extend or otherwise change the nature of your role as, depending on the circumstances, it may be necessary for you to make a fresh application.

³ All Peers and Members of Parliament are prevented from paid lobbying under the the House of Commons Code of Conduct and the Code of Conduct for Members of the House of Lords. Advice on your obligations under the Code can be sought from the Parliamentary Commissioners for Standards, in the case of MPs, or the Registrar of Lords' Interests, in the case of peers.

21. 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.

The Rt Hon Lord Pickles

Annex – material information

The role

1. NorthPoint Strategy Ltd (NorthPoint):
 - is an independent political and communications consultancy, incorporated in February 2023, specialising in public affairs and public relations, with clients across the public, private, and third sector.
 - has been registered as a consultant lobbyist since April 2023⁴
 - is made up of former government ministers, experienced consultants and Westminster and Whitehall insiders, drawn from diverse political and commercial backgrounds
2. You said that your paid, part-time role as Senior Counsel will involve providing strategic advice about UK risk and opportunities and how to manage the complexities of navigating the European Parliament. You stated that:
 - you were cognisant of the rules surrounding lobbying and had made it very clear to NorthPoint that he would not be giving the company or its clients any lobbying advice and would not be undertaking lobbying work yourself
 - your role would be to assist NorthPoint internally with structure and processes as the company grows and takes on additional personnel, including helping to mentor junior employees
 - the company, being keen to expand its business in the EU, would draw on your experience as a former MEP to provide advice to its clients on EU legislation and governmental processes
 - you would in addition be providing strategic analysis, support and advice to NorthPoint clients on UK public policy and regulatory developments and the broader political landscape
 - your work with NorthPoint would not include any work with the firm's energy market clients, involving instead tech, AI, blockchain and crypto – the majority of NorthPoint's business – and expanding into the European market.
3. NorthPoint confirmed that:

⁴ https://orcl.my.site.com/CLR_Public_Profile?id=0014J00000vNZSvQAO

- your role will not involve lobbying the UK government
- you will not undertake any activities which conflict with ACOBA's advice
- tech clients make up the majority of its work by income and by far the majority of its client base and you will lead work on supporting those clients to understand better and engage NorthPoint further on their work in the EU, utilising your understanding of EU processes and procedures to provide advice on strategy and communications
- your NorthPoint work will be for only two days per month and that, in addition, NorthPoint will take the following steps:
 - Separation of workstreams: the firm operates with clear divisions by sector, with individuals overseeing the tech portfolio while another manages energy-related clients. To prevent any potential conflict, those responsible for energy will not directly approach you regarding any energy-related matters. Any requests that might intersect will be routed through those overseeing the tech portfolio first, to ensure no inappropriate engagement occurs. NorthPoint does not anticipate the need for your involvement in any energy-related work, in alignment with ACOBA's advice.
 - Remote working arrangement: your work will be conducted remotely, which will further limit the possibility of exposure to discussions or projects outside your defined remit. This arrangement supports the maintenance of strict boundaries, ensuring confidentiality and avoiding any inadvertent engagement in unrelated sectors. Additionally, a lot of your time at NorthPoint will be spent outside of London in Brussels. You will be unaccompanied by any members of the team and will be working independently.
 - Restricted communication: your NorthPoint contact information will not be shared with NorthPoint energy clients nor made publicly available. Should you be approached directly by any client outside his defined scope of work, you will be required to notify NorthPoint immediately, allowing NorthPoint to redirect such inquiries appropriately.

Dealings in office

4. You gave the Committee the following information about your role as Minister for Energy Efficiency at the Department for Energy Security and Net Zero (DESNZ):
 - You did not make any policy, regulatory or commercial decisions specific to NorthPoint or its clients;
 - You did not meet with NorthPoint while in office, though you did meet with several communications firms.

Departmental Assessment

5. DESNZ was consulted on this application. It gave the Committee the following information:

- You did not make any policy, regulatory or commercial decisions specific to NorthPoint.
- You attended two meetings organised by NorthPoint on behalf of two of its clients – a dinner with the Heat and Building Business Council and the opening of a new site for Tepeo (a zero-emissions boiler manufacturer) but had no other contact.
- There is no formal departmental relationship between DESNZ and NorthPoint, though the firm did make contact with the department on behalf of clients, for invitations to stakeholder events. You were not involved in this.
- You had access to some sensitive information in the energy efficiency sphere, but DESNZ noted that the change of government had made it less clear whether that access would now provide an unfair advantage to NorthPoint or its clients. This information includes:
 - matters such as the detail of policy analysis behind announced decisions;
 - the emerging policy view on matters not yet announced, and different parts of government's perspectives (e.g. HMT's view on spending issues).
- The information that was flagged by DESNZ is as follows:
 - regulation of minimum energy efficiency standards for buildings
 - proposed introduction of the Clean Heat Market Mechanism
 - product standards for boilers and energy-related products
 - policy on a range of large-scale government buildings retrofit delivery programmes
 - commercially sensitive information from the Heat Pump Investment Accelerator bidders and, in the context of Clean Heat Market Mechanism discussions, about the main boiler manufacturers' sales expectations.

6. DESNZ recommended the standard conditions.