



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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BUSINESS APPOINTMENT APPLICATION: Mr George Freeman MP, former Minister of State for Science, Research and Innovation. Paid appointment with Nighthawk Partners Limited.

1. You approached the Advisory Committee on Business Appointments (the Committee) under the government's Business Appointments Rules for Former Ministers (the Rules) seeking advice on taking up a paid role as Adviser with Nighthawk Partners Limited (Nighthawk).
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 Nighthawk as a former minister. The material information taken into consideration by the Committee is set out in the annex.
3. The Committee's advice is not an endorsement of the appointment - it imposes a number of conditions to mitigate the potential risks to the government associated with the appointment under the Rules.
4. 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 risks presented

5. As Minister of State for Science, Research and Innovation at the Department for Science, Innovation and Technology (DSIT), you met with a range of companies operating in the life sciences sector. You did not meet with, nor

were you involved in decisions specific to Nighthawk during your time in office. The department stated that any policy decisions or engagement you were involved in would have been related to the overall science ecosystem in the UK, and therefore only indirectly relevant to Nighthawk. Therefore, the Committee¹ considered the risk this role could reasonably be seen as a reward for decisions made in office was low.

6. DSIT said it is unlikely that you had access to relevant sensitive information, particularly in view of Nighthawk's activities which are based on assessing borrowing companies' credit risk rather than UK-wide policy assessments. Additionally, DSIT noted that the value of any such information will in any case have been significantly reduced given the time that had passed since you left government and last had access to information, and the subsequent change in government.
7. There are risks associated with your influence and network of contacts gained whilst in ministerial office. Nighthawk may have a general interest in government policy and decisions relating to developments in life sciences. Nighthawk offers a product approved by UK Export Finance. You told the Committee that you will not lobby on Nighthawk's behalf and the role as described explicitly is client-facing and excludes any contact or liaison with UK Export Finance.
8. Your role involves advising Nighthawk on matters that might help to build its investment portfolio, and promoting its products to clients. There is therefore a risk of unfair advantage to Nighthawk, were you to draw specifically on private sector contacts that you only gained as a result of your role as Minister of State for Science, Research and Innovation. The Committee noted, however, your experience gained in science and innovations prior to your time in office.

The Committee's advice

9. The Committee considered the conditions below are sufficient to mitigate the risks related to this role. These seek to prevent you from making use of privileged information, contacts and influence gained from your recent time in ministerial office to Nighthawk's unfair advantage.
10. In accordance with the government's Business Appointment Rules, the Committee advises this appointment with **Nighthawk Partners Limited** be subject to the following conditions:

¹ This application for advice was considered by Isabel Doverty; Hedley Finn OBE; Sarah de Gay; The Rt Hon Lord Eric Pickles; Michael Prescott; The Baroness Thornton; and Mike Weir. Andrew Cumpsty and Dawid Konotey-Ahulu CBE DL were absent.

- 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 the Nighthawk Partners Limited (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 Nighthawk Partners Limited (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 Nighthawk Partners Limited (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, you should not become personally involved in lobbying contacts you developed during your time in office in other governments and organisations for the purpose of securing business for Nighthawk Partners Limited;
- for two years since your last day in office, you should not advise Nighthawk Partners Limited or its clients on any work with regard to any policy decisions which you had a material role in developing or determining as Minister of State for Science, Research and Innovation, or where you had a relationship with the relevant client during your time as Minister of State for Science, Research and Innovation.

11. The advice and the conditions under the government's Business Appointment Rules relate to your previous role in government only; there are separate 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.² You are reminded that as a Member of Parliament you have a separate ban on paid lobbying under the Parliamentary 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.

² All Peers and Members of Parliament are prevented from paid lobbying under the the House of Commons Code of Conduct. Advice on your obligations under the Code can be sought from the Parliamentary Commissioners for Standards, in the case of MPs.

12. 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.
13. 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.*"
14. 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.
15. 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

1. Nighthawk Partners Limited provides financing solutions for early-stage companies, primarily through loans. Its goal is to help UK start-ups maximise grant funding whilst minimising decreases in existing shareholders' percentage of ownership in a company, e.g. when issuing new shares. It works with its partner company, Rocking Horse, which helps provide the financing – in the case of, for example, an EU government grant which cannot be accessed in full quickly, a loan option can be leveraged quickly.
2. You stated that your paid, part-time role as Adviser will involve promoting clients' business development, providing strategic advice, introducing and explaining to UK and overseas VC investors, entrepreneurs, and companies to the venture debt product/offer as a way of helping them extend their financing runway. You stated it will involve no contact with government and no lobbying.
3. You stated your work prior to becoming an MP and minister was focussed on science and technology consulting, corporate finance advisory, and investing.

Dealings in office.

4. You advised the Committee that you did not meet with, nor were involved in policy, regulatory or commercial decisions specific to Nighthawk Partners Limited. You stated you do not possess sensitive information specific to the company.

Departmental Assessment

5. DSIT confirmed the details you provided and stated the following:
 - a. you had involvement in developing policy for financing technology companies in your DSIT role but that HMT officials and ministers led the majority of the policy-making discussions on access to finance;
 - b. you had no contact with Nighthawk Partners Limited in office;
 - c. you had engagement with companies involved in financing SMEs (in technology specifically) as well as with British Business Bank (BBB), a DBT-owned, operationally independent economic development bank with some similar activity in the public sector – but, unlike Nighthawk, those companies and BBB provided equity rather than debt financing and so were not direct competitors, with the exception of HSBC, after acquiring Silicon Valley Bank's UK operations offering a broader range of banking services to companies; and
 - d. it is unlikely that you had access to relevant sensitive information, which in any case will have significantly reduced value following the change in government.

6. DSIT noted there may be some privileged information/insights you may retain as a former minister, but did not note any material risk that may unfairly advantage Nighthawk Partners Limited.
7. DSIT recommended the standard conditions.