

From the Chair



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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BUSINESS APPOINTMENT APPLICATION: Paul Scully, former Minister for London and Parliamentary Under Secretary of State - Minister for Technology and the Digital Economy at the Department for Science, Innovation and Technology. Paid appointment with Castillo 1704 Consultancy Limited.

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 a paid role as Director of Castillo 1704 Consultancy Limited (Castillo).
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 Castillo. 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 with oversight of gambling during your time at the Department for Digital, Culture Media and Sport (DCMS) you engaged with and attended events with a range of stakeholders in that sector. Castillo is a new company that you are setting up, and its work will include leading on the operations of, and consultancy for, gambling venues based in the UK and Gibraltar. Given this is a company that is newly established, the Committee¹ considered the risk you could reasonably be seen to have been rewarded for decisions made in office is low.
6. During your time at DCMS, you led on gambling reform. As such, you would have had access to a broad range of sensitive information that could be seen to unfairly advantage Castillo or possible clients - for example, gambling companies. There are several limiting factors:
 - whilst you were involved in the Gambling Review Act White Paper, this was over 20 months ago - when, after the Machinery of Government changes in March 2023² you were no longer working with DCMS on this;
 - you were not involved in the finalisation of the white paper on gambling reform, nor privy to the information on consultation data/impact assessments undertaken since - led by officials at DCMS after you left DCMS and your responsibilities moved to the Department for Science, Innovation and Technology (DSIT);
 - this white paper was published in April 2023 - it set out the then government's plans following the review of the Gambling Act 2005³;
 - DSIT confirmed you were not involved in gambling policy during your ministerial role there; and
 - you left government over 12 months ago and there has been a change in government since you left office and its initial view on future gambling regulation and reform is in the public domain⁴.
7. The risk regarding your access to information is greatest should you advise Castillo or its clients in relation to matters you had specific responsibility for whilst at DSIT or DCMS. This is a possibility given Castillo's clients and the

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

² Following the Machinery of Government changes in February 2023, you left DCMS and became Minister for Tech and the Digital Economy at the then newly formed Department for Science, Innovation and Technology.

³ <https://www.gov.uk/government/publications/high-stakes-gambling-reform-for-the-digital-age>

⁴ <https://www.gov.uk/government/consultations/consultation-on-the-statutory-levy-on-gambling-operators/outcome/government-response-to-the-consultation-on-the-structure-distribution-and-governance-of-the-statutory-levy-on-gambling-operators#introduction>

precise pieces of work you will be asked to undertake are unknown. The risks associated with advising on the Gambling Review Act White Paper are significantly limited for the reasons above.

8. As with any former minister, there are risks associated with your contacts and influence within government and the potential for Castillo to gain unfair access or influence as a result. As noted in the annex below, as a newly formed gambling company Castillo's activities will be compliant with the Gambling Commission⁵. You confirmed your role as Director excludes any dealings with government, reducing the risk you could be perceived to be lobbying government - which all former ministers are prevented from doing for two years after leaving office.
9. There are also risks associated with your network of contacts in external organisations gained whilst in ministerial office. As Director, your role involves leading on operations and acquisitions. There is a risk of unfair advantage to Castillo, were you to draw specifically on private sector contacts that you only gained as a result of your role in office, liaising with the gambling sector on behalf of government.

The Committee's advice

10. The Committee determined the risks associated with your access to information is limited for the reasons set out. Notwithstanding this, there is a risk you could be asked to advise on matters that conflict with your time as minister responsible for gambling. The Committee has therefore imposed a restriction to prevent you from advising on work materially overlapping with your recent ministerial roles.
11. The remaining conditions below make it clear that you cannot make use of privileged information, contacts or influence gained from your time in ministerial service to the unfair advantage of Castillo and/or its clients. In accordance with the government's Business Appointment Rules, the Committee advises this appointment with **Castillo 1704 Consultancy Limited** 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 from your time in ministerial office;

⁵ The Gambling Commission regulates arcades, betting, bingo, casinos, gaming machine providers, gambling software providers, lottery operators, external lottery managers and remote gambling (online and by phone) that use British-based equipment.

- for two years from your last day in ministerial office, you should not become personally involved in lobbying the UK government or its arm's length bodies on behalf of Castillo 1704 Consultancy 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 The Castillo 1704 Consultancy Limited (including parent companies, subsidiaries, partners and clients);
- for two years from your last day in ministerial office you should not undertake any work with Castillo 1704 Consultancy Limited (including parent companies, subsidiaries, partners and 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 or its arm's length bodies;
- for two years since your last day in ministerial office, you should not advise Castillo 1704 Consultancy Limited (including parent companies, subsidiaries, partners and clients) on policy, regulation or operational matters you had specific involvement in or responsibility for as Parliamentary Under-Secretary of State at the Department for Science, Innovation and Technology and Parliamentary Under-Secretary of State at the Department for Culture, Media and Sport, nor where you had a relationship with the relevant client during your time in these roles. This is not extend to advice on the Gambling Review Act White Paper; and
- for two years from your last day in ministerial office, you should not become personally involved in lobbying contacts you have developed during your time in office and in other governments and organisations for the purpose of securing business for Castillo 1704 Consultancy Limited (including parent companies, subsidiaries and partners).

12. 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.⁶ 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.

⁶ All Peers and Members of Parliament are prevented from paid lobbying under the House of Commons Code of Conduct and the Code of Conduct for Members of the House of Lords. Advice on 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.

13. 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 or otherwise.
14. The Business Appointment Rules explain that the restriction on lobbying means that you *"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"*.
15. You must inform us as soon as you take up employment with this organisation, or if it is announced that you will do so. You must 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.
16. 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

The role

1. You stated Castillo is involved in the operations of and consultancy for gambling venues in UK & Gibraltar. You confirmed:
 - The company acquires and operates gaming establishments in the UK.
 - It works with gaming operators and regulators in Gibraltar to invest and build destination resorts and casinos
 - You stated the terms of your employment will specifically reference meeting the rules and expectations provided by ACOBA.
2. In your paid role as Director, you stated your role involves:
 - acquiring and operating gaming establishments in the UK and working with gaming operators and regulators in Gibraltar to invest in and build destination resorts and casinos;
 - predominantly dealing with day to day operations and decisions; and
 - no contact with or lobbying of UK government - but the operations of the company will involve being regulated by the Gambling Commission.
3. There is no website for Castillo, and it is a new company incorporated on 24 June 2024. You explained to ACOBA that the company had been formed but was not trading. You stated you are applying for advice now as the company is past the speculative/concept stage and will move ahead.

Dealings in office

4. You informed ACOBA that during your ministerial role, you had a number of meetings with casino operators and trade bodies including the Betting & Gaming Council in the lead up to the publication of the White Paper on gambling reform.
5. You confirmed you did not have involvement in any policy, commercial or regulatory decisions nor had access to sensitive information specific to Castillo.

Departmental Assessment

6. DCMS and DSIT provided their views on your proposed appointment:
 - you did not meet with, nor were involved in decisions specific to Castillo, nor does the company hold a relationship with your former departments.
 - DSIT stated the following interactions you had with competitors and stakeholders in the gambling sector in your formal ministerial capacity;
 - Dinner with The Rank Group (Casino operator) 14/03/2023

- Dinner with the Hippodrome Casino 22/02/2023
 - The Betting and Gaming Council (not a competitor, but a relevant stakeholder) attended an event you participated in organised by Enterprise Forum on *'The role of the Digital Economy and in driving economic growth'*⁷
 - Whilst at DCMS you would have had contact with gambling companies that would be considered competitors as part of his role as minister with oversight of gambling
- DCMS added that:
 - One meeting subsequent to being minister with oversight of gambling was with John O'Reilly from Rank Group (casinos and bingo) in 03/2023. This was in your role as Minister for London.

7. In relation to your involvements in decisions:

- DSIT stated you were the lead junior minister for gambling during your time at DCMS and were involved in the development of the Gambling Review Act White Paper⁸⁹ published in April 2023 which contained a number of policy decisions affecting casinos and other gambling operators. Moreover, DSIT added that the white paper on gambling reform proposed a statutory levy on gambling operators - so would have sector-wide impacts. The department noted that when DSIT was created in March 2023, you were no longer responsible for gambling policy.
- whilst Minister for London (a role you held whilst at DSIT) you retained some interest in policy affecting casinos due to impacts in tourism in London. However, you were not involved in formal responsibilities in this area, nor any policy decisions as a result of this role.

8. In relation to your access to sensitive information:

- DSIT did not consider you to possess sensitive information that may confer an unfair advantage to Castillo. DSIT stated whilst you were at DCMS, you had insight into how the white paper on gambling reform was developed but considers this information to be outdated given the time that has passed since (21 months) and the change of government administration.
- you were not involved in gambling after the Machinery of Government changes in March 2023. Therefore, you were not involved in the finalisation of the white paper on gambling reform and would not have

⁷ <https://www.publicaffairsnetworking.com/event/the-role-of-digital-in-driving-economic-growth>

⁸ <https://www.gov.uk/government/publications/high-stakes-gambling-reform-for-the-digital-age>

⁹ The Gambling Review Act White Paper sets out the government's plan for reform of gambling regulation following the review of the Gambling Act 2005.

had access to all the consultation data and impact assessments done since its publication.

- in addition, decisions have since been made and put into the public domain - having been led by other DCMS officials.

9. The departments did not have concerns with the proposed appointment and recommended the standard conditions apply.