

*From the Chair*



**OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS**

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**BUSINESS APPOINTMENT APPLICATION: The Rt Hon Grant Shapps, former Secretary of State for Defence. Paid appointment with Cambridge Aerospace.**

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 the Chair of Cambridge Aerospace
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 a start-up operating in aerospace, as the former Secretary of State for Defence. 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. You are establishing a new company with Professor Steven Barrett, a Regius Professor of Engineering. Cambridge Aerospace will be focused on research

and development with a civilian aerospace application. In particular, it will develop technologies that reduce the risks of disruption to aviation. As Chair you will provide strategic direction and high level advice. The company is likely to work with clients and collaborators such as other research institutions, universities, and private sector companies in the global aviation industry.

6. Cambridge Aerospace is a yet-to-be-established start-up. Therefore, the Committee<sup>1</sup> determined that the risk of any reasonable perception of reward from your time in ministerial office is low.
7. There is a risk, real or perceived, that Cambridge Aerospace could be considered to gain from your privileged insight that is unavailable to its competitors as a result of your time as Secretary of State for Defence. The risks are limited here because:
  - i. Whilst you will have had oversight of a wide range of information on policy, operations and matters generally affecting defence, there is no direct overlap with your access to sensitive information as this work focuses on civilian aerospace.
  - ii. The MOD said there is no current policy or regulation in this area, and the only work it is aware of is in the public domain, in relation to work that the UK and European civil aerospace regulators have done in this space.
  - iii. You left your ministerial role at the Department for Transport two years ago, and the department confirmed you no longer have access to information that would offer any privileged insight as a result of that passage of time.
8. The Committee considered there is a risk this work could stray into defence and therefore possible conflict with your recent ministerial responsibilities. Aviation technology has applications in both the civilian and defence sectors. Further, the Committee cannot assess the risks associated with the organisations Cambridge Aerospace may work with in future as clients and/or collaborators.
9. This startup seeks to develop a solution to an area not yet regulated by government, and that requires funding. There is a risk associated with the unfair influence and access to government and regulators you could be seen to offer. The Committee recognises you have said the company seeks nothing from the government. You may also have gained contacts in ministerial office, but external to the UK government, that you could use to seek investment into the company.

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

10. It is significant that as a qualified pilot since 1995, you have an enduring interest in aviation, unrelated to your time in ministerial office.

#### The Committee's advice

11. The Committee considered the risks associated with your access to information is limited given the reasons above. There is a possible risk associated with any overlap between your responsibilities as Secretary of State for Defence and Cambridge Aerospace's clients/collaborators. The Committee has therefore advised that a limitation to your role should apply, preventing you from working on matters related to defence.
12. The remaining conditions appropriately mitigate the risks under the Rules. These seek to prevent you from making improper use of privileged information, contacts and influence to the company's unfair advantage.
13. Taking into account these factors, in accordance with the government's Business Appointment Rules, the Committee advises this appointment with **Cambridge Aerospace** 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;
  - 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 Cambridge Aerospace (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 Cambridge Aerospace (including parent companies, subsidiaries, partners and clients);
  - for two years from your last day in ministerial office you should not undertake any work with Cambridge Aerospace (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; and
  - for two years from your last day in ministerial office, as Chair of Cambridge Aerospace, your work should be limited to civilian aerospace and you must not work in, or advise on, defence matters.
14. 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.<sup>2</sup> 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.

15. 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.
16. 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".
17. You must inform us as soon as you take up employment with this organisation, or if it is announced that you will do so. Please 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.
18. 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**

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<sup>2</sup> 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.

1. You propose to start a new company in the aerospace sector, focused on civilian aerospace, and operating both in the UK and internationally. You will be starting this company with Professor Steven Barrett, Regius Professor of Engineering (Aviation and Aeronautical) at Cambridge University, and a long time acquaintance. He has highly technical expertise in aviation research.
2. You said the company will:
  - i. undertake research and development for the first two to three years, aiming to develop technologies to reduce risks to aviation. You gave the example of finding solutions to drones causing delays and security concerns on airport runways.
  - ii. likely collaborate with other research institutions, universities, and private sector companies in the global aviation industry.
  - iii. seek funding from private investors and will not look for government funding.
3. You said that the specialist knowledge you will be contributing to this company will come from a long-term personal interest in aviation that predates your time in office. You told the Committee that you are a qualified pilot, former chair of the All-Party Parliamentary Group on Aviation, and have previously been a regular speaker for aviation and aerospace industry bodies and conferences in Europe, before entering government.
4. The company will be run by Professor Barrett. In your paid, part-time role as Chair, you said that your role would be to provide strategic and high level guidance in establishing the company, rather than day-to-day management of it. You said that there will be no lobbying or contact with government.

#### Dealings in office

5. You told the Committee that the government's programmes on aerospace and aviation are led by the Department for Transport (DfT), not the Ministry of Defence (MOD), and that your role as Secretary of State for Defence had no significant overlap with the civilian aerospace sector.
6. You said that you did not have any access to privileged information on the sector, nor did you make any policy, regulatory or commercial decisions specific to civil aviation, while in office. You said that you met Professor Barrett separately from your ministerial role - through party politics.

#### Departmental recommendation

7. DfT and the MOD were consulted on this application. Both confirmed the details in your application.

8. DfT said that any information to which you had access on aviation policy as Secretary of State for Transport will now be out of date, given that it will have moved on since you left that role in September 2022, and the changes in policy direction following the general election. Therefore, any information you have would not grant an unfair advantage. It noted that there is an overlap with MOD policy - that military technology can be ahead of civilian technology, so there is a higher likelihood that there will be information to which you may have had access, that is still current.
9. The MOD noted that work has been carried out through a joint civil/military task force regarding drone collision and detection, though this was led by civil regulators (the European Union Aviation Safety Agency and Civil Aviation Authority) and reports are in the public domain. It said that whilst there is considerable activity and growth in this market - it identified no information you had access to that would provide Cambridge Aerospace any specific advantage to its competitors.
10. The MOD also said that it was not aware of any policy, regulatory or commercial decisions in the air domain that you made as Secretary of State that could be seen to be particularly beneficial - particularly as there is no airworthiness and safety regulation specifically related to drone strikes on aircraft.
11. As Secretary of State for Defence, the MOD said you would have had access to, and met with a variety of defence contractors as part of your role, but it is not aware of anything specific which could provide an advantage over potential competitors.
12. The departments did not have concerns about the appointment and recommended the standard conditions.