

*From the Chair*



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

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**BUSINESS APPOINTMENT APPLICATION: The Rt Hon Sir Ben Wallace, former Secretary of State for Defence at the Ministry of Defence. Paid appointment with Advanced Innergy Holdings 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 a paid role as a Non Executive Director (NED) with Advanced Innergy Holdings Ltd (Advanced Innergy).
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 taken during your time in office, alongside the information and influence you may offer Advanced Innergy 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. As Secretary of State for Defence, you interacted with several defence companies and were responsible for a range of decisions impacting companies operating in defence and security. The company has no current relationship with the Ministry of Defence (MOD), commercial or otherwise; and you did not make any decisions specific to Advanced Innergy during your time in office. Therefore, the Committee<sup>1</sup> considered the risk that this role could reasonably be seen as a reward for your decisions in office is low.
6. Advanced Innergy is a manufacturing company which operates in a range of sectors, including defence. You note that the company is mostly focused on work within the oil and gas sector. As the Secretary of State for Defence, you would have had access to sensitive information around UK defence operations, overseas operations, relationships with various foreign governments and militaries, and information about the MOD's capabilities and sourcing requirements. There are factors that help reduce the risks associated with your access to information and insight:
- The MOD said your access to information about sourcing or commercial opportunities was limited and the MOD is not aware of any specific sensitive information you had access to.
  - The risk relates to your general access to information in defence and security and the company operates much more widely, with defence being just one of its sectors.<sup>2</sup>
  - It has been 16 months since you left office and last had access to information and decision-making at the MOD.
7. There remains a risk associated with your access to information, which would most likely occur if you were to work on defence matters – whether within the UK or internationally. Your network and contacts gained at the MOD also give rise to similar risks that you could offer unfair access to the UK government or other organisations that you held strategic relationships with as Secretary of State for the Defence – for example, NATO and other allied militaries.
8. You said that Advanced Innergy is primarily engaged in its operations within the civil sector and your role would be focused on oversight and governance, not on specific business growth or the company's work in the defence industry (which you understand to be limited). Given that the company operates in a range of sectors, the overall risk is limited. However, there remain risks associated with a former Secretary of State for Defence potentially advising on future defence-focused business for a company which require mitigation, particularly in relation to business with the UK and its allied governments/militaries.

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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; and Michael Prescott. Baroness Thornton was unavailable.

<sup>2</sup> <https://www.aisltd.com/our-company/company-news/new-branding/#>

### The Committee's advice

9. The Committee considered that the risks associated with Advanced Innergy's defence sector interests require a limitation to your role. In this case, you are advised that the role must be strictly limited to that which you described – focused exclusively on civilian activities and excluding advising the company on its defence business whilst you are subject to the Rules. This would not preclude you from drawing on your skills, experience and general (non-privileged) insight and knowledge gained in office to advise on matters indirectly related to defence – for example geopolitical matters affecting its business generally.
10. That limitation together with the remaining conditions below appropriately mitigate the risks under the Rules. They seek to prevent you from making improper use of privileged information, contacts and influence to the company's unfair advantage.
11. Taking into account these factors, in accordance with the government's Business Appointment Rules, the Committee advises this appointment with **Advanced Innergy Holdings Ltd** 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, MOD or NATO allied militaries or their arm's length bodies on behalf of on behalf of Advanced Innergy Holdings 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 Advanced Innergy Holdings Ltd (including parent companies, subsidiaries, partners and clients);
  - for two years from your last day in ministerial office you should not undertake any work with Advanced Innergy Holdings Ltd (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, MOD or NATO allied militaries or their arm's length bodies; and
  - for two years from your last day in ministerial office, as NED of

Advanced Innergy Holdings Ltd, your work should be limited to civilian matters only and you must not advise Advanced Innergy Holdings Ltd on the defence sector of its business.

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.<sup>3</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.
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. 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.
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**

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<sup>3</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.

## **Annex – Material Information**

### **The role**

1. According to its website, Advanced Innergy is a UK company that is a global leader in the engineering, manufacturing and application of insulation and passive fire protection systems, as well as buoyancy and SURF (subsea, umbilical, risers, and flowlines) products. Their advanced materials deliver mission-critical solutions for the energy, industrial, automotive, chemical, and marine sectors; and their products also operate in the infrastructure, oil and gas, and defence markets.
2. You stated that you had no dealings with the company in office and understood it to operate in civil sectors only, in fireproofing, oil and gas, and cable flotation – with a primary focus on oil and gas. The company’s website indicates that it is open to defence business, as it names defence among its sectors. It has, for example, supplied the Norwegian Navy.
3. You stated you will perform standard NED duties in a paid role – having been asked to add to its oversight and governance. You confirmed your role will not involve contact with, or lobbying of government.

### **Dealings in office**

4. As Secretary of State for Defence, you were responsible for the MOD, including:
  - strategic operations and operational strategy, including as a member of the National Security Council.
  - defence planning, programme and resource allocation.
  - strategic international partnerships: US, France, Germany, Saudi Arabia and the Gulf, NATO.
  - nuclear operations, policy and organisations.
  - strategic communications.
5. You informed the Committee that you did not meet with, nor were you involved in policy, commercial or regulatory decisions specific to Advanced Innergy, nor do you possess sensitive information specific to the company.

### **Departmental assessment**

6. The MOD confirmed the details provided, stating:
  - Advanced Innergy is not part of the MOD supply chain;
  - you did not meet with Advanced Innergy whilst in office;

- you set policy and signed off sourcing decisions which may include matters that overlap with the area the company operates in, though you were not involved in decisions specific to Advanced Innergy whilst in office;
- your exposure to detailed information on suppliers and the supply chain was limited and it does not consider you to possess sensitive information specific to Advanced Innergy.

7. The MOD recommended the standard conditions be applied to this appointment.