



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 as a consultant with Aquind 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 a consultant with Aquind Limited (Aquind).

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 Aquind. The material information taken into consideration by the Committee is set out in the annex.

3. The Committee considered whether this appointment was unsuitable given Aquind's ongoing dispute with the UK government over its decision to refuse a Development Consent Order; currently under consideration for the second time.^{1 2} The Committee has also considered the information provided by your former government department in relation to your access to information and involvement in this sector, and this issue. The Committee has imposed a number of conditions to mitigate the potential risks to the government associated with the appointment under the Rules. The Committee's advice is not an endorsement of the appointment.

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

¹ <https://www.bbc.co.uk/news/uk-england-hampshire-68110405>

² <https://national-infrastructure-consenting.planninginspectorate.gov.uk/projects/EN020022>

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. Aquind is a planned, privately financed subsea and underground High Voltage Direct Current electric power transmission link between Lovedean substation in Hampshire and Normandy in France. It is a company that has been set up solely to support the delivery of this electricity line between the UK and France. Aquind says the 2,000MW interconnector will provide up to 5% of the electricity required to power Great Britain.

6. Aquind initially applied for development consent to go ahead with the interconnector order in November 2019, however, the scheme was met with ongoing resistance. The former Secretary of State, The Rt Hon Kwasi Kwarteng, refused planning permission for the interconnector.³ Aquind successfully challenged the decision in the High Court after being granted a judicial review. Following the High Court's ruling, the matter is under consideration by government.

7. The Department for Energy, Security and Net Zero (DESNZ) confirmed you did not meet with, nor have any responsibility for decisions specific to Aquind in ministerial office. The department confirmed that you declared an interest as a result of your previous role, as a Non-Executive Director with Aquind, and were therefore recused on all associated matters. In the circumstances, the Committee⁴ considered the risk that you were offered this role as a reward for decisions or actions taken in post is low.

8. Aquind's work has some overlap with your responsibilities in office. There is a risk associated with the company's desire to influence government, in particular via government's decision on the Development Consent Order. This matter has been subject to press attention as a result of the Ministry of Defence's (MOD's) objections to the project on national security grounds.⁵ Real or perceived, there is a risk that Aquind may look to gain insight from employing a former minister from the energy department that it could not otherwise gain. There are mitigating factors which reduce the scope of this risk:

- DESNZ confirmed you were recused from matters associated with Aquind and the most recent objections from the Ministry of Defence are undisclosed due

³ <https://www.bbc.co.uk/news/uk-politics-64388577>

⁴ This application for advice was considered by Andrew Cumpsty; Isabel Doverty; Sarah de Gay; The Baroness Jones of Whitchurch; The Rt Hon Lord Eric Pickles; and Mike Weir.

⁵ <https://www.bbc.co.uk/news/articles/cz9wv32k3dno> and <https://inews.co.uk/news/national-security-concerns-firm-tory-donations-2978006?srltid=AfmBOopJdfkQYaCM-wOJ8748agiwe-41XWLzcWjbYbli3oLuJnpKsuoV>

to their sensitivity as matters of national security. Therefore, there can be no reasonable suggestion you have privileged insight relating to the Development Consent Order from your time in government;

- the responsibility for the Planning Inspectorate sits outside of your former department; and
- you have been out of ministerial office for eleven months – with no access to information and/or decision making since you left government in July 2024.

9. There remains a risk you may have privileged insight and influence from your time as an energy minister that could be seen as offering an unfair advantage. Particularly where the Secretary of State at your former department may ultimately be responsible for the decision on whether Aquind's application gets approved or not. The Committee considered it significant that this is a quasi-judicial matter that cannot be influenced by one individual and you are prevented from lobbying the government as all former ministers are for two years on leaving office.

10. The Committee considered the risks under the Rules would most likely arise should you advise on matters involving Aquind's Development Consent Order. It is therefore significant that Aquind confirmed you will have no involvement in any discussions or decision-making on these matters.

The Committee's Advice

11. The Committee recognised the risks are limited, given the proceedings which will decide on the Development Consent Order cannot be influenced by any one person, and you have no prior knowledge or involvement in these matters whilst in government. However, there remains a risk you will be seen to offer an unfair advantage to Aquind. The risks would most likely arise if you were to have any involvement in Aquind's discussions or decision-making on this particular matter. The Committee has therefore imposed a condition to limit your role and require your separation from these matters, as confirmed by Aquind.

12. You confirmed your role will not involve contact with government, nor would you lobby – in line with the expectations set out in the Rules. As the company has a significant interest in government policy it would therefore be difficult to manage the risk that you would be seen to be lobbying on the company's behalf if there was any contact with government, in any capacity. The Committee's advice is therefore that you should have no direct engagement with the UK government on behalf of Aquind – regardless of the intention of this contact.

13. Under the government's Business Appointment Rules, the Committee's advice that this appointment with **Aquind Limited** should 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 any of its arm's length bodies on behalf of Aquind 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 service to influence policy, secure business/funding or otherwise unfairly advantage of Aquind Limited (including parent companies, subsidiaries, partners and clients);
- for two years from your last day in ministerial office you should not provide advice to Aquind Limited on the terms of, or with regard to the subject matter of, a bid or contract with, or 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 have any engagement on behalf of Aquind Limited (including parent companies, subsidiaries, partners and clients) with the UK government; and
- for two years from your last day in ministerial office you must not consult or advise Aquind Limited on its Development Consent Order; nor have any direct engagement with the UK government on behalf of Aquind Limited.

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.⁶ 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.

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 Civil Service Code or otherwise.

⁶ 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.

16. 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'.

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, by emailing the office at the above address. You also need to 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 him 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.

Isabel Doherty

Interim Chair
ACOBA

Annex – Material Information

The role

1. According to its website, Aquind is a planned, privately financed subsea and underground High Voltage Direct Current (HVDC) electric power transmission link between Lovedean substation in Hampshire and Normandy in France. It is a company that has been set up solely to support the delivery of this electricity line between the UK and France.
2. Viktor Fedotov is the majority owner of Aquind. Concerns have been raised in public about Mr Fedotov's previous actions, revealed in the Pandora papers - though these are separate to his ownership of Aquind.⁷ Alexander Temerko is a Director at Aquind and he previously worked for the Russian defence ministry. These individuals have been major donors to the Conservative Party, Tory MPs or Tory fundraising clubs since 2012. Temerko has reportedly donated more than £1.7 million to the party.⁸
3. Planning permission for projects such as this which are Nationally Significant Infrastructure Projects are submitted to the Planning Inspectorate – the government agency who independently examines the application for a development consent order. The independent inspectors examine applications and make recommendations to the relevant Secretary of State about whether permission for development should be given. The relevant Secretary of State makes the final decision.
4. Aquind initially applied for a development consent to go ahead with the interconnector order in November 2019. In September 2023, Aquind signed an agreement with Portsmouth City Council to safeguard delivery of the £63.7M North Portsea Island Coastal Defence Scheme. Potential delay to the coastal defence scheme was one of the reasons former business secretary, The Rt Hon Kwasi Kwarteng, refused planning permission for the interconnector. Aquind successfully challenged the decision in the High Court after being granted a judicial review.⁹
5. The UK Ministry of Defence argued last year that the proposed cross-Channel electricity cable should be blocked on national security grounds. Amongst other things, the MOD told ministers the project would 'clearly and

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<https://www.theguardian.com/news/2021/oct/04/russian-tycoons-link-to-alleged-corruption-in-leaked-files-raises-questions-for-tory-ministers>

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<https://inews.co.uk/news/national-security-concerns-firm-tory-donations-2978006?srltid=AfmBOopJdfkQYaCM-wOJ8748agiwe-41XWLzcWjbYbli3oLuJnpKsuoV>

⁹ <https://www.bbc.co.uk/news/uk-politics-64388577>

unacceptably impede and compromise' operations in and around Portsmouth Naval Base¹⁰. The extent of the MOD's concerns is unknown – these cannot be disclosed due to the sensitive nature of national security concerns. The government is yet to make a decision, meaning this issue is ongoing and it is not clear whether this project will go ahead given the various objections.

6. You wish to rejoin Aquind, a company for which you were a non-executive director some time ago – between 2016 and 2017. You said that your paid, part-time role as a Consultant would be to advise the executive team and the board of the company on the financial and engineering challenges in developing major new electrical Infrastructure projects. You said your role will not involve contact with government and would involve no lobbying work with either government officials or ministers and that you would abide strictly by the rules of the House of Lords.

Correspondence with Aquind

7. Aquind confirmed in writing its agreement to comply with the Committee's advice, stating that:

'Aquind is aware of the importance of the Business Appointment Rules (BARs) and compliance with them. Aquind therefore undertakes that it will require Lord Callanan to comply with the conditions advised by ACOBA under [the] BARs.'

Dealings in office

8. You said you declared your previous involvement with the company to the Permanent Secretary on your ministerial appointment to what was the department of Business, Energy and Industrial Strategy (BEIS) in 2020. You were therefore excluded from any papers or consideration of the project and/or any dealings with the company throughout your time in BEIS and then, following the machinery of government changes, Energy Efficiency at the Department for Energy Security and Net Zero (DESNZ).

Departmental Assessment

9. DESNZ provided the following information to the Committee:
 - as Minister for Energy Efficiency and Green Finance you declared your interest and were recused from all matters involving Aquind, and

¹⁰ <https://www.bbc.co.uk/news/uk-england-hampshire-68110405>

therefore not exposed to information or decision making. Nor were you involved in any decisions specific to Aquind;

- you may have met with organisations involved in interconnection whilst at BEIS/DESNZ given your responsibilities, but it was not aware of any specific contact with other UK/France interconnector developers;
- Aquind is a stakeholder of DESNZ as a result of its work in energy and its development plans regulated by the department;
- the Planning Inspectorate is not an executive agency of DESNZ – it is sponsored by the Ministry of Housing, Communities and Local Government (MHCLG). The relevant Secretary of State is ultimately responsible for making a decision, on the advice of the Planning Inspectorate which in this case is SoS responsible for energy. It confirmed that the government is yet to make its decision following the initial decision being overturned at the High Court; and
- you had access to some sensitive information in the energy efficiency sphere, but nothing related to Aquind and its work for the reasons set out above.

10. DESNZ recommended the standard conditions.