## CONTENTS

# The Conduct of Lord Deben

## REPORT FROM THE COMMISSIONER FOR STANDARDS

### Summary of the complaint

1. On 3 February 2019, the *Mail on Sunday* published an article alleging that Lord Deben's company, Sancroft, had been "paid more than £600,000 from 'green' businesses that stand to make millions from his advice to Ministers".[1] On 5 February, I received a complaint from a member of the public, Robert Tipping [Appendix A]. Mr Tipping's letter alleged Lord Deben had breached the House of Lords Code of Conduct by not drawing the House's attention to Sancroft's clients, from which he financially benefits.

2. On 7 February, I received a letter of complaint from David TC Davies MP, co-signed by Graham Stringer MP, Craig Mackinlay MP, Andrea Jenkyns MP and Nadine Dorries MP [Appendix B]. The letter referred to the *Mail on Sunday* article and alleged that Lord Deben had breached the Code of Conduct in two respects:

    - that he had not "adequately described the nature of Sancroft's activities in the Register of Lords' Interests"; and
    - that he failed to declare his interest in Sancroft and its clients appropriately when intervening in several debates in the House.

3. Mr Davies' letter was accompanied by a number of attachments:

    - a "Strategic Risk Identification Paper for Sancroft International" prepared as part of a University of Exeter MBA consultancy project;
    - a 5 year summary of Sancroft's income from clients covering the period 2012/13–2016/17;
    - a summary of a project Sancroft carried out for Drax; and
    - the transcript of evidence given by Lord Deben as Chairman of the Climate Change Committee to the House of Commons' Science and Technology Committee.

4. These attachments have not been reproduced in this report. The transcript of Lord Deben's appearance before the Science and Technology Committee can be found online.[2]

5. On 19 February I received a further letter from Andrea Jenkyns MP listing other occasions when she believed Lord Deben ought to have made declarations of his interest in Sancroft and its clients [Appendix C].

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1 'Exposed: Tory peer in £600,000 conflict of interest', *Mail on Sunday* (3 February 2019): https://www.dailymail.co.uk/news/article-6661513/Climate-Change-chief-John-Gummer-faces-calls-quit-payments-green-businesses.html [accessed 13 June 2019]

2 Oral evidence taken before the Science and Technology Committee, 15 January 2019 (Session 2017–19) QQ 1–38 (Lord Deben)

6. I conducted a preliminary assessment of these complaints and wrote to Lord Deben on 8 February informing him that I had launched an investigation into the allegations [Appendix D].

7. Lord Deben replied on 27 February [Appendix E]. This was followed by further correspondence [Appendices F and G].

*Four year rule*

8. The occasions drawn to my attention included debates as far back as 4 July 2013. My remit is limited to conduct that has occurred within the last four years. The permission of the Conduct Committee is required for investigations to encompass behaviour earlier than that. For that reason, I concentrated on the allegations relating to debates from February 2015 onwards with the option of seeking the permission of the Conduct Committee to investigate the earlier allegations as possible evidence of a pattern of conduct that needed to be investigated.

9. Details of the debates referred to in both letters which I have considered are included as Appendix J.

*Committee for Climate Change and the Code of Conduct*

10. The letters from Robert Tipping, David TC Davies MP and Andrea Jenkyns MP noted Lord Deben's role with the Climate Change Committee.

11. Mr Tipping wrote:

> "Under Lord Deben's chairmanship, the Climate Change Committee had recently published a report advocating this policy. Readers of this report, including Ministers and officials responsible for the Government's policy, would have been left similarly ignorant because of Lord Deben's repeated failure to disclose his interests."

12. Mr Davies wrote:

> "Lord Deben's position as the chairman of the Committee on Climate Change means his voice carries extra weight on these topics. Members would have reasonably assumed he was an impartial voice."

13. Ms Jenkyns also wrote:

> "Lord Deben has a significant motive to avoid public knowledge of Sancroft's clients. Namely, that such interests may call into question his impartiality as chairman of the Committee on Climate Change."

14. Lord Deben's position with the Climate Change Committee is a Government appointment. His activities on the Committee are not governed by the House of Lords Code of Conduct but by processes managed by the secretariat of the Climate Change Committee. Details of the Climate Change Committee's Managing Conflicts of Interest Policy and the register of interests for its members can be found on its website.[3]

15. How Lord Deben's interventions in the House affect his role as Chairman of the Climate Change Committee and what steps he should take to declare his

3 http://www.theccc.org.uk

interests in relation to reports of the Climate Change Committee is therefore outside of my remit. These issues have not formed part of my investigation.

## Registration

16. The Guide to the Code of Conduct requires members to register any "[r]emunerated directorships in public and private companies, including non-executive directorships, and including directorships which are not directly remunerated, but where remuneration is paid through another company in the same group."

17. The Code also requires that "Members should register the name of the company in which the directorship is held and give a broad indication of the company's business, where this is not self-evident from its name."[4]

18. Lord Deben's entry in the Register in relation to Sancroft describes the company as "consultants in corporate responsibility and environmental, social, ethical and planning issues".

19. Sancroft's website describes its role in the following terms: "Sancroft is an international sustainability consultancy. We help some of the world's leading companies improve their environmental, ethical and social impact."[5]

20. In his letter to me of 4 April, Lord Deben described the role of Sancroft:

> "Sancroft provides consultancy services across 6 main areas:
>
> 1. Sustainability Strategy
>
> 2. Resource Management and Pollution Prevention
>
> 3. Responsible Sourcing
>
> 4. Health and Wellness
>
> 5. Business and Human Rights
>
> 6. ESG [environmental, social and governance] Integration
>
> Sancroft's purpose is to help its clients understand and meet the challenges of sustainability - the social, ecological and economic challenges, the risks and opportunities they face, and their capability to do good in the world."

21. Lord Deben also provided some examples of Sancroft's work to illustrate its services (Appendix G).

### *Finding*

22. Lord Deben's description of the work of Sancroft in the Register is consistent with his descriptions in correspondence with me and the company's promotional material on its website. I find no grounds for concluding that the description in the Register is insufficient in meeting the requirements of the Guide to the Code of Conduct.

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4 Paragraph 49 of the Guide to the Code of Conduct, seventh edition (references to the Code in correspondence refer to the sixth edition. Though paragraph numbers changed between the editions, the provisions relevant to this investigation remained the same).

5 Sancroft: www.sancroft.com [accessed 12 June 2019]

23. This element of the complaint is dismissed.

## Declaration

### *Relevant aspects of the Code and Guide to the Code*

24. Paragraph 11(b) of the Code of Conduct (seventh edition) requires that members must "declare when speaking in the House…any interest which is a relevant interest in the context of the debate or the matter under discussion".

25. The test of "relevant interest" is described in paragraphs 12 and 13:

> "12. The test of relevant interest is whether the interest might be thought by a reasonable member of the public to influence the way in which a member of the House of Lords discharges his or her parliamentary duties: in the case of registration, the member's parliamentary duties in general; in the case of declaration, his or her duties in respect of the matter under discussion.
>
> 13. The test of relevant interest is therefore not whether a member's actions in Parliament will be influenced by the interest, but whether a reasonable member of the public might think that this would be the case. Relevant interests include both financial and non-financial interests."

26. Paragraph 37 of the Guide to the Code defines a "reasonable member of the public" as being "an impartial and well informed person, who judges all the relevant facts in an objective manner."

### *Alleged instances of non-declaration*

27. The letters of complaint highlighted a number of instances where the complainants believed Lord Deben ought to have declared his interests in Sancroft and its clients. These ranged from the general to the more specific. For example, Ms Jenkyns referred to Lord Deben's intervention on the committee stage of the Energy Bill on 14 September 2015 during which, having declared his interest as Chairman of the Climate Change Committee but not having referred to Sancroft, he said:

> "I want to say a word about a decarbonisation target, which the Committee on Climate Change has recommended. It has done so because a decarbonisation target would give security to those who are investing in low carbon technology, and above all in low carbon generation."

28. Ms Jenkyns noted broadly that "Those people seem to be Lord Deben's clients".

29. More specific allegations were:

- 12 July 2017: Lord Deben asked a follow-up question to an oral question about electric car ownership. Mr Tipping complained that "Members of the House had no means of knowing that his plea for the Government to make vans "turn increasingly to electricity" might have been influenced by the £292,699 paid to him by Johnson Matthey, a company which had invested massively in new battery technology for electric vehicles."

- 5 June 2018: Lord Deben spoke in a debate on the Automated and Electric Vehicles Bill in favour of a tighter target for the eradication

of new petrol and diesel-driven vehicles. Mr Davies noted that Johnson Matthey is a client of Sancroft and has interests in electric vehicle technology.

- 30 November 2017: Lord Deben spoke in debate on the Renewables Obligation (Amendment) (Energy Intensive Industries) Order 2017. Mr Davies noted that Drax, a leading biomass energy producer, is a client of Sancroft.

30. In his letter, Mr Davies asserted that "[r]egardless of Sancroft's precise relationship with these companies, the public could perceive any sort of financial relationship as a conflict of interest."

31. However, as noted above, the test set by the Code is whether "an impartial and well informed person, who judges all the relevant facts in an objective manner" might think that a member's actions in Parliament will be influenced by an interest. I have therefore looked in detail at the specific allegations about Johnson Matthey and Drax and considered them against this test. I have also considered the more general allegations and reached a finding on each (as set out in Appendix J).

### *Lord Deben's interest in Johnson Matthey*

*Electric car ownership oral question*

32. On 12 July 2017 Baroness Deech asked an oral question on electric car ownership. Lord Deben asked one of the follow-up questions:

> "Is my noble friend aware that the report of the Committee on Climate Change makes the point that many more vans are used today because of e-commerce and that many of those vans are very damaging in terms of pollution? Do the Government have a special way of ensuring that emission levels from vans are reduced by making them turn increasingly to electricity, which of course is very sensible for short runs?"[6]

*Automated and Electric Vehicles Bill*

33. The Automated and Electric Vehicles Bill was given Royal Assent on 19 July 2018. The purpose of the Act is described in its explanatory notes:

> "The Automated and Electric Vehicles Act is intended to enable consumers in the United Kingdom to benefit from improvements in transport technology. The Act makes provision for (1) the creation of a new liability scheme for insurers in relation to automated vehicles, and (2) the creation of regulations relating to the installation and operation of charging points and hydrogen refuelling points for electric vehicles. The Act sets out the regulatory framework to enable new transport technology to be invented, designed, made and used in the United Kingdom."[7]

34. Though the focus of the Act is to improve the automated and electric vehicles market from a consumer point of view, it is reasonable to assume that in creating a better consumer experience, manufacturers of automated and electric vehicles and those who contribute to the necessary supply chain would also benefit.

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6 HL Deb, 12 July 2017, vol 783, col 1239

7 Explanatory Notes to the The Automated and Electric Vehicles Act 2018

35. Lord Deben's interventions on proceedings on 5 June 2018 are reproduced in Appendix I.

*Johnson Matthey*

36. Johnson Matthey is a speciality chemicals and sustainable technologies company. According to its website, it is divided into four sectors (see Table 1).

**Table 1: Johnson Matthey structure and underlying operating profits**

| Sector | Summary of sector activity | Percentage of underlying operating profit, according to 2017/18 results |
|---|---|---|
| Clean Air | • A global leader providing catalysts to reduce harmful emissions from vehicles<br>• **Light Duty Vehicles** - catalysts for cars and other light duty vehicles powered by all fuel types<br>• **Heavy Duty Diesel** - catalyst systems for diesel powered trucks and buses and non road machinery<br>• **Other** - catalyst systems for stationary equipment | 61% |
| Efficient Natural Resources | **Catalyst Technologies** - manufactures speciality catalysts and additives, licenses process technology and delivers services to the chemical and oil & gas industry<br>• **PGM Services** - marketing, distribution, refining and recycling of platinum group metals (pgms), fabricates products using precious metals and related materials and manufactures pgm chemicals<br>• **Advanced Glass Technologies** - precious metal pastes and enamels primarily for the automotive industry | 28% |
| Health | Develops and manufactures active pharmaceutical ingredients (APIs) for a variety of treatments<br>• Operates in the large and growing outsourced small molecule API market<br>• Providing solutions to the complex problems of both generic and innovator companies | 8% |

| Sector | Summary of sector activity | Percentage of underlying operating profit, according to 2017/18 results |
|---|---|---|
| New Markets | **Alternative Powertrain** - provides battery materials for automotive applications, battery systems for a range of applications and fuel cell technologies<br>• **Medical Device Components** - leverages our science and technology to develop products found in devices used in medical procedures<br>• **Life Science Technologies** - provides advanced catalysts and processes to the pharmaceutical and agricultural chemicals markets | 3% |

*Source: Johnson Matthey, 'Factsheet - Full Year results 2017/18'* https://matthey.com/-/media/files/investors/factsheet-2017–18-jm.pdf?la=en&hash=F6D793AFD0D7EC8C9BA31D8CAF45B0C4790643EF *[Accessed 13 June 2019]*

37. According to the summary of Sancroft's income attached to the letter from Mr Davies, Johnson Matthey paid Sancroft £292,699.99 in the period 2012/13–2016/17, with over 94% of that income being paid in 2012/13–2014/15.

38. In his letter of 27 February, Lord Deben described Sancroft's relationship with Johnson Matthey and his involvement in their work:

> "This company is one of Britain's largest engineering and technology businesses. Sancroft provided advice on sustainability over many years, beginning in the 1990s. While Johnson Matthey has some business interests related to electric vehicles, Sancroft has never had any involvement in this. Johnson Matthey was Sancroft's earliest client. My involvement changed substantially as the business grew. By the time I entered the House of Lords in 2010 my role was that of chairman and I had therefore very little involvement in its delivery or knowledge of its substance."

39. In his letter of 4 April, Lord Deben explained the nature of the last piece of work Sancroft had conducted for Johnson Matthey:

> "The last work undertaken for Johnson Matthey by Sancroft was in 2017. This was a key stakeholder engagement process to discover what internal and external stakeholders perceived to be the issues most material to Johnson Matthey's business. It was entirely an information-collecting exercise from interviews and materials in the public domain. From this, Sancroft listed what Johnson Matthey's key stakeholders thought were priorities for the business. Sancroft did not do any further work for them, but had they asked Sancroft for any further advice then the avoidance of conflict of interest process would have been followed."

*Conclusion*

40. Johnson Matthey are working on battery technologies for electric vehicles as part of their New Markets sector. But it is far from one of their leading financial interests, contributing only part of the 3% of underlying operating profits from 2017/18 credited to its New Markets sector.

41. While Johnson Matthey has been an important client of Sancroft's, there is no link apparent between the work that was carried out for it and Johnson Matthey's work on battery technologies for electric vehicles.

42. How Lord Deben and Sancroft might benefit from Lord Deben speaking in favour of a policy which might at some point benefit a minority aspect of Johnson Matthey's work is not made clear in the complaints or evidence.

43. Given these factors I do not believe that "an impartial and well informed person, who judges all the relevant facts in an objective manner" would think that Lord Deben's interventions in 2017 or 2018 were influenced by Sancroft's association with Johnson Matthey.

### *Lord Deben's interest in Drax*

*Renewables Obligation (Amendment) (Energy Intensive Industries) Order 2017*

44. According to its explanatory memorandum, the purpose of the Renewables Obligation (Amendment) (Energy Intensive Industries) Order 2017 is to make:

> "statutory provision for exempting eligible Energy Intensive Industries (EIIs) from a proportion of the indirect policy costs of the Renewables Obligation (RO) scheme. The RO scheme is a policy designed to encourage investment in large scale renewable electricity generation… However, the costs of funding this policy expose EIIs to high electricity bills. As EIIs operate in international markets, these costs place them at a competitive disadvantage … This instrument seeks to exempt eligible EIIs from a proportion of these costs by making adjustments to the supplier obligation mechanism under the RO."[8]

45. The memorandum explains that the Renewables Obligation Scheme requires electricity suppliers to present to Ofgem a certain number of Renewables Obligation Certificates (ROCs) by a specified deadline. ROCs are awarded to electricity generators in relation to the amount of energy from renewable sources they generate. Generators may then sell or trade ROCs with suppliers or traders. The costs of this scheme are passed by energy suppliers through to customers in their energy bills.

46. The Renewables Obligation (Amendment) (Energy Intensive Industries) Order 2017 provided for the removal of a proportion of these costs from the energy bills for energy intensive industries.

47. Lord Deben's interventions on proceedings on 30 November 2017 are reproduced in Appendix H.

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8 Explanatory Memorandum to the Renewables Obligation (Amendment) (Energy Intensive Industries) Order 2017

*Drax*

48. Drax is an energy generator with a particular emphasis on biomass generation. It is the largest generating station accredited under the Renewables Obligation Scheme.

49. In his letter of 27 February, Lord Deben describes Sancroft's work for Drax and his involvement in that work:

> "In 2017 Drax asked Sancroft to review the modern slavery, geopolitical risk and human rights issues likely to be relevant in the timber industry in its supply chain outside the UK. I was made aware of this project because, as Drax is a producer of renewable energy from biomass, both Drax and Sancroft were concerned to establish that there was no conflict with my role as Chairman of the CCC. Therefore, I took advice from the compliance officer of the CCC. I was advised that there was no conflict of interest. I did not know anything about the detail of the work carried out for Drax or of the advice which was given. I was not involved in this work in any way."

50. This description of the work is consistent with the Drax project summary document attached to Mr Davies' complaint which refers to "Understanding human rights and geopolitical risks in the context of the forestry sector and where Drax is positioned with its peers and competitors."

*Conclusion*

51. As the Renewables Obligation (Amendment) (Energy Intensive Industries) Order 2017 affects energy suppliers and energy intensive industries rather than energy generators, such as Drax, it is unclear how Sancroft's connection to Drax—beyond Drax and the Order both being related to renewable energy—would be considered a relevant interest to the debate. Even if it were, the nature of Sancroft's work for Drax as described by Lord Deben and in the document provided by Mr Davies would seem to be sufficiently distant from the specifics of the Order as not to require a declaration.

*Finding*

52. As Mr Davies notes, Sancroft's work in sustainability and working with companies to improve their environmental impact could appear to require Lord Deben to declare his interest in Sancroft and its clients when speaking on matters relating to environmental policies. However, for the Code to be breached the connection between the interest and the matter under discussion needs to be clearer than simply being related to the broad policy topic. This is why the Code sets the test of a reasonable person who judges all the relevant facts in an objective manner and the precise relationship between the interest and the proceeding in the House must be understood.

53. Having investigated the allegations and gathered the relevant facts, I do not consider Lord Deben's interest in Sancroft or its clients to be relevant interests that required declaration in the instances explored above or in the instances dealt with in Appendix J.

54. The complaints are therefore dismissed.

## The requirement to declare interests

55. I would note that it has not been straightforward to gather the necessary facts to reach my conclusion. I question whether the "reasonable person" envisaged by the Code should be expected to go to the lengths I have done to become aware of all the relevant facts. Without those facts, the complainants' concerns about the perception of a conflict of interest is not unreasonable.

56. With this in mind, it may be useful to set out two general considerations members should take into account in order to avoid the appearance of any conflict of interest or breach of the Code. These considerations may not be clear from the Code or the Guide to the Code but derive from the test of relevance set out above.

### *Direct and indirect relevant interests*

57. Members may have interests relevant to proceedings directly as a result of organisations they are associated with. They may also have relevant interests indirectly, arising from the interests of clients of organisations they are associated with. In both circumstances, if interests are relevant to proceedings, they must be declared.

58. The Guide to the Code specifies that the Register must include "the precise source of each individual payment" made in relation to any directorship or for services personally provided by members.[9] The report of the Committee for Privileges and Conduct that introduced this requirement clarified that:

> "The rules are intended to apply where remuneration is paid to a company of which a Member is a director in respect of personal services provided by that Member to third parties. We emphasise that it is only payments made for services personally provided by an individual Member which must be registered: there is no requirement to register the names of all the clients of a company."[10]

59. The Committee and the Code therefore recognise that members may have interests in companies with large client lists and, in such cases, members are not expected to register the details of every client.

60. However, the duty to declare is broader than the duty to register. Where a member knows details of particular clients (regardless of whether they personally provide services to those clients), those clients may constitute relevant interests requiring declaration if the member chooses to take part in proceedings.

### *The principle of openness and accountability*

61. The Code states that the purpose of declaration is to "assist in openness and accountability". Where a member has an interest in an organisation that is active in the areas which are the subject of a proceeding in the House, a declaration of the member's interest may be advisable even if the interest, when explained fully, may not be relevant. This would assist in openness and accountability and may pre-empt a reasonable member of the public, not able to be in possession of all the relevant facts, from reaching critical conclusions about non-declaration, and making a complaint.

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9 Paragraphs 50 and 52

10 Committee for Privileges and Conduct, Registration of Interests (First report, Session 2012–13, HL Paper 15)

62. Having said this, members should also bear in mind paragraph 94 of the Guide to the Code of Conduct which says, "Members should not take up the time of the House by declaring trivial, frivolous or irrelevant interests."

*Advice to members*

63. Determining when a declaration may be needed will sometimes require fine judgements to be made and the Code of Conduct is not intended to discourage members from drawing on the knowledge and expertise gained from outside interests. Indeed, paragraph 17 of the Guide to the Code of Conduct says that where members have expertise it is "desirable, that such members, having declared their employment and other interests, should contribute to debate on issues to which these interests are relevant."

64. Where members have concerns on this matter, the Registrar of Lords' Interests is available to advise. A member who acts on the advice of the Registrar in determining what is a relevant interest satisfies fully the requirements of the Code of Conduct in that regard. However, the final responsibility for deciding whether or not to participate in proceedings to which an interest is related rests with the member concerned.

Lucy Scott-Moncrieff, CBE
Commissioner for Standards

## Appendix A: Complaint from Robert Tipping to the Commissioner for Standards, 5 February 2019

You may have seen an article in the Mail on Sunday on 03 February reporting large payments made by eight companies to Sancroft International Limited, a company wholly owned by Lord Deben, his wife and children.

The article pointed out that these companies all benefited directly from decisions taken by Lord Deben in his capacity as Chairman of the Climate Change Committee. Lord Deben has not denied receiving the payments listed in the article, which total £600,000.

I note that Lord Deben's entry in the Register of Interests does not refer to any of these companies. This appears to be a flagrant breach of the Rules of conduct set out in paragraphs 10–13 of the Code of Conduct for Members of the House of Lords. It may also be a breach of paragraph 9(e) of the same Code.

I note also that Lord Deben occasionally draws attention to his position as Chairman of the Climate Change Committee, when speaking in the House of Lords. He does not however refer to the individual companies from which he receives large sums of money.

This is a very serious omission when Lord Deben is speaking about issues on which the Climate Change Committee has advised the Government and in which he has a financial interest.

One such occassion was on 30 November 2017, when he spoke in the debate on the Renewables Obligation (Amendment) (Energy Intensive Industries) Order 2017.

I believe it is not required for members of the House to draw attention to their interests when asking questions. However, that surely makes it even more important for all their financial interests to be available for scrutiny in the Register.

On 12 July 2017, Lord Deben asked a question about Electric Car Ownership. Members of the House had no means of knowing that his plea for the Government to make vans "turn increasingly to electricity" might have been influenced by the £292,699 paid to him by Johnson Matthey, a company which had invested massively in new battery technology for electric vehicles.

Under Lord Deben's chairmanship, the Climate Change Committee had recently published a report advocating this policy. Readers of this report, including Ministers and officials responsible for the Government's policy, would have been left similarly ignorant because of Lord Deben's repeated failure to disclose his interests.

It is impossible to believe that Lord Deben is unaware of the importance of full disclosure of financial interests. In 1992 he was reprimanded by Parliament for failing to disclose that expensive improvements to the garden of his Suffolk home had been paid for by a food company while he was Minister of Agriculture.

Will you now, as a matter of urgency, investigate Lord Deben's breaches of the Code of Conduct for Members of the House of Lords?

## Appendix B: Complaint from David TC Davies MP and others to the Commissioner for Standards, 7 February 2019

You may be aware that on 3rd February 2019 The Mail on Sunday published accusations that Lord Deben, who is also chairman of the influential Committee on Climate Change, has received payments totalling hundreds of thousands of pounds from green businesses through his environmental consultancy, Sancroft. He has not, as far as we know, denied that these payments were made.

Lord Deben does not seem to have adequately described the nature of Sancroft's activities in the Register of Lords' Interests, despite previously assuring the Energy and Climate Change Committee that the work of Sancroft had "no connection"[11] with matters relating to the Committee on Climate Change. We take this to mean energy and climate policy.

Lord Deben's position as chairman of the Committee on Climate Change means his voice carries extra weight on these topics. Members would have reasonably assumed he was an impartial voice.

Lord Deben has spoken in the Chamber many times on these matters and it would appear these payments are from organisations that stand to benefit from policies he is advocating. These include Drax, Saria, Temporis Capital, the Food and Biomass Renewables Association (FABRA), Star Capital, 2Degrees, Johnson Matthey and BHSL Hydro.

A clear example of this was on 5th June 2018 during a debate on the Automated and Electric Vehicles Bill. He argued "that the Government have set too far a target for the eradication of new petrol and diesel-driven vehicles: 2030 is necessary if we are to meet the fourth and fifth carbon budgets". But he failed to disclose his interest in Sancroft, which has received a total of at least £292,699 from Johnson Matthey, a company investing heavily in electric vehicle technology.

Another occasion was 30th November 2017 during a debate on the Renewables Obligation (Amendment) (Energy Intensive Industries) Order 2017. Lord Deben, who appears to have received funds from businesses profiting from the Renewables Obligation, declared his interest as chairman of the Committee on Climate Change but not his interest in Sancroft. Drax, one of their biggest clients, was in fact the largest recipient of Renewable Obligation Support during the period from 2015–16.

There are many other examples but another was during a debate on the Energy Bill on 18th June 2013. Lord Deben declared an interest as chairman of the Committee on Climate Change but failed to declare an interest in Sancroft, despite the fact that Johnson Matthey and BHSL Hydro were both clients of his at the time.

The Code of Conduct for Members of the House of Lords states, as per paragraph 9(b), that members should avoid "placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work". Paragraph 10(a) suggests members shall register "all relevant interests…to make clear what are the interests that might reasonably thought to influence their parliamentary actions".

11 Energy and Climate Change Committee, *Pre-appointment hearing with the Government's preferred candidate for Chair of the Committee on Climate Change* (Fourth Report, Session 2012–13 HC 555)

While Lord Deben has made known his chairmanship of Sancroft in the Register of Interests, we are concerned that his repeated failure to make appropriate declarations to the House could be seen to place him in breach of the Code of Conduct.

Furthermore, he doesn't seem to have fully informed Parliament as to the full nature of Sancroft's activities. We believe this behaviour could be seen by many as a breach of the requirements for integrity, objectivity, openness and honesty that are contained within the seven general principles of conduct identified by the Committee on Standards in Public Life.

A crucial consideration of the Code of Conduct is "whether the interest might be thought by a reasonable member of the public to influence the way in which a member of the House of Lords discharges his or her parliamentary duties".

Regardless of Sancroft's precise relationship with these companies, the public could perceive any sort of financial relationship as a conflict of interest. We consider it crucial now that Parliament acts to establish the facts around this case and maintain the highest possible standards. The sheer scale of these payments, and their relative significance to what is otherwise a relatively small family business, underline the importance of a thorough investigation.

We would be grateful if you could treat this letter as a complaint against Lord Deben and investigate whether he has indeed broken any of the House's rules. A narrow interpretation of these rules should not stand in the way of proper scrutiny of his behaviour.

Please find attached further documentary evidence detailing the potential conflicts of interest.

Yours sincerely

David T C Davies MP

Member for Monmouth

Graham Stronger MP

Craig Mackinlay MP

Andrea Jenkyns MP

Nadine Dorries MP

## Appendix C: Letter from Andrea Jenkyns MP to the Commissioner for Standards, 19 February 2019

In the course of further investigation, I have discovered an additional 12 occasions where it appears that Lord Deben has failed to make appropriate declarations when speaking in the House of Lords. These were as follows:

- On 16th May 2018, during a debate on the European Union Withdrawal Bill, Lord Deben spoke in favour of an amendment which called for the "Maintenance of EU environmental principles and standards". Sancroft's renewable energy clients appear to benefit from these standards; for example, through the EU's Renewable Energy Directive 2009. However, he does not seem to have declared an interest in Sancroft.
- On 21st March 2017, during Grand Committee stage on Electricity Supplier (Amendment) Regulations 2017, Lord Deben described the prospect of Government action to actually reduce energy bills as "draconian" and made an argument on a significant point of contention in the public discourse, namely that so-called "low-carbon policies" were actually saving consumers money. This perspective is perhaps easier to understand in light of the information that his environmental consultancy was receiving money from companies profiting from these so-called "low-carbon policies". He does not seem to have declared an interest in Sancroft.
- On 15th December 2015, during a debate on the Paris Climate Change Conference, Lord Deben described those who "cast doubt" on the Paris Agreement, as "undermining the way private industries know that they will have to change". Many members may have appreciated a declaration of his interest in Sancroft at this point, given that the companies which it represents may stand to benefit from policies advocated in the Paris Agreement. Namely, from decarbonisation efforts and the promotion of renewable sources of energy.
- On 14th October 2015, during a debate (Committee Stage) on the Energy Bill [HL], Lord Deben said "I declare an interest in the sense that I help people to do planning permission for sustainable development-not anything to do with energy but on other things." He did not mention Sancroft by name. However, he did declare his interest as Chairman of the CCC, describing how "Although I have to sit on one side or the other, that makes me entirely independent on these issues." It appears that Saria, the Foodchain and Biomass Renewables Association (FABRA) and Temporis Capital (Renewable Energy investors), were all clients of Sancroft at the time, seemingly contradicting his claim that his outside interests were nothing to do with energy and that he was "independent". Deben goes on to say "the renewables industry is a great industry".
- On 14th September 2015, during 3rd day of Committee stage of the Energy Bill [HLJ, Lord Deben claimed that "a decarbonisation target would give security to those who are investing in low carbon technology, and above all in low carbon generation." Those people seem to be Lord Deben's clients, and again he does not seem to have declared an interest in Sancroft.
- On 7th September 2015, during a debate on 1st day of Committee stage of the Energy Bill [HL], Lord Deben declared an interest as chairman of the Committee on Climate Change but failed to declare his chairmanship of

Sancroft. He spoke on the need to promote Carbon Capture and Storage technology, and this seems to be a field of interest to clients of Sancroft.

- On 17th June 2015, during a Topical Question on Climate Change, Lord Deben spoke of "continuing the advantages of renewable energy". However, he does not seem to have declared his interest in Sancroft, whose clients include renewable energy companies.
- On 10th November 2014, during the 3rd day of Report stage of the Infrastructure Bill [HL], Lord Deben said: "The climate change committee has said, rightly, that we want to have a range of means whereby we can meet our future [energy] needs." Given his interest in energy companies, through Sancroft, it appears that it would have been appropriate for him to declare Sancroft as an interest on this occasion.
- On 25th July 2013, during 8th day of Committee stage of the Energy Bill, Lord Deben stated: "where we are all concerned not to restrict biomass in such a way as to lose the real advantages, but not to extend it so that it becomes a front for a worse attitude towards the environment than that represented by the fuels it replaces." He does not seem to have declared his interest in Sancroft, despite the fact that at this point Saria, which is a biomass renewable energy generator (https://www.saria.co.uk/renewable_energy/index.html) was one of Sancroft's most significant clients at the time. BHSL, another biomass generator, also seems to have been on Sancroft's client list at the time.
- On 23rd July 2013, during 7th Day of Committee stage of the Energy Bill, Lord Deben said: "Manifestly, in the long-distant future, it would be quite sensible to have a lot of windmills when there was wind and a lot of solar when there was sun." In relation to interconnection, Lord Deben went on to describe how "we need to open up the opportunities for people to invest." Again, it appears that Lord Deben should have declared his interest in Sancroft on this occasion.
- On 16th July 2013, on 5th Day of Committee stage of the Energy Bill, Lord Deben proposed a carbon intensity target for 2030, and said "those emissions are changing our climate as we speak and that the quicker they are phased out, the safer it is for our children." Given the obvious financial incentive for Sancroft's clients of quicker emissions reductions, it appears that Lord Deben should have declared his interest in Sancroft on this occasion.
- On 4th July 2013, on 2nd Day of Committee stage of the Energy Bill, Lord Deben spoke to promote electric vehicles, and suggested that the cost of decarbonisation policies would not be very high, and lower than other estimates that had been made. Sancroft's clients may be seen by the public to have an interest in such a narrative being propagated. It appears that Lord Deben should also have declared his interest in Sancroft on this occasion.

I hope you will take these additional examples into consideration as part of your investigation. I would like to make one further point, which is that Lord Deben has a significant motive to avoid public knowledge of Sancroft's clients. Namely, that such interests may call into question his impartiality as chairman of the Committee on Climate Change. It should not be discounted that these seemingly repeated failures to declare interests appropriately, may be happening on a systematic basis.

A further example of this sort of behaviour was on 11th October 2018, when Lord Deben wrote to Business and Energy secretary Greg Clark and Transport

Secretary Chris Grayling urging 'financial support' for electric vehicles. He did not mention that Johnson Matthey, a significant investor in electric car batteries, had paid Sancroft £292,699 between 2012 and 2017.

## Appendix D: Letter from the Commissioner for Standards to Lord Deben, 8 February 2019

I am writing because I have received two complaints alleging that you have breached the House of Lords Code of Conduct. The first is from Mr Robert Tipping. The second is jointly signed by David TC Davies MP, Graham Stringer MP, Craig Mackinlay MP, Andrea Jenkyns MP and Nadine Dorries MP. Copies of the complaints and supporting documents provided are attached.

The complaints relate to clients of Sancroft International Limited and your registration and declaration of those clients.

I have carried out a preliminary assessment of the complaints. I have decided that there is sufficient *prima facie* evidence to investigate whether the House of Lords Code of Conduct may have been breached. In particular, I intend to investigate whether the following provisions of the Code of Conduct have been engaged:

- the requirement to include in the Register of Lords' Interests all relevant interests, both financial and non-financial (paragraph 10(a) of the Code);
- the requirement to declare when speaking in the House any interest which is a relevant interest in the context of the debate or the matter under discussion (paragraph 10(b) of the Code).

In investigating the allegations I will take into consideration paragraphs 11 and 12 of the Code which state:

> "11. The test of relevant interest is whether the interest might be thought by a reasonable member of the public to influence the way in which a member of the House of Lords discharges his or her parliamentary duties: in the case of registration, the member's parliamentary duties in general; in the case of declaration, his or her duties in respect of the particular matter under discussion.
>
> 12. The test of relevant interest is therefore not whether a member's actions in Parliament will be influenced by the interest, but whether a reasonable member of the public might think that this would be the case. Relevant interests include both financial and non-financial interests."

I also draw your attention to the seven general principles of conduct identified by the Committee on Standards in Public Life and incorporated into the Code of Conduct.

I invite you to respond in writing with a full and accurate account of the matter in question.

I am aware that you have previously discussed whether to include Sancroft International's clients in your entry in the Register of Lords' Interests. You were advised by the previous Registrar of Lords' Interests that, providing you did not personally work for such clients, registration was not necessary.

Without limiting what you might wish to provide as a response to the complaint, it would be useful if you could provide details of:

- your interaction as Chairman of Sancroft International with its clients;

- your knowledge of work carried out for those clients of Sancroft International named in the complaint (Drax, Saria, Temporis Capital, the Food and Biomass Renewables Association, Star Capital, 2Degrees, Johnson Matthey and BHSL Hydro), including any work carried out by you personally; and
- the nature of the connection between fees paid by clients of Sancroft International and your earnings as Chairman.

You may also wish to comment on the supporting documents provided by David TC Davies MP, Graham Stringer MP, Craig Mackinlay MP, Andrea Jenkyns MP and Nadine Dorries MP.

A response by 27 February would greatly assist me in investigating this matter in a timely fashion.

I would also wish to draw your attention to paragraph 130 of The Guide to the Code of Conduct:

> "From the point that the Commissioner decides to undertake an investigation all evidence and correspondence relating directly to the inquiry is covered by parliamentary privilege. It must remain confidential unless and until it is published. If such evidence or correspondence were to be published or disclosed to anyone else without the agreement of the Committee for Privileges and Conduct or the Commissioner, this would be a contempt of the House. An attempt to obstruct an investigation is a contempt of the House."

In accordance with paragraph 122 of the Guide to the Code of Conduct a webpage on the parliamentary website will include basic information about the case.

## Appendix E: Letter from Lord Deben to the Commissioner for Standards, 27 February 2019

Thank you for your letter of 8 February 2019 concerning two complaints that I have breached the House of Lords Code of Conduct.

The complaints concern clients of Sancroft International Limited ("Sancroft") and my registration and declarations in relation to them. You have indicated that you intend to investigate whether the provisions of paragraphs 10(a) and 10(b) of the Code have been engaged.

### Sancroft and the Register of Interests

Sancroft was founded in 1998 with the aim of helping companies become more sustainable. Its earliest work was largely environmental but it expanded its work to advise on a range of issues concerning corporate responsibility, ethical and planning issues. It employs a team of consultants and analysts. Its current activities include advising on matters such as food safety, obesity, and health and wellness, advising on improving supply chains to counter modern slavery, ensure proper working conditions, and reduce the use of plastics. Sancroft gives advice. It does not in any way act as advocate or act as a public relations company. It helps clients to be better corporate citizens and it is for others to argue their case.

Sancroft is run by its Chief Executive. I am the Chairman of the company.

I note that in the complaint by Mr David Davies MP and others ("the MPs' Complaint") it is suggested that I have not adequately described the nature of Sancroft's activities in the Register of Interests. As you know, that description is in the following terms "consultants in corporate responsibility and environmental, social, ethical and planning issues". I believed, and continue to believe, that this is an accurate description of its activities.

It is, of course, correct that many of Sancroft's clients have an active interest in climate change related issues. Every responsible major company considers issues such as seeking a low carbon footprint, avoiding the risks of global warming, reducing emissions, and cutting energy use. This means, for example, that any substantial company will be deciding whether to buy electric vehicles; almost any supermarket will be selling renewable electricity to its customers; any large engineering company will be making some parts for low carbon engines; any refrigeration company replacing or considering replacing HFCs with low carbon refrigerants; any waste business providing some material for energy by incineration or anaerobic digestion. However, Sancroft does not advise on these issues precisely in order that there should be no conflict of interest with my position as Chairman of the Climate Change Committee.

I have approached matters on the basis that no reasonable person would take the view that the fact that Sancroft has clients whose businesses involve some consideration of issues of the type I have just described might influence the way in which I perform my Parliamentary duties or my role as Chairman of the CCC.

The nature of Sancroft's business, the details of its clients and my role as its chairman were the subject of intense scrutiny by the compliance unit of the Cabinet Office, together with a representative of the Department of Energy and Climate Change, before I was appointed as Chairman of the CCC.

Although I, and Sancroft, had divested from any work which could be thought to conflict with my new role, I was nevertheless concerned to ensure that all relevant interests were properly declared. As you mention in your letter, I discussed with your predecessor whether all or any of Sancroft's clients should be included in the Register of Members' interests. Having described my role in Sancroft, I was advised that registration of individual clients would not be required.

I understood the basis of this advice to be that no reasonable member of the public would take the view that the mere fact that a company of which I am chairman works for a particular client might influence the way in which I discharged my Parliamentary duties. I have carried out my role as chairman of Sancroft in a manner I believe to be fully consistent with the advice I was given by the then Commissioner.

When I speak on matters relating to climate change in the House of Lords, I speak on the basis of the materials, views and advice produced by the CCC. My views reflect those of the Committee as a whole, not just myself as Chairman. I have not, and would not, express views that are contrary to that of the Committee (as I do not believe that would be proper).

Furthermore, I always seek to make an 'ad hoe' declaration in the House of Lords if speaking on a subject that could give rise to a potential perception of an interest. Hence, should I know of any work done by Sancroft relating to the subject I am discussing, I would declare it.

## Specific Matters

You have asked me to provide details in relation to three specific matters. I will deal with these in turn.

## Interaction with Clients of Sancroft

My role in relation to clients of Sancroft is, I believe, that of a typical company chairman. As I explained in originally seeking advice, I may, for example, be involved in introducing prospective clients to the company, in nurturing relationships, and obviously being available to advise Sancroft staff.

## Knowledge of the Work Carried out for Specific Clients

You have asked about my knowledge of the work carried out by Sancroft for the eight specific clients named in the complaint.

(1) **Drax**: In 2017 Drax asked Sancroft to review the modern slavery, geopolitical risk and human rights issues likely to be relevant in the timber industry in its supply chain outside the UK. I was made aware of this project because, as Drax is a producer of renewable energy from biomass, both Drax and Sancroft were concerned to establish that there was no conflict with my role as Chairman of the CCC. Therefore, I took advice from the compliance officer of the CCC. I was advised that there was no conflict of interest. I did not know anything about the detail of the work carried out for Drax or of the advice which was given. I was not involved in this work in any way.

(2) **Saria**: This company is in the rendering business (and was a member of FABRA, see point (4) below). Sancroft's advice to it concerned rendering and the protection of public health; the regulatory regime for inspection; and the arrangements for export within the EU and

to third countries and food waste collection. My involvement was as chairman, in which role I ensured that there was no involvement in renewable generation.

(3) **Temporis Capital**: I knew that Sancroft provided Temporis with its "daily digest" of relevant press cuttings dealing with sustainability, environmental and related issues. Sancroft did not provide any other services to this company and I did not provide it with advice in any capacity.

(4) **FABRA**: This organisation was formed by members of the United Kingdom Rendering Association (including Saria), with the specific aim of ensuring firm handling of possible breaches of safety in rendering. The fact that this organisation's title contains the word "renewable" was a reference to the fact that some members used their own rendering material for on-site energy generation, but the organisation per se - and Sancroft's dealing with it - was only concerned with rendering. Sancroft provided advice to FABRA concerning rendering and the protection of public health; the regulatory regime for inspection; and the arrangements for export within the EU and to third countries. Sancroft also provided advice on the prevention of fraud. My involvement was as chairman, in which role I ensured that there was no involvement in renewable generation.

(5) **Star Capital**: Sancroft worked for this company in relation to the interconnector between Britain and France but Sancroft ceased involvement in this work prior to my becoming Chairman of the CCC. Sancroft subsequently provided planning and due diligence advice on a possible environmental investment to the chairman of Star Capital. I was aware of the nature and contents of that advice, which was entirely unconnected with the issues of climate change.

(6) **2 Degrees**: This is an organisation that provides a digital platform on which companies supplying retailers can share good ideas for reducing costs. I was aware that Sancroft provided pro bono advice to this organisation. I did not know the details. I was the Chairman of the advisory body of this organisation and received remuneration which is declared in the Register of Members Interests.

(7) **Johnson Matthey**: This company is one of Britain's largest engineering and technology businesses. Sancroft provided advice on sustainability over many years, beginning in the 1990s. While Johnson Matthey has some business interests related to electric vehicles, Sancroft has never had any involvement in this. Johnson Matthey was Sancroft's earliest client. My involvement changed substantially as the business grew. By the time I entered the House of Lords in 2010 my role was that of chairman and I had therefore very little involvement in its delivery or knowledge of its substance.

(8) **BHSL Hydro**: This is an Irish company which sought advice as to the definition of waste as regards chicken litter by the EU Commission. Sancroft worked for this company in Dublin and in Brussels. Subsequently, when the company wished to introduce its technology into the UK, Sancroft refused further involvement so as to avoid any conflict with my role as Chairman of the CCC.

As you are aware, issues concerning Sancroft's work for these companies were first raised by the Mail on Sunday and, for the sake of completeness, I attach their questions and my solicitors' response to them.

## Connection between Fees paid and my Remuneration

You have asked about the "nature of the connection between fees paid by clients of Sancroft" and my earnings as chairman. There is no such connection. Any remuneration was not linked in any way to either specific payments made by clients or the general level of client fees. Whether or not a specific client paid Sancroft and the amount of such payments had no impact on the amount that I was paid in my role as chairman.

## Comments on Supporting Documents

You have asked me to comment on the supporting documents provided with the MPs' Complaint and I will do so briefly. I should make it clear that these are confidential documents which have been wrongfully provided to journalists. I would be grateful for your confirmation that they will not be placed into the public domain.

First, there is a document entitled "University of Exeter MBA Consultancy Project: Strategic Risk identification paper for Sancroft International". This was produced by a student, Mr Merlin Hanbury-Tenison. He was permitted to carry out this research in order to assist him with his MBA studies. The content of his thesis was based on his own investigations and interviews and, as might be expected with a project of this kind, contained a number of misunderstandings and factual inaccuracies. It was never subject to fact checking by Sancroft as it was designed to be a confidential document solely for Mr Hanbury-Tenison's own academic purposes. Mr Hanbury Tenison has confirmed that when he showed his thesis to Adrian Gahan, the then Managing Director of Sancroft, these inaccuracies were pointed out to him but he did not produce a revised updated version.

To give only one example, Mr Hanbury-Tenison was misinformed or misunderstood the position in relation to Temporis. Sancroft did not do any "consultancy" or other work for Temporis. The sums paid by Temporis related solely to the provision of the daily digest. The suggestion that there was a retainer in order to provide advice to Temporis is wholly false.

The second document is a confidential internal financial document of Sancroft which I believe to be an accurate summary of the fee income of the company over the relevant period. I do not think that further comment is required.

The third document is a confidential internal Sancroft document summarising the Drax Project. I can confirm that this is an authentic Sancroft document.
I do not believe that it requires further comment.

The fourth document is a record of evidence which I gave to the Science and Technology Committee on 15 January 2019. I do not believe it requires further comment.

I do not believe that any of these documents disclose or evidence any breach of the Code of Conduct by me. But please let me know if there is any other specific matter on which you would like me to comment.

## Summary

In summary, I believe that I have properly declared any interests that a reasonable person might think would influence what I had to say in the Register of Members' Interests and when speaking in the House.

The source of these complaints is not relevant in an assessment of their validity; however it is relevant in assessing whether a reasonable person might think that I had interests which should have been declared when speaking on climate change. In this regard, it is noteworthy that the only allegations of impropriety have been from those who do not accept the scientific consensus on climate change. Indeed, in the 6 years I have chaired the CCC, the only criticism of my actions has come from people who think that climate change is overstated or even a hoax.

Were there any reality in the accusation that a reasonable person might feel that some further declaration should have been made, it would be expected that newspapers and commentators who did not share this agenda would also have referred to the matter. None of them have.

Since leaving office as Secretary of State for the Environment in 1997, I have dedicated my life to improving the environment, securing human rights and preventing the catastrophe of climate change. Sancroft' s very foundation was aimed at this purpose, and my chairmanship of the CCC was undertaken in the spirit of public service, even to the detriment of Sancroft's commercial interests. There has never been any reason for me not to be completely open with the Cabinet Office, the Select Committee, the Commissioner, or the Compliance Officer of the CCC. I believe that no reasonable person would suggest otherwise.

I hope that I have addressed all the matters relevant to the complaints which have been made. Please let me know if there is anything which you would like me to address in more detail or in relation to which you would like me to provide further information.

I shall of course be happy to discuss these matters further with you and will make myself available when you have time for us to meet.

## Appendix F: Letter from the Commissioner for Standards to Lord Deben, 29 March 2019

Thank you for your letter of 27 February.

In your letter you describe various issues that Sancroft would not advise on in order to ensure there is no conflict of interest between your role there and as Chairman of the Climate Change Committee. It would assist my consideration if I could get a fuller idea of what sort of advice Sancroft does provide.

This is important as your letter says that every "responsible major company consider [climate change related] issues" and notes that "almost any supermarket will be selling renewable electricity to its customers". You then describe some of Sancroft's clients as being companies "whose business involve some consideration of [these] issues". However, the clients of Sancroft referred to in the complaint appear to have climate change related issues at the core of their business, rather than simply some consideration as a supermarket might.

For example, Johnson Matthey describe themselves as "a global leader in sustainable technologies … applying unrivalled scientific expertise to enable cleaner air, improved health and the more efficient use of our planet's natural resources", and the first of its five core values is "Protecting people and the planet". Therefore, when you say in your letter that Sancroft provides "advice on sustainability" to Johnson Matthey I should be grateful if you could describe more fully what this would include.

You also discuss part of your role as Sancroft's Chairman as ensuring that no conflicts arise between advice provided by Sancroft and your role as Chairman of the Climate Change Committee. I should be grateful if you could explain what steps you take or processes you go through in order to ensure conflicts do not arise.

## Appendix G: Letter from Lord Deben to the Commissioner for Standards, 4 April 2019

Thank you for your letter of 29 March 2019. In it you have asked me to provide further details in relation to two specific matters. I will deal with these in turn. However, to provide context, I would first note the REMIT of the Climate Change Committee.

### The remit of the Climate Change Committee

Climate change is the broadest of topics but the statutory remit of the Climate Change Committee (CCC) is more narrow: to provide independent advice to the UK Government and Devolved Administrations on reducing greenhouse gas emissions on a cost-effective basis and report to Parliament on progress made in reducing them by 80% over 1990 by 2050. There is also a specific requirement to take account of fuel poverty.

The CCC's strict role and function is laid out succinctly in the Climate Change Act which may be of assistance in defining the boundaries of my role as CCC Chairman. As Chair of the CCC's main Committee, my advisory functions do not go beyond the strict confines of advising on the reduction of greenhouse gas emissions. For example, the CCC's statutory remit does not extend to air quality. Although that is within the remit of many committees on climate change set up in other countries, Ministers here have decided against extending the CCC's remit. Similarly, its scope does not include advice on other aspects of economic, social and environmental sustainability. In the current discussions on the establishment of an environmental 'watchdog', Ministers have been at pains to protect the CCC's remit but not to extend it to cover other areas of sustainability.

Members of the committee, and of the separate Adaptation Committee, are chosen because of their expertise and involvement in these issues, so as to be able to provide useful advice. We therefore observe strict rules on Members' interests, which can be found at the CCC website.

I have been meticulous in maintaining an up to date record of my interests and I have regular dialogue with my Chief Executive on any matters where there might be doubt over my interests as Chairman of Sancroft.

### Specific Matters

You have asked for more details on the sort of advice Sancroft provides and the steps taken to ensure conflicts of interest do not arise. I shall deal with each of these in turn.

The advice Sancroft provides

You will see from the website that Sancroft provides consultancy services across 6 main areas:

(1) Sustainability Strategy

(2) Resource Management and Pollution Prevention

(3) Responsible Sourcing

(4) Health and Wellness

(5) Business and Human Rights

(6) ESG Integration

Sancroft's purpose is to help its clients understand and meet the challenges of sustainability - the social, ecological and economic challenges, the risks and opportunities they face, and their capability to do good in the world. Perhaps the best way to explain what these services might entail is through examples of recent work with Sancroft's clients. I should make it clear that I have had to ask the Sancroft team for the details of all of these as I am not concerned with this work on a day to day basis. I should also make it clear that the names of Sancroft's clients have been anonymised to maintain standards of client confidentiality.

- *A major vegetarian food producer*: Explored trends in support of reduced-meat diets across 22 countries to help inform the client's opportunities for expanding and entering new markets.
- *A leading travel security and medical assistance provider*: Supported the client in the development of their inaugural sustainability report. Sancroft conducted an assessment of key impacts, risks and opportunities to determine the sustainability topics that matter most to the business and its future success. The outcomes of this assessment were fed into the report, which Sancroft ensured was in line with global frameworks and standards including the UN Sustainable Development Goals, the GRI Standards, and the UN Global Com pact.
- *A major high street bank*: Sancroft has been supporting the bank to respond credibly to the UK Modern Slavery Act (MSA) for the last three years. This has included the development of their MSA Statement, a Human Rights Policy Statement and benchmarking against peers to ensure that they continue to meet stakeholder expectations. Sancroft also ran sustainability training for their Responsible Business team to help them in thinking more strategically about the human rights-related programmes that they undertake.
- *A large fast food retailer*: Sancroft has been helping the client to develop their UK Modern Slavery Act statement for the last three years, including associated services such as a high-level supplier risk assessment.
- *A major UK supermarket*: Sancroft is helping the client to develop a packaging and plastics strategy that will reduce the amount of waste they produce and improve financial viability, while responding to growing customer expectations.
- *A UK independent pub and retailing company*: Sancroft provides on-going advisory support to the client's Corporate Responsibility Committee. This is focussed on providing meaningful insights and analysis on emerging sustainability issues in the pub and brewing industry (e.g. allergens; the move towards veganism).
- *A leading nutrition, health and wellness company*: Sancroft advises this company on global health and wellness issues and trends. These include ingredients of concern, marketing issues and also the opportunities to solve such challenges.
- *A leading packaging association*: Sancroft has been advising the association on increasing recycling, encouraging the use of recycled materials and easily recyclable plastics, and reducing the amount of materials which cannot be recycled.

- *A large fashion retailer*: Having previously developed a programme for their supply chain to ensure proper safety and employment conditions, particularly in Bangladesh, Sancroft has recently designed a model to collect and re-use garments both here and in their stores on the Continent.
- *A real estate fund manager*: Sancroft worked with a real estate fund manager to develop their Responsible Investment approach, through the creation of an ESG Policy and Due Diligence checklist.

You have specifically asked about the services Sancroft provided to Johnson Matthey. Johnson Matthey is one of Britain's most significant engineering companies which began as a precious metals refiner and now has a wide range of businesses, many of which derive from that original competence.

I would first note that Johnson Matthey was an existing client of Sancroft when I was appointed Chairman of the Climate Change Committee in 2013. At the time I discussed Sancroft's client list and the nature of the company's work as part of the appointment process and it was not perceived to be a conflict of interest. Sancroft divested itself of some of its clients at that point in case a conflict of interest might be perceived.

The last work undertaken for Johnson Matthey by Sancroft was in 2017. This was a key stakeholder engagement process to discover what internal and external stakeholders perceived to be the issues most material to Johnson Matthey's business. It was entirely an information-collecting exercise from interviews and materials in the public domain. From this, Sancroft listed what Johnson Matthey's key stakeholders thought were priorities for the business. Sancroft did not do any further work for them, but had they asked Sancroft for any further advice then the avoidance of conflict of interest process would have been followed.

Lastly on this specific matter, it is worth noting that it is understandable in today's more socially and environmentally conscious world, that companies would wish to emphasise their sustainability credentials and use some phrase to indicate that one of their core values is 'protecting people and the planet'. This can include a wide range of issues from mitigating the risk of modern slavery to investing in local capacity-building to reducing the use of single-use plastics. However, Sancroft does not advise on any matters related to the remit of the Climate Change Committee in order that there should be no conflict with my position as Chairman of the CCC.

There are two very recent examples of Sancroft refusing to work with companies over concerns of a perceived conflict of interest. The first was a private equity firm which invests in the 'clean and efficient economy', which turned out largely to be energy efficiency. The second was a foreign bio gas company which was looking for market analysis to inform their expansion in the UK. Both were identified by the consultant concerned as potentially posing a risk of conflict, and referred to the Chief Executive. She then followed Sancroft's conflict of interest policy and acquainted the Chairman with her view in each case that these were not contracts that could be entertained.

Steps taken to ensure conflicts of interest do not arise

You have asked about the steps or processes Sancroft undertakes to ensure conflicts do not arise between my position as Chairman of the Climate Change Committee and Chairman of Sancroft. I have attached Sancroft's procedure to avoid conflicts of interest, which reflects the existing process. This process is under constant

review, in consultation with the Climate Change Committee, but I believe that this is fairly representative of the process that has been followed since I became Chairman of the CCC in 2013. Sancroft maintains an open dialogue with the CCC and its compliance officer, and proactively seeks advice from time to time to ensure alignment in the understanding of the expectations of both the letter and spirit of the CCC rules. This document should provide sufficient explanation but please let me know if there is any other specific aspect on which you would like me to comment.

I do hope I've addressed your questions fully but, of course, I would be happy to respond further should you with it.

## Procedure to avoid conflicts of interest

This document sets out Sancroft's process to ensure our work continues to present no conflicts of interest in relation to our chairman's membership of the Committee on Climate Change (CCC).

It is Sancroft's policy to ensure that we engage in no commercial business that presents such a conflict of interest. For the avoidance of doubt, this policy goes further than the rules set out by the CCC and the Cabinet Office, which oblige Lord Deben to declare conflicts and potential conflicts of interest, and to consider and implement actions to manage any such conflicts. Furthermore, Sancroft will accept no business that runs counter to the CCC Managing Conflicts of Interests Policy.

This procedure was written so as to formalise our long-established ways of working and ensure the whole Sancroft team understands our position and is able to support it. In order to ensure that we put this policy reliably into practice, Sancroft's Executive Committee (ExComm) will undertake a quarterly review of all existing and new contracts to ensure they have been examined against the principles in this document; and that no circumstances have changed that would affect a reasonable person's assessment of the facts, and therefore, the perception of a conflict of interest.

Sancroft's procedure is based on the following elements:

*Sancroft's service offering:*

(7) Is Sancroft offering a service to the client that connects to the CCC's areas of interest or adviceto the UK government on meeting its obligations under the Climate Change Act?

*The client company:*

(8) Is the client's core business one that is directly affected by the work of the CCC?

(9) Secondarily, does the client company have activities or investments outside of its core business, which may be seen to be directly affected by the work of the CCC?

If the answers to the above questions are No, then no conflict of interest can reasonably be perceived, and no barrier to delivering the work in question exists.

If any of the above questions are answered Yes, ExComm will assign High, Moderate or Low risk rating to the various elements to determine how to proceed. Individual cases may be escalated as follows:

- Sancroft or the client may impose contractual restrictions on the work in question to reduce or eliminate any perceived co nflict of interest.
- Sancroft may notify the CCC to request advice from the CCC as to whether any mitigating actions are required.
- Where projects demand a transparent resolution in the public domain, Sancroft will make a written declaration to the CCC chief executive and/ or compliance officer seeking a response that clarifies the acceptability of any project based on the conflict of interest policy and rules to which CCC members are subject. This may include the option that Lord Deben would

not participate in CCC deliberations where a conflict of interest may be seen to exist.

## Appendix H: Lord Deben's interventions on 30 November 2017

### Debate on the Renewables Obligation (Amendment) (Energy Intensive Industries) Order 2017

*HL Deb, vol 787, cols 836–38*[12]

My Lords, I declare an interest as chairman of the Committee on Climate Change. I thank the Minister for her introduction of this order. I do not wish to make comments on the best way of doing these things; that is a matter for the Government. I want to underline some of the points my noble friend has made. The first is on the effect of the actions of the Government on domestic fuel bills. Although this is largely—indeed, almost entirely—concerned with industry, it raises again the canard that somehow or other our green measures mean that people pay more in their bills. But, of course, they do not. The Climate Change Committee has carried out very extensive work on this. I think 85% of the population have a combined tariff and are paying some £9 a month more because of our green measures, but their bills are £20 a month less because of the energy efficiency actions that have resulted—in large part from those measures.

That was hugely attacked by those who do not believe in climate change, but they could find nothing wrong in the mathematics. That was their finest argument which has now been removed from the case. On these matters, we ought to be using facts rather than emotion, and we should be clear about it. If we have more efficient equipment, better boilers, better toasters and, if I may say so to Sir James Dyson, better vacuum cleaners, people will not need to use as much electricity, and this has been very notable.

I am glad that my noble friend raised that question because it is important for people to recognise that we have this in mind all the time, not least because the Climate Change Committee has a commitment to protect and help those who are in energy poverty. I do not want anyone to think that we do not think about it as a permanent part of how we work these things out.

She also said that the purpose of the order is to ensure that heavy energy users will still find it possible to manufacture and export from this country, and will not be forced elsewhere. The Climate Change Committee regularly investigates this, and has shown that there is no evidence that our green measures are driving anybody abroad. It is a matter that we have to look at all the time. It is not static. We have constantly to look at this, and I am pleased that the Government have taken these measures. However, I have to say—because it would be unfair not to from my independent position—that they were pretty slow in doing it, and we had to assure the industry that it was coming. When the committee looked at the effects of the reductions in compensation provided in that case, it seemed to us that by and large they were satisfactory—indeed, more than satisfactory if one had concern about it. I must say that it is not always the view of the industry, but it would say that, wouldn't it? We have more or less got it right, and I want to say so, because sometimes I have to be pretty tough on what the Government have been doing. In this particular case, in the way in which it has been implemented—apart from the tardiness—it has been very effective.

I want to finish by saying something about industry itself. I was sorry that my noble friend did not raise this matter, but it is no good if industries which rely on a great usage of energy think that they are merely let off the hook. The reality is

12 HL Deb, 30 November 2017, cols 836–38

that we all have to fight the battle against climate change. If you are a heavy user of electricity, or, indeed, of energy in general, there is a heavier weight on your shoulders to reduce that use, be more efficient, use newer technologies and ensure that you use alternative methods of producing goods if they are available. It is also very important that these industries do not overstate their case as in many cases the energy costs which go into producing their products are nothing like as high as is suggested. We have chosen these industries because they are remarkable, in the proper sense of that word, in that they have high energy costs. However, that does not excuse any of them not seeking to reduce their costs and emissions.

I am not attacking the industries concerned as some have been extremely good but that behaviour is not universal. There is a tendency for people to say that someone else ought to help them. However, it is important and apposite to repeat that we are all in this together. Climate change is happening and everybody has to oppose and fight it. None of us can get off the hook by saying that we are a special case. Therefore, I hope that my noble friend the Minister will do her best to remind these industries that the community accepts that this burden has to be carried more widely, but in return it demands that they become more efficient as that is the only deal on offer.

In that regard, I hope that my noble friend will look very carefully at any changes that she intends to make following the publication of recent reports and the like as this area is very complex. We spend a lot of time looking at these issues and we have to be careful about some of the solutions that are put forward which appear easy or arise from prejudiced approaches. We need to be very clear that we need to listen to the whole range of advice before we make changes. Therefore, I am pleased that the Government have taken some time to decide exactly how to approach this issue and that they will look for other ways to satisfy the problem to which she referred, while ensuring that they act within the European Union rules. I hope that she will not mind my saying that it will be a great sadness for Britain when we do not have these rules as we will then be dealing with other people who are kept within sensible returns by what is on the whole a very good system in the European Union. That matter is for another day, but I hope that my noble friend realises that I am not going to let her off the hook on the subject of Brexit, which is, of course, the most disastrous policy that any of us have dealt with for many years.

## Appendix I: Lord Deben's interventions on 5 June 2018

### Debate on the Automated and Electric Vehicles Bill

*HL Deb, vol 791, col 1255*[13]

My Lords, I just want to tell my noble friend how helpful I find the amendment and how useful it is. The climate change committee has drawn attention to the fact that one reason for the lack of uptake of such motor cars is people's feeling that they cannot rely on a charging system to travel around the countryside. The amendment is an important addition to that provision.

However, I remind my noble friend that one issue here is that people are very suspicious of the correctness of the information given to them by the motor car industry generally. Therefore, this support will be invaluable. We are still being told things about motor cars which are not true. The figures being put out for the performance of motor cars—including electric motor cars—are very different from the reality. It is in that atmosphere that the amendment is important.

I hope that the Government will recognise that in other areas in this business, too, regulation is not an imposition but an encouragement. Good regulation is a good thing. We are against bad regulation. In this area, we need regulation that gives people confidence in what is for most of them a very new technology. I thank my noble friend but also urge her to recognise that we need similar support in other areas if we are to get the change which we will need. I remind her that the Government have set far too far a target for the eradication of new petrol and diesel-driven vehicles: 2030 is necessary if we are to meet the fourth and fifth carbon budgets, so there is a real need to get on with things which will encourage people to buy these motor cars.

*HL Deb, vol 791, col 1260*[14]

Does my noble friend accept that it is a question not just of the granting of the wayleave but of the speed at which it is done? There are many such examples and in the end wayleaves are granted. I still do not understand why in these circumstances we have not applied the speed with which we deal with telecommunications because of the pressure for broadband. Why do we not do the same thing?

*HL Deb, vol 791, col 1264*[15]

My Lords, we are bound to discuss this very narrow amendment to a very narrow agreement by the Government, but it strikes me that there is a problem in the Bill with the extent to which the Government will be able to insist on charging points in future. For example, many public authorities do not seem to be rising to the occasion. As I understand it—I stand open to correction—the Royal Borough of Kensington and Chelsea does not have any of these charging points. It is a disgrace. Westminster has been much better. There are no party politics in this; it is just one of those things. People do not seem to have woken up to this. Does the Minister feel that the Government have enough power to insist that the public sector, not just the private sector, behaves itself and recognises that it has to rise to this challenge? Unless one can be assured of that, one is very sympathetic to the amendment—except that it does not go far enough.

13 HL Deb, 5 June 2018, col 1225
14 HL Deb, 5 June 2018, col 1260
15 HL Deb, 5 June 2018, col 1264

## Appendix J: Summary of other interventions considered

### 16 May 2018: European Union (Withdrawal) Bill: amendment to insert new Clause entitled "Maintenance of EU environmental principles and standards"

*Lord Deben's intervention (HL Deb, vol 791, cols 686–88)*[16]

"My Lords, I declare an interest as chairman of the climate change committee. That is why I strongly support the amendment. We see here exactly what played out during the debates on the climate change committee.

I want first to thank the Government for a serious attempt to move in the direction we wanted. My noble friend and I have not always agreed, but what he promised in the sense of a real contribution has been made. What we have to say now is only in sadness rather out of any antagonism. My noble friend Lord Framlingham, who followed me in part of my former constituency, really cannot say that this is an irrelevant amendment, because we are talking about what the Government have placed before us. This is part of the withdrawal Bill; it has nothing to do with our pro or anti-Brexit position.

…

If my noble friend is going to say that, I shall find it rather difficult to move towards him, because it is not; I speak as chairman of the climate committee because it is not. The reason I speak is simply this: we were promised that we would pass into UK law all the protections that we have as members of the European Union, so that, on the day after our leaving, we would be in the same position in respect of those protections. Under the present arrangements, we will not be.

As I say, this repeats what happened with the climate change legislation. The then Government were in favour of it in general, but when it came to the detailed powers, the Treasury opposed it. The Minister in Defra, or at least its equivalent in those times—it was then the Minister at the Department of Energy and Climate Change—was in favour of those powers. That battle was fought in the then Government, and they decided that they would not give the powers until we were able to show that there were enough Labour Members to give a majority in the House of Commons so that they would have to give way. Happily, it therefore became an all-party Bill that we can all claim credit for, passed by the Labour Government and ultimately supported by every party in Parliament.

I want it to be the same here—for all of us to support this because it is the parallel and the same battle. There is an argument within the Government as to whether we should go further, as the amendment suggests, and I want us to support that part of the Government that wants us to go further. This is being critical not of the Government but of an attitude of some parts, not of this Government but of all Governments when one tries to enhance and enshrine environmental matters. We are not in any way being combative but standing up for the same principles for which we stood up and successfully passed in the Climate Change Act.

Let us realise that we want a "world-class" watchdog. Those are the words, not of me, rebels or those who do not like Brexit, but of the Prime Minister and this Government. "We want to be a Government who set standards we have never set before". Those are not my words—although they are my sentiments—but those of

16 HL Deb, 16 May 2018, cols 686–88

this Government. What we are asking the whole House, unitedly—and people in favour of our movement from the European Union and those against—to accept that after we leave the EU we want the same protections as we were promised. This is the simple way to achieve it.

These are not dark days, I say to my noble friend. These are the days when we are standing up for the future for our children and grandchildren. They are the same days as those when we stood up in the past and are not to do with disagreements about Brexit, but with the carrying through of the government promise and the view of many members of the Government. We know that when the case against the amendment is put forward, it will be the case not of the whole Government but of part of them, and it is our job to try to support those who want this kind of protection. We have seen what happens if you do not have it. When I was Secretary of State for the Environment, the Environment Agency had some independence; I insisted that it spoke publicly and that it could criticise the Government. It is now part of the department and its chief executive sits on Defra's board of management. We did the same with what was then English Nature. It is now part of the set-up and is drawn into the Government.

The consultation paper has been written by two hands. It is written by the hand that says, "We really must have an independent watchdog. We must stand up and say, 'The environment comes first and we have to pass it on'". The other hand says, "Ah, but Ministers must always be in charge and we must balance this promise with all sorts of other things". I want us to strengthen the hand of the future and of the commonality of Britain. My noble friend Lord Framlingham suggests that we are somehow running against public opinion. I have to say that we are running entirely with public opinion on this. The public want proper protection and to make sure that their children and grandchildren live in an enhanced and better world.

For the Government to fight the amendment, they must explain why weakness is strength, why doing less is doing more, and why not accepting the views of those most concerned with the environment—inside and outside the Government—is better than accepting them. It is a difficult task and I do not think it is winnable task. I say to the whole House that this is a chance for us to vote seriously for the future and to do here what we did 10 years ago with the Climate Change Act, which this House would never dream of saying was other than a success because it is the lead for every country in the world. If the Prime Minister is right and we want a world-class watchdog and to set standards for the whole world, there is no better way than to take the lessons of the Climate Change Act and put them in the Bill, as the Government promised they would.

### *Ms Jenkyn's complaint*

"Sancroft's renewable energy clients appear to benefit from these standards; for example, through the EU's Renewable Energy Directive 2009."

### *Finding*

The connection between the intervention and a possible, unspecified benefit that Lord Deben might enjoy in the future via Sancroft is too weak to conclude that such a benefit would influence his actions. This complaint is dismissed.

## 21 March 2017: Debate on the Electricity Supplier Payments (Amendment) Regulations 2017

*Lord Deben's intervention (HL Deb, vol 782, cols 10–12GC)*[17]

"Whenever we talk about these things there is always a kind of reticence—a fear somehow or other that the customer will be charged in an unsatisfactory way for Britain to move to the low-carbon economy that we all seek. I remind the Committee of my interest as chairman of the Climate Change Committee.

…

I hope the Minister, in all the times that he speaks on these matters, will refer people to the work recently done by the Climate Change Committee, which shows that the overall effect of our low-carbon policy has been to reduce bills, not increase them. Roughly speaking it costs us about £9 a month more to pay for the costs of moving towards a low-carbon economy, but the bills are £20 a month less than they would have been because of the effects of those policies. As people exchange old white goods and other electrical goods for new ones, because of our policies, the latter are much more efficient. We have pressed the technology.

I remember going to buy a freezer at the beginning of the European Union process of warning people about the amount of energy used by new products—when the little notices came in for the first time. The freezers on offer ranged from those with an A rating to those with a G rating. As a matter of fact, I did not buy afreezer in that sale. I waited a year for the next January sales. I went around again and discovered that all the freezers were now between an A++ rating and a B rating. In one year we had changed: people were told about the value of low-carbon, low-emission products at a time when they could do something about it. They were not just generally told about it, but told at the moment when they could save so much a year by making that choice. Manufacturers discovered that they would not sell their products unless they made those technological changes.

I raise these issues because the constant talk in the press is very trying—not just for those of us who are concerned with them daily but for the Government and Opposition too—as if all this has made bills heavier, when it has not. Had we not done this, bills would be £20 a month more. That is not an imaginary figure, but shows how the reduction in domestic use of electricity affects the bills of the majority of people—some 85% of the population—who use both gas and electricity. In those circumstances, we have to go on talking about this, otherwise we lead people astray into thinking they are paying £9 a month extra, instead of saving some £11 a month in total. If they take a personal decision to improve their energy efficiency, they can make even more savings, but we never take that into account, of course, because it is a personal decision. However, the other two factors are a result of government policy playing back into how people pay their bills.

I want the Government constantly to quote this fact, because we have spent a lot of time on it, and it is very objective indeed. I know how objective it is, because our opponents have attacked it and said that it is outrageous, but have been unable to find a single item that they can show to be outrageous, being unable to find a single fact with which they can argue. It is outrageous to them, of course, because it undermines their whole attitude and the campaigning they have done—I am afraid—through a number of our popular newspapers. I hope that the Government

17 HL Deb, 21 March 2017, cols 10-12GC

will in future speeches include this simple matter to remind people, so that they always know.

My third point is that we hear from the press that the Government are very keen on keeping down energy bills and will make significant investigations and possibly take draconian measures to do so. I point out to the Minister that the report we have just produced shows that business electricity bills in this country are significantly higher than in the rest of Europe. It is not true of domestic bills, as a matter of fact; we sometimes forget that. It is more or less the same position with gas—the cost is somewhere in the middle of bills in the whole of Europe, which suggests that we may find there is not much we can do about it.

I have already spoken about the fact that bills are not greater, but less, because of our green measures, but I want to point to something in the report that is of considerable relevance to our discussion today: that electricity bills to business are higher in this country than in the rest of Europe. It is quite clear why: partly because we charge a higher distribution cost, whether or not it is a real cost, but also because our wholesale market is higher than in the rest of Europe. There is a real problem here. When as a committee we sought to find out why that was, nobody could tell us. Of course, the industry was unwilling to explain it—and one could understand why—and the Government admit that they do not have a ready answer. The Minister has said that the amendments address the cost of the necessary adjustment in how the market works and operating, as far as possible, a free market as we move towards a zero-carbon electricity supply. In that context, I hope he will spend a good deal of time concentrating on the two factors that are independently assessed as the reason for higher prices in the business sector. Otherwise, I am afraid that he may be led down the line that it is all about green taxes, when the opposite is true.

Therefore, the big issue here is the welcome way the Minister has introduced these changes, which suggests that we should do the same in all the other things we do. In other words, given the reality of the costs, we should find where money can genuinely be saved by the mechanisms provided. If we can do that, we shall show that this united effort of government and opposition—this issue is not party political—can lead the world and show other people how to do it."

### *Ms Jenkyns' complaint*

"This perspective is perhaps easier to understand in light of the information that his environmental consultancy was receiving money from companies profiting from these so-called "low-carbon policies"."

### *Finding*

For the most part of this intervention it is clear that Lord Deben is reporting the views of the Climate Change Committee, his chairmanship of which he declares.

The connection between the intervention and a possible, unspecified benefit that Lord Deben might enjoy in the future via Sancroft is too weak to conclude that such a benefit would influence his actions. This complaint is dismissed.

## 15 December 2015: Debate on a statement on the Paris Climate Change Conference

*Lord Deben's intervention (HL Deb, vol 767, col 1980)*[18]

"Would my noble friend accept that the Paris result was remarkable and unprecedented, and that those who would cast doubt upon it are only undermining the way private industries know that they will have to change if they are to meet the world in which they will have to compete? The Climate Change Committee will give advice to the Government on what changes need to be made but, in the mean time, I hope my noble friend will accept that the fifth carbon budget is a crucial part of this continuum and that we need to have legislation on it as rapidly as possible. Does he also accept that he has promised that we will look again at the way we insulate homes and deal with energy efficiency? Will he also make sure that it is part of the policy that no new houses are built which have to be retrofitted very soon because they do not meet the sensible requirements of the Paris commitment?

The Minister ought to be congratulating himself. It is not a love-in to say that Britain has played a very important part in an unprecedented decision. The whole world has said that we know we have to act and those who refuse to know are undermining the future of our children and grandchildren. I say that particularly to those of my colleagues who continually undermine the duty we have."

*Ms Jenkyns' complaint*

"Many members may have appreciated a declaration of his interest in Sancroft at this point, given that the companies which it represents may stand to benefit from policies advocated in the Paris Agreement. Namely, from decarbonisation efforts and the promotion of renewable sources of energy."

*Finding*

The connection between the intervention and a possible, unspecified benefit that Lord Deben might enjoy in the future via Sancroft is too weak to conclude that such a benefit would influence his actions. This complaint is dismissed.

## 14 October 2015: Debate on the Energy Bill

*Lord Deben's intervention (HL Deb, vol 765, cols 15–18GC)*[19]

"My Lords, in discussing these amendments, it is worthwhile reminding ourselves of the enormous success of the system which the Government and their predecessor put into place. The fact that these prices have fallen significantly is in part—indeed, in very strong part—due to the encouragement that this Government and the previous Government have brought to play. Sometimes, we talk as if all this technological advantage has just happened because people have been clever. Actually, it has not: a market was created. Certainly, the successes of offshore wind have been achieved because people had a proper market, with a proper continuum, and were therefore able to invest.

I declare an interest as chairman of the Committee on Climate Change. Although I have to sit on one side or the other, that makes me entirely independent on these issues. The fact that we can talk about offshore wind being competitive now, in a way that we had never thought of, is entirely the result of the foresight of all

18 HL Deb, 15 December 2015, col 1980
19 HL Deb, 14 October 2015, cols 15–18GC

three political parties in various assemblies putting this opportunity in place. Let us not just say that the technology has improved so wonderfully that it is now in this new position; it is actually a very good example of the relationship between government and the provision of opportunity by others. Any new technology has to compete in a world where there are enormous advantages for old technologies, because of the investment they had in the past and a whole range of subsidies that happen throughout the world. That is certainly true of the fossil fuel industries.

I point next to the fact that one of the reasons why the cost has risen is that these technologies are actually more efficient than we ever thought they were going to be. When the Committee on Climate Change proposed that it would cost us some £7.6 billion to ensure that we were on track to decarbonise our electricity supply, and therefore on track for meeting our statutory requirement to reduce our emissions by 80% by the year 2050, the then coalition Government accepted that amount. It is actually costing more than that, partly because of the fall in the gas price. The gas price affects this because of course a contract for difference takes place, so when the price of gas falls the additional cost comes back. However, it is also partly because offshore wind is immensely more efficient than we thought it would be. It is putting more energy into the grid, which costs us more because that is the deal we have done. So the background to these amendments is one of success, not failure. We are not having to do this because it has cost us more by being a failure; it is because it has been a success.

The amendments seem to go a very long way towards meeting the one legitimate argument that needs to be faced: the reasonable expectation on the part of business that if it invests, it will get certain advantages from the Government. The Committee on Climate Change is primarily concerned not with means but with ends. We are concerned with delivering the budgets to which the Government and Parliament are committed. Frankly, Governments have every right to make changes if they want to, as long as the changes end up in such a place that we are able to meet the requirements of the carbon budgets laid down by Parliament as a result of the recommendations of the Committee on Climate Change. So I am very leery of being led into a position of saying that this or that mechanism is the right one. However, I have to say that it is very important that business should not get the impression that promises made are broken.

That does not mean to say that if you subsidise people now, you will always be subsidising them. That is not true. Sometimes, when I listen to some of the green organisations, you would have thought that the moment you promise to do something, you are then going to do it for ever, and that somehow you are letting people down if you do not. That is also not so. All I am saying here is that there are two different issues. On the one hand is the right and ability of the Government to alter, extend or restrict the subsidy that they offer in the light of changed circumstances and, on the other, the duty of the Government to ensure that they meet fully the obligations into which they have entered.

…

My own view is that there is a significant argument as to whether that was "the promise"; it was the mechanism that was put forward. My concern now is about a perfectly reasonable assumption that the Government, in looking at the circumstances, have decided that the way in which the system works has to be severely altered. In doing that, I am concerned that we do not deal unfairly with companies that have entered into significant costs on the basis of what the law appeared to them to be. Why do I say that? I do not have a position to argue on

behalf of the companies but I have a duty to argue on behalf of the future of our policies towards climate change. That means we have to ensure that the British Government are always seen as absolutely dependable. I warn that if we do not get that right, we will find ourselves in the position that some other Governments appear to be in. In general, the Government seem to have done precisely what they ought to in these amendments and I commend the Minister for putting them forward in this way. I speak in support of what he has done here.

However, during the course of the debate and discussions, the Minister will have heard a number of particular examples which sound as if they fall on the wrong side of the lines that have been drawn. My experience from many years as a Minister is that having one occasion which looks pretty unfair causes very considerable angst, not just to those people but much more widely, so that that one occasion begins to undermine the way in which the Government are seen. I want the Minister to look carefully just to make sure that where some of the examples which the noble and learned Lord, Lord Wallace, presented earlier are reasonable, we should find some way through.

Secondly, I do not know how much the Minister has to do with planning permission personally. I declare an interest in the sense that I help people to do planning permission for sustainable development—not anything to do with energy but on other things. Planners can take a very long time and when one is trying to work with them on a joint agreement, all these rules about having to provide an answer in four months can so easily end up as 14 months, and sometimes as 24 months. But you do that because you really want to get an answer which everyone is happy with. I therefore hope the Minister will recognise that if there are circumstances where it appears that another arm of government has made it impossible for people to meet the real and sensible restrictions which he is laying to achieve his ends, he will look particularly carefully at those circumstances. One area where people feel very unhappy is if they feel that one bit of government has made it impossible for them to meet the arrangements which another bit has perfectly properly put forward, so I hope he will look at that.

The third thing I hope the Minister will do is that when he talks about these things he will remind people of the enormous success of the policy, as I mentioned earlier. This policy has achieved a great deal. Britain was hugely at the bottom of the heap in the amount of renewable energy it had. We have done extremely well, which seems something to be very cheered about. I am pleased that my noble friend Lord Howell, as he always does, referred to this great industry. The renewables industry is a great industry and has emerged from circumstances in which it was rather laughed at by many people. It is now a serious industry with serious results and, importantly, providing for the absolute demand that we have to combat climate change—which, as I think almost all of us accept, is the biggest material threat to mankind.

As I have said on earlier occasions, these amendments—although they may not all be right—are important in order to emphasise that the Government have to follow what they have already done with their own amendments. They have to make sure that at no point does it look as though they have let people down, because it is very important for future policies that that does not happen. However, they are also important because they are testament to the fact that this Government have achieved so much, and I think that it is necessary for the wider community to become more interested in ends than in means.

I finish by saying that assessing Governments' commitments on the basis of whether they happen to accept a particular way of doing something rather than on whether they are achieving the end that you want is a great mistake. We ought always to recognise that it is difficult to be government and it is easy to be opposition; it is easier to be green in opposition than it is in government. The judgment must be: have the Government achieved the end to which they have committed themselves? At the moment, the jury is out because we do not know the alternative ways of proceeding. However, it is perfectly reasonable for a Government to decide that it is no longer sensible to subsidise in one way rather than another or to subsidise in one way rather than have no subsidy. All that matters is that the Government can stand with their head held high and say, "We have met our obligations". There are some examples here which I think it would be a mistake not to look at very carefully; otherwise, all the good intentions of these amendments might be much undermined."

### *Ms Jenkyns' complaint*

"It appears that Saria, the Foodchain and Biomass Renewables Association (FABRA) and Temporis Capital (Renewable Energy investors), were all clients of Sancroft at the time, seemingly contradicting his claim that his outside interests were nothing to do with energy and that he was "independent"."

### *Finding*

It is not clear what Lord Deben meant by saying his chairmanship of the Climate Change Committee makes him "entirely independent on these issues" where the issues under discussion appear to be the impact of the Renewables Obligation Scheme on the level of renewable energy generation.

Lord Deben's reference to advising on "planning permission for sustainable development" but not "anything to do with energy" should be read within the context of the amendments under discussion. The amendments provided for the closure of the Renewables Obligation Scheme with a grace period for projects which had:

> "first, relevant planning consents; secondly, a grid connection offer and acceptance of that offer, or confirmation that no grid connection is required; and thirdly, access to land rights."[20]

There is no indication that these are the planning issues which Sancroft advises on.

As noted above for the Code to be breached the connection between the interest and the matter under discussion needs to be clearer than simply being cognate to the broad policy topic. The connection between the intervention and a possible, unspecified benefit that Lord Deben might enjoy in the future via Sancroft is too weak to conclude that such a benefit would influence his actions. This complaint is dismissed.

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20 HL Deb, 14 October 2015, col 2 Lord Bourne of Aberystwyth, Parliamentary Under-Secretary, Department for Energy and Climate Change.

## 14 September 2015: Debate on the Energy Bill

*Lord Deben's intervention (HL Deb, vol 764, cols 1705–07)*[21]

"My Lords, it is not for the chairman of the Committee on Climate Change to comment much on the means whereby we reach the targets which have been set by the committee. That is not its role. The committee's role is to set the targets and to insist that they are met. That is one of the difficulties of being the chairman because my instinct is to comment on all these things with enthusiasm and some pretty clear views, but that is not what I am statutorily allowed to do.

However, it might help the Minister if I say this. This may be a formulation that works; I am not sure. There are complications in it which might lead the Government not to want to do it. I want to say a word about a decarbonisation target, which the Committee on Climate Change has recommended. It has done so because a decarbonisation target would give security to those who are investing in low carbon technology, and above all in low carbon generation. One of the problems that all Governments have to face is that the timetable of private industry is very tight. First there is the timetable for how long a particular managing director will be in place and what is going to happen over the next two or three years—I am told that it is generally about three years. The second timetable is an important one, covering the length of time major investment takes between thinking about something and actually delivering it.

One difficulty—it is one which the Committee on Climate Change emphasised in its report to Parliament this year—is that most of the measures we have in place will fall off the cliff in 2020. We are now talking about "tomorrow" in the investment cycle because people often have an investment cycle which lasts certainly for five years and very often for seven or eight years. The committee sought to ask the Government to ensure that we knew where we were going to be in a progressive way after 2020. The Government have made it clear that certain things will continue, but not how much and how long. That security is important for investment.

The second point is that it is occasionally the belief of all politicians that if they promise something in 2050, everyone will believe it and proceed to get there. But I remember an embarrassing debate in this House when I pointed out that the previous Labour Government had an energy Bill from which they had removed every date except 2050, and I worked out that there was not a Member of the Government who was likely to be alive when the one promise that had been made would be delivered. That is a dangerous position because if we are to be taken seriously, we ought to make promises that will be delivered at least in our likely lifetimes.

What I want to put to the Minister is simply this: we need to have some sort of interim point between 2020 and 2050 towards which people can work with some confidence, and we have suggested a carbon intensity target for 2030 entirely on that basis. I hope that the party opposite will not be upset by this, but one of the reasons I want the target is because I am a capitalist and I do not want to judge what is going to be the best way of achieving it by 2030; in other words, I want to be as unrestrictive as I can. I just want to deliver the ends, and that is why I always talk about targets, not means. I do not know what mixture of means will enable us to reach the target, and that is why I am less enthusiastic about those who insist upon this proportion from renewables, that proportion from other low

21 HL Deb, 14 September 2015, cols 1705–07

carbon technologies and this proportion from nuclear. I have always felt that a portfolio is what we want, and if possible I want an unprescriptive target because we do not know the ways in which we are going to achieve it. But we must give people the confidence that if they pursue those ways, there will be a proper return from the market on the investment that they have carried through. That is why a carbon intensity target is a valuable thing. I hope that the Government will wish to do that in 2016, for reasons we all now know. A carbon intensity target would be unprescriptive, but it would give real confidence.

This amendment, on the other hand, is much more precise. It gives a role to the Committee on Climate Change, for which I thank the noble Lord, and I am sure that if we were asked to carry through this role, we would do it to the best of our ability. But I wonder whether this particular mechanism is the best one. There are complications which the Government might want to think about, but I hope that in discussing it, the Government will not cast aside the need—I think it is that—for a decarbonisation target for 2030 to give people the confidence to plan. It is no good saying that they know that our emissions must be cut by 80% by 2050. Frankly, it is true and statutorily based, and we all think it is important, but it is not going to drive investment. That is why a decarbonisation target for 2030 is important. I doubt whether this is the right way forward, but I am pleased that it has been tabled as an amendment, not least in order to ask the Government to think hard about the needs of investment and confidence."

*Ms Jenkyns' complaint*

"Those people [investing in low carbon technology] seem to be Lord Deben's clients, and again he does not seem to have declared an interest in Sancroft."

*Finding*

The connection between the intervention and a possible, unspecified benefit that Lord Deben might enjoy in the future via Sancroft is too weak to conclude that such a benefit would influence his actions. This complaint is dismissed.

## 7 September 2015: Debate on the Energy Bill

*Lord Deben's intervention (HL Deb, vol 764, col 1227–28)*[22]

"My Lords, I declare an interest as chairman of the Committee on Climate Change. I echo the words of the noble Baroness that this is not a party-political issue but is much wider than that.

As was clearly shown by my noble friend, we live at a time in which the issue of energy, in particular oil and gas, is changing so fast that we have to be extremely careful that we do not set up systems that are not capable of easing alteration to meet new circumstance. It may be that the major Amendment 1, which was proposed by the noble Baroness, Lady Worthington, is not something that the Government will wish to be tied to; the particular time and so on might well be better expressed. However, I hope that the Government will take seriously the need to have within this legislation the means whereby this House can address the speed with which these things are changing and have the opportunity to make such alterations as become necessary—because we all know that however well one writes legislation, it is surprisingly easy to move to a situation in which you wonder why on earth you did not put that in, or why on earth that was not there.

22 HL Deb, 7 September 2015, cols 1227–28

Secondly, it would be very odd to produce legislation that did not allow specifically for the transportation and storage of greenhouse gases. This will not change in the future; it is central at the present time. The Committee on Climate Change has advised the Government of the importance and centrality of carbon capture and storage for many of the reasons that have already been addressed. However, the noble Baroness was right to say that there may well be an interim period in which we will need to use more fossil fuels than we would like, and the only way we can do that without having a damaging effect on the climate is of course by using carbon capture and storage. Britain has a leadership role in that and has already committed significant amounts of money to seek to ensure that we can do it. It would be simply odd to produce a Bill at this moment without enabling ourselves specifically to talk about carbon capture and storage.

Thirdly, it is important that this is in the Bill itself. I spent a long time as a Minister—some 16 years—and one thing I learned very rapidly was that it is very easy for institutions to say, "It's nothing to do with us because it isn't in the Act; that's not where our responsibility lies". I remember very nearly having a stand-up row with the person who was then responsible for the gas industry, because what should be done seemed so obvious, and she was determined to say that she could not do it because it was not in the Act. I thought that with a bit of imagination she would be able to do it, but that is a different issue. I do not want the need for imagination to be required here. It is one of the rarest talents and therefore it is a quite a good idea to make sure that we put into the Bill the ability—and also insist that it is part of the responsibility—of the new institution.

Lastly, I want to echo the comment about the people who will naturally be at the heart of this process. All of us are creatures of our experience and knowledge and all of us find ourselves more at home with the things with which we are at home. In this particular area it is easy to have reached the sort of level that would mean that we would be suitable for work in this new authority without perhaps spending a great deal of time on carbon capture and storage. So there is a serious reason why we should add to the Bill in this way and I hope that my noble friend, if not necessarily agreeing to any of these amendments—and, like others, I say that it is a collection that might well have been brought together more effectively—will say, to benefit the Committee, that he will bring forward amendments to at least ensure that the transportation and storage of greenhouse gases becomes a serious part of the activities that we are discussing today."

### *Ms Jenkyns' complaint*

"He spoke on the need to promote Carbon Capture and Storage technology, and this seems to be a field of interest to clients of Sancroft."

### *Finding*

While carbon capture and storage technology may be a field of interest to clients of Sancroft, the complaint does not indicate which clients they might be. Nor is there any indication that any of Sancroft's work has been related to carbon capture and storage. The connection between the intervention and a possible, unspecified benefit that Lord Deben might enjoy in the future via Sancroft is too weak to conclude that such a benefit would influence his actions. This complaint is dismissed.

### 17 June 2015: Follow-up question on climate change

*Lord Deben's intervention (HL Deb, vol 762, col 1156)*[23]

"Does my noble friend accept that the largest problem is that the Government have no plans for continuing the advantages for renewable energy and the like after 2020? We need to have clear pathways as quickly as possible because, unlike my noble friend, I think the science shows that we will reach 2 degrees much more quickly than he suggests."

*Ms Jenkyns' complaint*

"[H]e does not seem to have declared his interest in Sancroft, whose clients include renewable energy companies."

*Finding*

The connection between the intervention and a possible, unspecified benefit that Lord Deben might enjoy in the future via Sancroft is too weak to conclude that such a benefit would influence his actions. This complaint is dismissed.

23 HL Deb, 17 June 2015, col 1156