

# Business, Energy and Industrial Strategy Committee

## Oral evidence: Net zero and UN climate summits, HC 144

Tuesday 19 January 2021

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Members present: Darren Jones (Chair); Alan Brown; Judith Cummins; Richard Fuller; Ms Nusrat Ghani; Paul Howell; Mark Jenkinson; Mark Pawsey; Alexander Stafford; Zarah Sultana.

Environmental Audit Committee members also present: Philip Dunne; Jerome Mayhew; Alex Sobel.

Questions 185 - 257

### Witnesses

**I:** Rt Hon Alok Sharma MP, President, COP 26; Peter Hill, CEO, COP 26, Cabinet Office; Ros Eales, Chief Operating Officer, COP 26, Cabinet Office; and Archie Young, UK Lead Climate Negotiator, COP 26, Cabinet Office.

**II:** Rt Hon Kwasi Kwarteng MP, Secretary of State for Business, Energy and Industrial Strategy; Joanna Whittington, Director General for Energy and Security, Department for Business, Energy and Industrial Strategy; Jo Shanmugalingam, Director General for Industrial Strategy, Science and Innovation, Department for Business, Energy and Industrial Strategy; and Ashley Ibbett, Director General for Trade, Europe and Analysis, Department for Business, Energy and Industrial Strategy.

Written evidence from witnesses:

– [Add names of witnesses and hyperlink to submissions]



## Examination of Witnesses

Witnesses: Alok Sharma, Peter Hill, Ros Eales and Archie Young.

Q185 **Chair:** Welcome to this morning's session of the Business, Energy and Industrial Strategy Select Committee, where we have the pleasure of two Secretary of State-level spokespeople on behalf of the Government: the president of COP 26, Alok Sharma, on the first panel; and Kwasi Kwarteng, the new Business Secretary, on the second panel, where we will be talking about the energy White Paper and some other broader issues at the BEIS Department.

For the first hour today, we are delighted to welcome Alok Sharma, who is now the full-time president of COP 26. We are grateful that the president was able to find the time today to be with us. Having had this in the diary when he was BEIS Secretary of State, we are grateful that you are with us today, alongside Peter Hill, the CEO of COP 26, Archie Young, the UK lead climate negotiator, and Ros Eales, the chief operating officer for COP 26. Welcome to all of you.

Alok, before we begin, do I call you Secretary of State, Mr President or Mr Sharma? I quite like Mr President. Is that your preference?

**Alok Sharma:** You can stick with Alok. We know each other well enough now.

Q186 **Chair:** Alok, you will have seen that at the Liaison Committee this week I asked the Prime Minister what his ambition is for COP 26, and he said that he wanted as many countries around the world as possible to sign up to the net zero journey. Is that the headline ambition for you as COP 26 president, or would you provide a few other bits around that?

**Alok Sharma:** It is always a pleasure to be in front of the BEIS Select Committee, and I am sure there will be more occasions during this year when I will be coming in front of you. 2021 is going to be a big year for the climate and for the UK. As well as COP 26, we have the G7, and then our COP partner Italy has the chairmanship of the G20. I am very keen that all these international gatherings have what I would describe as the golden thread of climate action woven through them. That is so vital. The UK has a big part to play in making sure that happens.

We had at the end of last year, as you know, the Climate Ambition Summit. We had 75 leaders from around the world coming together. It was an event hosted by the Prime Minister together with the UN Secretary-General and President Macron, and 75 world leaders made concrete commitments. There were commitments on net zero, which is vital, but also on nationally determined contributions. Those short-term aims for how you get on the pathway to net zero are going to be really important.

In the speech I gave at the end of that event, I said that there are four areas that we wanted to particularly focus on. The first was a step change



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in mitigation, making sure that all countries come forward with ambitious NDCs. The second was for countries to strengthen their adaptation plans, and of course the UK set out its own adaptation plan when it submitted its NDC to the UNFCCC. Then it is very important to get finance flowing. There is this totemic figure of \$100 billion a year in finance that has been promised by developed countries, and we need to deliver on that and see how we can get private finance flowing.

The final thing was the increase in international co-operation, ensuring that the outstanding items in the Paris rulebook are closed off and we have a fair and negotiated outcome on that. Then, in terms of driving that international co-operation, we are running five campaigns on nature, adaptation and resilience, clean energy, zero-emission vehicles and finance. In conclusion to your initial question, I want this to be the most inclusive COP ever, and I am very happy, as we go through the questioning, to talk about what we are doing to ensure that that happens.

**Q187 Chair:** A concern that has been raised recently is about the decision by Government, specifically your colleague Robert Jenrick, not to intervene in the new coal mine decision in Cumbria. As the previous BEIS Secretary, were you part of any discussions with MHCLG about trying to say that new coal power stations in the UK are not in line with our climate commitments or what we are trying to tell other countries?

**Alok Sharma:** The decision that was made there was about allowing a local authority to take on that decision making. More broadly, we have had a big impact in bringing down the mix of coal as part of our energy mix. You know we have a commitment to end coal usage as well. You will have also seen the commitment by the Prime Minister to stop international financing support for coal, made at the UK-Africa investment summit last year. In other areas where we have been providing financing to other countries, we are stopping that when it comes to carbon.

**Q188 Chair:** In that context, from my perspective it is pretty embarrassing that we are starting a new coal power station in the UK. Surely you have had a discussion with colleagues in Government to say, "This is not the right direction of travel."

**Alok Sharma:** I do not want to go into the details of discussions we may have had in Government at either ministerial or official level. The direction of travel for the UK is very clear, and I completely understand the point you are making.

**Q189 Chair:** There is a lot of discussion about how much progress we will make at COP 26 in meeting the 1.5° Celsius target and the Paris rulebook. We have had some evidence to the Select Committee that the language suggests we might not get there, but that that is okay. Witnesses have said to us, "That is really not okay. We need to get to 1.5° Celsius capped post-industrial levels." What is your view on COP 26 and how much progress we will make towards that target and the Paris agreement?



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**Alok Sharma:** You have seen the commitments to net zero made by major economies. We have seen a momentum shift during the last year in the commitments that have been made by Japan and South Korea. I was in South Korea on the day President Moon made his commitment to net zero. We have seen the commitments made by China to net zero before 2060, and we have the incoming Biden Administration as well.

We want to make best efforts to bend that curve: 2°, closer to 1.5°, is what is set out in the Paris agreement. We want to make every effort to get there. It is encouraging that 43 enhanced NDCs have now come forward. As I made very clear at the Climate Ambition Summit, we need to make a lot more progress during this year, if we are to get to that point and be able to bend the curve downwards.

**Chair:** I should have said at the beginning that we are also delighted to welcome Philip Dunne, Chair of the Environmental Audit Committee, and his colleagues Jerome Mayhew and Alex Sobel.

Q190 **Jerome Mayhew:** Mr Sharma, you addressed four key objectives for the COP. The first one is mitigation and the fourth one is increasing the levels of international co-operation. I am sure you are aware that there is a growing head of steam behind supporting the international introduction of border carbon adjustments as a key objective of COP 26. Domestically, I noted there was an article in *The Times* just yesterday by the economics editor, suggesting that this is a tariff that could assist in economic recovery and growth. What is your thinking? Is this something the Government are interested in?

**Alok Sharma:** You are absolutely right that there is increasing interest in the idea of a border carbon adjustment around the world. There is no doubt about that. As you will know, the EU intends to publish some proposals on this later this year. There are other countries that have expressed concerns about what this might mean for them. To address your issue about COP 26, I am not anticipating this becoming an issue within the negotiations. As you know, it is not a mandated issue. It is not part of the work programme, but it may have an impact in terms of the overall context of Glasgow.

When it comes to the UK Government, it is a matter for the Chancellor and the Treasury. From a UK perspective, we have to consider the approaches we are going to take to tackle carbon leakage. There is no doubt about that. In terms of domestic policy, that is really one for the Treasury.

Q191 **Philip Dunne:** Thank you very much indeed, Chair, for inviting members of my Committee to join this session. Alok, you will recall that, before Christmas, I was one of those calling for the role of COP 26 president to be a full-time job, so I am particularly pleased that you now have this role.

I am also concerned that you have enough support, no longer having the



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full panoply of a Government Department behind you. I am pleased that you have brought your executive colleagues from COP 26 with you today. Can you give us some reassurance that you will have the resources at your disposal to do, in what is now only a few months, what it took other Governments who hosted previous COPs many years to pull together?

**Alok Sharma:** I am very pleased to be now focusing all my energies on this. As I said, it is a big moment. COP 26 is the biggest event the UK will have ever organised, and it is vital that we make meaningful progress when it comes to tackling climate change. I will invite Peter Hill, CEO of the COP 26 unit, to comment on this, but I certainly feel we have support in Government.

As you know, over the past year it has been the COP unit, but other Government Departments have been working on this: colleagues at BEIS, Defra and HMT have been part of this, as well as our diplomatic network. I have done a lot of engagement internationally, clearly virtually, but a lot has been done with countries across the world by the diplomatic network as well. Collectively, between us, we have engaged with 126 Governments, if I am right, and we will continue to make an effort.

I am also very keen that we involve Cabinet colleagues in this agenda going forward. There is a lot of enthusiasm for this. I am confident that we will have the support and resources from Government. As you will have heard from the Liaison Committee, the Prime Minister is completely behind this agenda as well.

Peter, is there anything you wanted to add in terms of resources to reassure Mr Dunne?

**Peter Hill:** You have covered it very well. We have a significant team in the COP 26 unit, working night and day on this. As the COP president has said, there is a very significant number of Departments with standing teams working on this, co-ordinated in the ways you would expect across Government and then, at ministerial level, by the COP president as chair of the climate action implementation committee and the Prime Minister as chair of the climate action strategy committee.

I do not feel at the moment that we lack support, or the people and expertise we need for the job, which is not to say that this is not a significant undertaking. No one is in any doubt about that.

**Alok Sharma:** If I may add one point, which Peter has made as well, my focus is on COP 26, but I continue to chair the climate action implementation committee. That also allows an opportunity for us: at the same time as we are advancing international efforts, to continue to advance our domestic agenda, through the work we have already done on the 10-point plan and the energy White Paper, which I know you will discuss with the BEIS Secretary of State.



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During the last year, when I spoke to other Governments and encouraged them to be much more ambitious when it comes to NDCs and their long-term strategies, there was always a question about what the UK was going to do. Last year, the Prime Minister set out our NDC of at least 68% by 2030, and that was extremely well received both domestically and internationally.

Q192 **Philip Dunne:** Mr Hill, how many people do you have in your COP 26 team?

**Peter Hill:** At the moment we are around 160.

Q193 **Philip Dunne:** Does the Foreign Office have a priority in its objectives for this year to give you all the support across missions that you require?

**Peter Hill:** Yes. I think I am correct in saying that all our ambassadors and heads of mission have COP as one of the objectives in their personal objectives and in their mission objectives. The Permanent Secretary of the FCDO and the Foreign and Development Secretary have both, in recent weeks and months, written to the network to ensure that they understand the priority that this needs to be given.

That is very helpful and important, but we have not had any lack of engagement from the network overseas, or indeed any lack of commitment or interest in pursuing this. They are pretty gung-ho to push it forward.

**Philip Dunne:** Alok, you referred to the Liaison Committee. The Prime Minister committed that you would appear before Parliament to answer questions on the progress of COP 26, so we look forward to more scrutiny and a parliamentary session on the Floor routinely.

Q194 **Ms Ghani:** Mr President, you talk about the enthusiasm and support for COP; you seem to be throwing the kitchen sink at it. The French President had three years to engage before the Paris summit. The clock is running down. What are you going to do to make up for lost time?

**Alok Sharma:** The clock is ticking. There is no doubt about that, but I go back to the point that we have not sat on our hands over the past year. There has been a lot of engagement. I have engaged with 50 Governments. Where I have managed it, I have gone and done visits. I have been to South Korea and Italy. Before we had our first lockdown, I went to New York to meet with the permanent representatives and give a briefing, together with the Secretary-General. I have continued to do that on an online basis.

The Climate Ambition Summit, which the UK organised together with the UN and France—we were the leading player in pulling the whole thing together—demonstrated that during last year, despite Covid, there has been some progress. Clearly, we need to do a lot more. This year, we will continue the bilateral engagements. I am also starting a dialogue with the chairs of the various negotiating groups within the UNFCCC process



so we are really getting down to the nitty-gritty of the detail, which will be important in closing off the elements of the Paris rulebook that are still outstanding.

There is going to be a big diplomatic effort across the piece. You have just heard from Peter Hill about the work that is going on through the Foreign, Commonwealth and Development Office. The Prime Minister, as is clear from the Liaison Committee, is totally committed to this. He has been on calls with world leaders, making the case for climate action, among other things. I am not complacent at all, but a lot of effort is going to go into this. We need to make sure that it is a success at the end of the process.

Q195 **Ms Ghani:** The president will be away from home for so long, but he will need the support of the Prime Minister. The Prime Minister is obviously throwing his weight behind the principles, but can the president share exactly what part of the programme the Prime Minister is leading on?

**Alok Sharma:** As I said, the Prime Minister is already playing a key role in diplomatic efforts. He led the UK effort on the Climate Ambition Summit. Very many people commented that it was a good event, and we got some good commitments. Clearly, we need to do a lot more. He has had direct engagements on climate with heads of state including President Xi, Prime Minister Modi, President Macron, Chancellor Merkel and President Moon. There is a whole range. He has already had an introductory call with President-elect Biden, and we are looking forward to working closely and in partnership with the new Administration when it comes into place.

This is an agenda that the Prime Minister has championed for a very long time. I was with him as a junior Minister at the Foreign Office when he was Foreign Secretary, and he was the one who made our commitment to climate action and the doubling of our funding for ICF at UNGA in 2019. He has championed this for a long time. Every conversation I have with him demonstrates to me that he really wants us to make an effort to succeed, and he is going to be playing a key role in talking to world leaders around the globe.

Q196 **Judith Cummins:** My questions are about the situation with President-elect Biden. How did the election of President-elect Biden affect the COP 26 unit's preparation? How are you engaging with the Biden transition team?

**Alok Sharma:** The Biden presidency is good news in terms of tackling climate change. I welcome the commitments the President-elect has already made to rejoin the Paris agreement and to put the US on the path to achieving net-zero emissions by 2050. We are looking forward to working closely with the Administration following the inauguration.

Chair, as you and other colleagues will know, right now there are strict limitations on the transition team engaging with foreign Governments,



and we respect that. Nevertheless, we have been engaging with climate policy experts in the US and senior political folks who are close to the incoming Administration. I had a very good conversation with John Kerry prior to his appointment, and I am looking forward to continuing that dialogue and hopefully getting out to the US in person at some stage. We will have those formal discussions.

It is worth pointing out that, during the last year, the COP unit and the rest of our network have continued to engage with the US on climate at sub-federal level. I have had a number of very good conversations with Eric Garcetti, the Mayor of Los Angeles, who leads the C40 Cities group, and Jared Blumenfeld, the California Secretary For Environmental Protection, who sits on our zero-emission vehicles council. We have a very good dialogue with them.

At the Climate Ambition Summit, we had one governor representing a Democratic state and one representing a Republican state. There is some consensus already on this issue. Around 29 states in the US already have in place some sort of clean energy or renewable energy target, and nine have committed to net zero. We are looking forward to formal dialogue with the incoming Administration, but we have been talking at various levels already over the past year with players in the US.

**Q197 Judith Cummins:** The President-elect has announced plans to host a meeting of major economies to discuss global climate action. What role is the UK playing in this as co-president of COP, and how does it fit in with the wider COP programme?

**Alok Sharma:** We are building up a calendar of events when it comes to COP. There are a whole range of events already in the international calendar where there is an opportunity to talk about climate. We welcome the incoming Administration's ambition to hold an event soon following the inauguration, and we will work with them on that. The international community will be keen to see the detail of any future US NDC and any future commitments on finance. Like I say, I am very positive about the commitments that were made during the presidential election. We are looking forward to working closely with the new Administration.

**Q198 Alexander Stafford:** It is good to see that there is now a dedicated person looking after this aspect. Going back to when the Government first announced that they would be holding the presidency, do you believe the Government fully understood what this would mean and what it would entail?

**Alok Sharma:** I was not there at the bidding stage. I might invite Peter Hill to comment on this. Everything I have seen since I came into this role from February of last year suggests that the Government very clearly understood what COP was all about. The UK Government have attended all the previous COPs. There is a process of securing the nomination for this role, and the UK Government jumped through the hoops on that. We have a good track record of organising and delivering big events: the G8



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at Gleneagles; the NATO summit that took place in 2014; CHOGM, which took place in London in 2018; and last year we had the UK-Africa investment summit, which I was involved in the organisation of. We have a track record of doing these things.

From what I have seen since I have been in post, the UK Government have very clearly understood what is required. Archie Young is our chief negotiator and has been involved for a number of years as part of the negotiation process. I do not know whether he or Peter wants to comment on the UK Government understanding what we were getting into.

**Peter Hill:** I was in a different role at that time and saw those discussions from a different position. There was quite careful consideration, because it was seen as an enormous opportunity but also a considerable responsibility. At least as far as I was part of it, there was discussion of what this involved and what the Government were taking on. Since I started this job, in October the year before last, the Prime Minister has left me in no doubt about the importance he attaches to this in the UK's overall international efforts for 2020 and 2021. He has been crystal clear with me about how important this is and the support we are going to have from across Government. Archie is more of an old hand at COPs than I am, so he may want to come in.

**Archie Young:** As many of you will know, the process of deciding on the host for COP tracks the five UN regional groups. COP 26 was always due to be the turn of WEOG, the western Europe and other states group. When the conversation among other WEOG members started towards the end of 2017, several countries were interested, including us and others. That was when the conversations across Government started. We have been looking at this for a long time, even before the possibility of the UK hosting became public. It was a cross-Government effort. The conversation was led by BEIS, given that is where our international climate negotiations focus is led from, but included all the Ministries across Government that were involved.

It also included going through the appropriate steps in Government, the appropriate internal review processes, the appropriate conversations with Treasury, to understand what the resource requirements and the appropriate milestones would be. Of course, nobody foresaw that we would end up having the longest incoming presidency in history, given Covid. Inevitably, our plans have had to change and adapt, but, in the unit we discussed earlier, the way we have staffed up and prepared ourselves for this has enabled us to have the resources and the plans ready despite these challenging and uncertain circumstances.

Q199 **Alexander Stafford:** That seems very positive overall, but when we had Claire O'Neill, the previous president, speaking to the Committee, she said there was initially some reluctance among Departments around the bid. Is there still reluctance? Has it been overcome? Are all the



Departments now pushing in the right direction?

**Alok Sharma:** Yes, all Departments are pushing in the same direction on this. Cabinet colleagues are very keen to be involved, to support this process and to get their Departments behind this effort on COP 26. As I said, I was not there at the start of the process, but now I can tell you that there is a huge amount of momentum.

Picking up the point that Archie made, of all the COP presidencies, this is probably unique given the circumstances in which we find ourselves. We are not able to meet physically, as we would like, and have to do a lot of engagement virtually, but we have continued that. If I think back, as well as the engagement I have done on a bilateral basis, during the last year I have also taken part in about 50 events with the international climate community. That is just what I have done. The whole team has done an enormous amount of work, and we have had support from other Government Departments as part of this.

Q200 **Alexander Stafford:** It is good to see there is internal support, but we were also told that the COP unit was unable to recruit externally and to get the best people for the role, frankly. Is that still the case? How are you ensuring that we get the best external hires into your team to make the best of this?

**Alok Sharma:** That is certainly not the case. If you look at the COP unit—again, Peter might want to comment on this—it is made up of folks with particular expertise who are seconded in from around the Civil Service, but we also have externals who have been hired in. It is worth pointing out that we also have the high-level champion, Nigel Topping, who is leading the process of engaging with non-state actors, getting them to sign up to the Race to Zero campaign, so they commit to going to net zero by 2050 at the latest on science-based targets. He has a couple of civil servants who work with him, supporting him on a full-time basis, but he also has access to 50 colleagues who have been seconded in mostly from the private sector, some of them part time.

I have never felt, during the time I have been involved with COP 26, that there has been a hesitancy to take on experts, if we need them. We also have various advisory groups. One of them is Friends of COP, and its details are on the COP website. These individuals include some former COP presidents, and we lean on these experts very heavily. I have very regular conversations on an informal basis to get support, thoughts and reaction from those individuals. I certainly do not feel we have been shy in reaching out and getting external support when we have needed it.

Q201 **Mark Pawsey:** Good morning, Alok. I want to talk about the question of raising finance for the commitments made in the Paris agreement. In your opening remarks, you said that we need to get finance flowing. The sums of money to achieve what we want to achieve are eye-wateringly large, and this is for economies that have just had to spend very substantial sums supporting businesses and healthcare systems through



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Covid. You said we need to get to \$100 billion per year by 2025. How are we going to get there?

**Alok Sharma:** You are absolutely right that finance and getting it flowing is one of our key aims as part of the COP presidency. The figure of \$100 billion is what we are looking for developed countries to make available through international climate finance for developing countries.

This is a totemic thing, and it is a matter of trust. When I talk to developing countries, they bring up this issue: "When are we going to reach the goal of \$100 billion? It should have been delivered for 2020." The latest OECD figures show that, in 2018, we were under \$80 billion a year. We will not get the figure for 2020 until probably past COP, but I am sure that people will make various estimates.

We know this is a difficult time in terms of fundraising, but this is one of the areas I am very keen to focus on, to ensure that we get funding into the system to support developing countries. We are working very closely with multilateral development banks, with folks like David Malpass at the World Bank and Kristalina Georgieva at the IMF. The World Bank spoke at the Climate Ambition Summit and has committed to targeting 35% of its spending towards the contribution to meet climate goals. That is a very positive development, but we need to do more.

One side is public finance, and we published a paper very recently setting out what our priorities are when it comes to public finance on COP 26. There is also the work Mark Carney is doing on getting private finance flowing. We have to make a big effort to ensure that more funding goes towards climate and climate-related infrastructure projects around the world.

Q202 **Mark Pawsey:** How can private financiers be encouraged to make the contributions that are necessary?

**Alok Sharma:** Part of it is the leverage you get on any public sector financing, and on the money the multilateral development banks put in. When I was at DFID, we looked at starting a programme on how to make projects more bankable in terms of trying to get private sector money in. That is not what the COP 26 agenda is about in the mainstream, but there is a lot more that we need to do.

It is worth pointing out that there has been quite a lot of success when it comes to the Race to Zero campaign. We have asset managers with trillions of dollars under management signed up to Race to Zero. We are at an inflection point where we are seeing the private sector looking at how you invest in climate and how you go green yourself.

Some of it will be driven by people wanting to do the right thing, but it is also driven by shareholder value. If you look at the market capitalisations of what I would describe as standard economy companies, as opposed to green economy companies, you see the divergence across the world in that. I am hopeful, but there is a lot we have to do to get finance flowing.



**Q203 Mark Pawsey:** You also spoke about the distinction between mitigation projects for the developing world and adaptation projects that are taking place in the developed world, where the priorities are different. We know that something like £700 billion of annual funding is needed for the mitigation projects. The UK has made an allocation of just £3 billion. From your discussions with developing countries, is our contribution adequate? Are we doing enough?

**Alok Sharma:** The £3 billion refers to the increase for nature-based solutions that the Prime Minister has very recently announced, and that is part of the £11.6 billion ICF over the next five years. From our point of view, that commitment on nature is a big one. We need to make sure that all partners and Governments around the world in developed countries are stepping forward when it comes to their own commitments on climate finance.

**Q204 Mark Pawsey:** As a Government, we are looking at reducing the amount we spend on overseas aid. Is that making discussions with developing countries more difficult in terms of encouraging them to adopt the measures that we all know are necessary?

**Alok Sharma:** When the policy change was announced, I had feedback from NGOs and those who are connected with development matters, but people have also understood that—

**Q205 Mark Pawsey:** What kind of feedback was that?

**Alok Sharma:** There will be folks within the climate world who feel that we should not have made the reduction. However, there is also a very clear understanding that the impact of the pandemic has forced us to take some very tough and necessary decisions.

It is worth pointing out that this is a temporary measure. We will be returning to spending 0.7% of GNI on ODA when the fiscal situation allows. Even at the level we are at, we are still going to be spending more than £10 billion on fighting poverty and on climate action. In terms of comparing us to others—this is an important point to make—we will still spend more of our national income in percentage terms than other developed economies like the US, Japan, Canada or Italy. If you look at the countries that make up the OECD's Development Assistance Committee, we are still significantly higher as a proportion of the average of the DAC countries.

We do an enormous amount of good around the world and people have understood why we have had to make the change, but the key point here from a climate perspective is that, within that envelope, the £11.6 billion has been protected.

**Q206 Mark Pawsey:** Does this proposal mean that some projects that might otherwise have taken place will not be able to happen in time?



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**Alok Sharma:** From a climate perspective, we have protected the £11.6 billion. I can give you some good examples. Take Colombia, which came forward with a very ambitious NDC of 51%. I have had a number of very good discussions with President Duque. The Government there, as pointed out, are very positive about the support we have provided through ICF. Going back to the point specifically on climate, the £11.6 billion is protected.

Q207 **Alan Brown:** Good morning, Alok. Last week the Prime Minister said that you would be able to answer questions in the House on COP 26 preparations. Can you confirm that that is the case? More importantly, if that is the case, what is the process going to be?

**Alok Sharma:** Yes, I can confirm that I will. We are just working out precisely how that mechanism will work, but we will come to a conclusion on that very quickly. I will write to parliamentary colleagues. I also expect to make regular statements to the House and to answer written questions, and I have colleagues across Government who, of course, support this as well. The Minister for Business, Energy and Clean Growth, who is also the COP envoy for adaptation and resilience, will be supporting me when it comes to any business in the House on COP 26 preparations.

I am very keen to emphasise that I want to be as collaborative as possible with parliamentary colleagues. As Philip Dunne said, I have been in front of his Committee previously; last year I was in front of the Lords Select Committee answering questions on COP 26. We had a session with APPGs in December that was open to all parliamentarians, in both the Commons and the Lords, to answer any questions, together with the team. We will continue that.

Very shortly, I will be inviting the chairs of the appropriate APPGs to meet me to see how we can work together. We genuinely want, as a Government, for this to be the most inclusive COP ever. That, of course, will include parliamentarians in the UK.

Q208 **Alan Brown:** When will we have the opportunity to question you in the House of Commons? When will that process be up and running?

**Alok Sharma:** As I said, I will confirm details on precisely how that will work very shortly, but there is a very clear commitment on the part of the Prime Minister and on my part to engage closely with parliamentarians.

Q209 **Alan Brown:** If we look at national delegations to COP 26, many other countries include Back-Bench and Opposition members. Is that something you have given consideration to?

**Alok Sharma:** This came up at the Liaison Committee. Philip Dunne may have raised this issue. No decisions have been taken as yet on the form of the UK delegation. We will share any details when we have them. I take on the suggestion that has been made, but, as the Prime Minister



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said when this was raised at the Liaison Committee, we are not allocating places in a Committee session like this. I have noted the point that has been made.

**Q210 Alan Brown:** You will be aware that there have been reports of difficulties in the relationship between the UK Government and the devolved Administrations, including the Scottish Government. Claire O'Neill was quite vocal on that, especially when she was in front of the Committee. Previously, the media picked up that, at a Scottish Tory fringe event, the Prime Minister said he did not want to see Nicola Sturgeon anywhere near COP 26. Do you share the same view as the Prime Minister?

**Alok Sharma:** My view is the same as the Prime Minister's, which is that we want this to be an inclusive COP. As I am sure you will have heard from colleagues in the Scottish Government, I have already set up a COP 26 devolved Administrations ministerial group, which brings together the Environment Ministers in the devolved Administrations with the relevant Secretary of State in the UK Government. We had the first meeting of that in November, and we are going to do this on a quarterly cycle.

The aim is to make sure we have very effective engagement and collaboration between the UK Government and the devolved Administrations. It is worth pointing out that extensive official-level engagement is already taking place on all the operational issues relating to Glasgow. That is happening with the Scottish Government, the city council and other delivery partners. I was up in Glasgow in August and, when I am able to, I will go up again soon to meet the delivery partners. I had a very positive meeting with them. It is worth pointing out that a joint delivery framework has been agreed between the Scottish delivery partners, including the Scottish Government, and the COP unit. We want this to be as inclusive as possible.

I might invite the chief operating officer, Ros Eales, to comment on the day-to-day engagement that is going on up in Scotland.

**Ros Eales:** Thank you, COP president. To echo what you said, at ministerial level you have been engaging with counterparts, and that is reflected at official level. Very regularly, we work closely with key delivery partners in Scotland and as part of the Scottish Government. We have Police Scotland, the city council in Glasgow, the Scottish Ambulance Service and Transport Scotland, just to name a few. Delivering a safe, secure and inclusive event requires a very close working relationship with them, but it also requires the governance structures to be right. As the COP president has outlined, we have a good delivery framework and we have a delivery board that includes all these partners, as you would expect.

**Q211 Alan Brown:** Just for confirmation, there will be no attempt to cut out the top levels of the Scottish Government from attending COP 26?



**Alok Sharma:** COP 26 is going to be open to the public as well, so the idea of cutting people out is not there at all. I would just share with the Committee that, with the parliamentary authorities, we want to think about whether the half-term autumn recess this year can have some overlap with COP 26, which will hopefully allow parliamentarians to go up to Glasgow. Alan, I would just say to you that we want this to be as inclusive as possible. This is a UK event and, as I said, I am working very closely with the DAs, as is the COP team itself.

Q212 **Chair:** When you say “questions in Parliament,” will you be on the rota for questions in the same way that Departments are?

**Alok Sharma:** I will certainly be part of a rota. That is my current working assumption, but I will write to you. I just want to be clear: I will make sure that I am available to answer questions and—this is quite an important point—to give regular updates by way of statements to the House. As we get into this year, I know there will be growing interest in COP 26, and it is right and proper that I engage with colleagues on this.

Q213 **Chair:** We have talked about parliamentary engagement and the devolved Administrations. A lot of our cities are taking really interesting leadership on decarbonisation. There is the Core Cities Group, for example, in the UK. Will there be some formal engagement with city leadership as well?

**Alok Sharma:** Yes, there is already formal engagement. We have a cities and regions group up and running. We have had one meeting; we will be doing a lot more of those. We want to tie all of this together to ensure that every part of the UK feels involved. Yes, that engagement is ongoing and will ramp up.

Q214 **Alex Sobel:** I would like to thank you, Alok, for your comments regarding all-party groups, as chair of the net zero all-party group, and for the fact that you are looking at potentially having an overlap with the parliamentary recess, which would really help the all-party groups.

My question is about Covid. We are in the third lockdown now, and this lockdown is due to the new variant of Covid. There might be further shocks in the system, new strains and different effects of those. What steps are the Government taking to ensure the summit and the negotiations are Covid-secure? Obviously, you will be hoping for the best but planning for the worst.

**Alok Sharma:** It is a very important point. Can I just go back to the point about the overlap between the half-term parliamentary recess and COP 26? That is not a decision for me. I put that out as something that would be useful and appreciated. Those who make the decisions about the parliamentary recess will, I hope, look favourably on that.

In terms of the COP itself and how it will take place, our clear intent is that we have a main conference that is in person. Talking to a lot of the parties around the world, they feel pretty strongly that, if we are going to



have negotiations, they should be conducted in person. It is particularly those countries that are most impacted by climate change that feel very acutely about this particular issue, so we want to try to do this physically.

There has been good news on vaccines. We have seen vaccination rolling out across the United Kingdom, and we have access to rapid testing as well. The COP unit is talking to colleagues in the UNFCCC, and I have a very regular dialogue with Patricia Espinosa as well, because we are putting on this thing on behalf of the UN, to understand how the secretariat's requirements might change, given evolving situations.

I do not know whether Peter or Ros might want to comment on this, but we definitely want to ensure that we are protecting the health of participants as well as the local community in Glasgow. That is going to be paramount in our planning, but we are very keen to do everything we can to make sure that this is a physical COP. As part of trying to make this inclusive, we have learned over the past year that you can do things virtually. The Climate Ambition Summit, of course, was virtual, and we had quite a lot of learnings from that. We want to see this be a physical event, but we also want to see what more we can do virtually to extend access to COP 26.

From a planning point of view, Ros, you might want to talk about discussions you are having with the UNFCCC and, indeed, the local delivery partners.

**Ros Eales:** This picks up on the last point in terms of engagement with devolved Administrations. We respect the fact that public health is a devolved matter, so we are working very closely with the Scottish Government to understand the public health protection measures that will be in place in various scenarios. That is key to ensuring the health of delegates and the health and safety of the local community in Glasgow. We are working through those various scenarios.

We are aiming to create an inclusive COP, looking at virtual elements, as the COP president has said. How can we use technology to increase our reach? We have seen that through the Climate Action Summit. The UNFCCC hosted its climate dialogues virtually at the back end of last year, so there are some useful learnings and experiences that we can draw on as we are planning our event.

Q215 **Paul Howell:** This is a development of the last point, which has been talked about to some extent, in terms of promoting diversity and inclusivity at the summit. We know there are various populations that are particularly vulnerable to the impact of climate change because of their reliance on natural resources for their livelihoods, or other forms of discrimination that they face due to their gender, ethnicity or level of poverty. How do we make sure that we hear from these diverse populations and not just those who are shouting loudest?



**Alok Sharma:** This is a really important point. We have set up a youth and civil society advisory council. As I understand it, this is the first time in any COP process that this has happened. We have had a couple of meetings of that. The co-chairs are two young activists, one from the global north and one from the global south. The make-up of that is NGOs and civil society groups, indigenous people's groups and youth representatives. We have put together a diverse group.

One of the key issues as part of that discussion is about how you meaningfully involve those groups and those individuals as part of the COP agenda. We have a climate and development event that is being organised for March, which will bring together both developed countries and developing countries. I made a clear commitment to civil society groups that they will be involved in a very meaningful way as part of this process. The reality is that they are often the ones who know how to effectively deliver local solutions, and they need to be part of that discussion.

At the Climate Ambition Summit, as well as world leaders, we also had speeches from civil society groups. It is going to be a really important part of the whole process to make sure everybody feels included. We are going to have the green zone as well, where there will be an opportunity for third parties to set out their stall. We will look to see which civil society groups and NGOs apply to have a place in the green zone.

Q216 **Paul Howell:** As you already said in answer to the previous question, the way in which communication technology has moved along due to Covid provides another opportunity to push into that space.

Could I ask one other question about inclusivity? How do you engage with the public on COP 26? How do you leverage that engagement through COP 26 to get better engagement thereafter? It is getting the man in the street to engage further than he is now. There is a trend in the right direction, but how do we really get into that?

**Alok Sharma:** It is a great question. It is important to demonstrate to the public that the green agenda we are following is not in isolation. It is about improving people's lives and creating value-added jobs going forward. As a country, we have demonstrated that we can do clean growth. One of the stats we always use is that, over the past 30 years, we have grown our economy by 75% and yet cut emissions by 43%. We have seen the 10-point plan and the energy White Paper, which we produced before Christmas. I know you will be asking questions on that.

It is very important for us to show the connection between what we are doing and people's lives. We launched the Together for Our Planet campaign. This was launched virtually in November last year, one year out from COP. The campaign has already reached 4.5 million people on social media channels. We have a range of events that are going to be taking place during this year to connect people with the COP agenda, as well as all the work we are doing on the domestic green agenda.



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We are connecting with young people. An art competition has been launched in collaboration with WWF. That happened before Christmas. This week we will be launching a campaign, in the same way as happened during the Olympics, to get volunteers in Glasgow to come forward and support the physical event when it takes place. There is a lot of thinking going on right now about that public-facing campaign and how we take the UK public with us.

I am very happy to come back at some point in the future and talk a little more about that, because it is going to be really important. We do not want COP to be seen as something where a whole bunch of world leaders fly in and fly out, with no connection to the lives of people in the UK and, indeed, around the world. We have to galvanise and energise when it comes to that particular public-facing campaign.

**Paul Howell:** I absolutely agree: it should be with people, not to people.

Q217 **Zarah Sultana:** I have a couple of questions, so I will try to be as quick as possible. The Government have published a 10-point climate plan, including a commitment to phase out petrol and diesel cars, but at the same time have committed to building £27 billion of new roads and hundreds of thousands of new homes that will not adhere to net carbon-zero standards. What does this say about the Government's commitment to their climate-target ambitions?

**Alok Sharma:** If you look at the 10-point plan, you are right: we have committed to ensuring that we do not have the sale of new petrol and diesel cars beyond 2030 and hybrids beyond 2035. I spoke to that before we launched the 10-point plan and subsequently. I have had very good discussions with the auto sector. It is appreciative of the fact that, on the one hand, we have announced this ambitious target, but, on the other hand, we also announced almost £3 billion-worth of support for charging stations, the supply chain supporting that and the building of giga-factories, while providing incentives through grants for people to buy these vehicles.

I am happy to get into the detail of this in writing, if colleagues want, but, overall, I believe in carrot rather than stick. When you incentivise people to make a change, that is the best way forward. We have launched grants to get people to take up zero-emission vehicles and the green homes grant. Those are good examples of where the Government are supporting people around our country to make those changes, which will incrementally support getting to net zero by 2050.

**Chair:** That brings the first session to an end. Thank you to COP president Alok Sharma, Peter Hill, COP CEO, Archie Young, the lead climate negotiator, and Ros Eales, the chief operating officer at COP 26 for your time.



## Examination of Witnesses

Witnesses: Kwasi Kwarteng, Joanna Whittington, Jo Shanmugalingam and Ashley Ibbett.

Q218 **Chair:** We are now going to move on immediately to our next session for today. Welcome, Kwasi Kwarteng, the new Secretary of State for Business, Energy and Industrial Strategy. With Kwasi, we have Joanna Whittington, director general for energy and security, Jo Shanmugalingam, director general for industrial strategy, science and innovation, and Ashley Ibbett, director general for trade, Europe and analysis. Welcome to all of you this morning. Secretary of State, welcome in your new capacity.

**Kwasi Kwarteng:** Thank you very much, Mr Jones. I am looking forward to your questioning.

Q219 **Chair:** The bulk of our questions today are on the energy White Paper, and then we have a few others. The energy White Paper, as you will have seen from our previous session, was welcomed by industry and many stakeholders as being a pretty bold document. We were pleased to see that. You have recognised, as did the Department before, that there is still a gap between the sixth carbon budget, and a little gap between the fourth and fifth budgets, and the projections in the energy White Paper. How are we going to bridge that gap, building on the energy White Paper, in the months and years to come?

**Kwasi Kwarteng:** That is a very fair question. You will know that, as far as the three carbon budget periods are concerned, the first one we met, the second one we met quite convincingly and the third one we are on track to meet. You are quite right to say that there is a gap between the fourth and fifth. We are working very closely with the Committee on Climate Change. There is plenty of stuff in the energy White Paper and, more crucially, in the Prime Minister's 10-point plan announced in November, which will enable us to bridge the gap, as you have identified, between the aspirations of the CCC carbon budget 6 period and where we are now.

There is still a way to go. You are right to acknowledge that, but there are lots of policies and things we have to deliver on to close that gap. There will be legislation in the summer that will seek to put into law the carbon budget 6 targets that were put forward by the CCC.

Q220 **Chair:** That is really good to hear. Thank you for that. There is some topical news at the moment about the decision to grant a new coal mine in Cumbria. Have you had any discussions with MHCLG? Surely this is not the right thing for our country in the context of the discussion to date.

**Kwasi Kwarteng:** You are right that there is a slight tension between the decision to open this mine and our avowed intention to take coal off the gas grid. I will say a couple of things about this. There are two types of coal we are talking about. We want to take thermal coal, which is



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burned for electricity generation, off the grid by 2025, and we look to do so by 2024, so it is a rare example of a Government target being reached ahead of time. The coking coal used in industrial processes is a different issue. Frankly, there was a debate in Government about what we could do about this. As you will know, Mr Jones, this was a local planning decision. The argument is a fair one, which says that we have steel and industrial processes that use coking coal and, if we do not have sources of coking coal in the UK, we would be importing those anyway.

The real mission, and my mission as Secretary of State, is to decarbonise the industrial process. We have an industrial decarbonisation strategy coming out in the first quarter of this year. We have a clean steel fund, which is encouraging steel manufacturers to decarbonise their manufacturing process. You are quite right that there is a slight tension between the opening of this mine and our avowed intention to decarbonise.

**Q221 Philip Dunne:** Congratulations, Secretary of State, on your elevation. You have appeared before our Committee before in looking at policy implementation challenges. The energy White Paper is very pleasing to see now published. A lot of policy initiatives have been awaiting its publication. You are also aware that there has been advice from the Committee on Climate Change and the Government that getting policies adopted quickly will ease the path to net zero. It is encouraging to hear that there is legislation coming.

How are you going to square the conundrum of getting policies in place so that measures can be taken by industry, and industry can invest, and doing so in such a way that it is not beset by the early problems that we have already seen, for example, in the green homes grant scheme, where many installers are losing staff and are unable to take up the vouchers that are available—poor implementation, in other words?

**Kwasi Kwarteng:** Mr Dunne, you raise a crucial point. The Department has been effective at coming up with policies. The EWP, the energy White Paper, was well received. On the back of that, in my old role as Energy Minister, I commissioned policies on industrial decarbonisation, hydrogen and the heat and buildings strategy. Once we have published those, which will be in the next couple of months or three months, we will then have to be in an implementation period. That is where the critical challenge lies. The Prime Minister's 10-point plan with respect to hydrogen and the target we have set there, as well as with respect to offshore wind, gives us a very clear roadmap for implementation and delivery. That is what 2021 will be very focused on.

**Q222 Richard Fuller:** Welcome, Secretary of State. As you rightly say, there are lots of good ambitions in the energy White Paper. As you were putting those together, could you, just for the record, say what the estimated total cost to the British economy will be or the range of costs that are anticipated to implement the plan?



**Kwasi Kwarteng:** You will appreciate that, from the consumer point of view, it would be very difficult to come up with a number because consumer bills are generally driven by wholesale prices. There is nobody in the world who can tell you what the wholesale price will be in 2030. There are some initial costs of trying to drive the decarbonisation agenda.

According to the manifesto that you stood on and that I was elected on, we have huge commitments to make sure that the most vulnerable in society are protected. We have something like £9.2 billion committed in the manifesto to supporting people in fuel poverty. Programmes like the warm homes discount, ECO—the energy company obligation—and the green homes grant can alleviate and make people more able to go through any costs that might arise. I cannot give you a figure as to the cost on consumers, as I do not know what wholesale prices will do.

Q223 **Richard Fuller:** How the costs get allocated and what that will do in terms of wholesale pricing is one aspect. For all the ambitions, the steps we are trying to take and the cost that we have incurred on industry—right at the top level, as an appraisal, as one might do for an impact assessment—what is the overall size of all those costs, before we decide how that might trickle through into who is going to be paying for what and how it is going to end up for consumers?

**Kwasi Kwarteng:** One of the things that we are missing in all of this is the fact that there is a huge amount of energy efficiency, as well as better practices in the generation of power. If you look at offshore wind, for example, you and I were elected in 2010, and none of us predicted at that time that the costs of offshore wind generation would have fallen as quickly as they have done. I do not think it is fair to try to predict what the eventual cost will be in nine years' time.

Q224 **Richard Fuller:** You are absolutely right. One of the great things about the responses is that, as the Government have set a clear path, the private sector has responded and beaten expectations in many cases in cost terms. You mentioned the word "fair". It is fair for the country as a whole to have a sense that we are leading on this, there are going to be costs and someone is going to have to pay, just to prepare people. It might end up being an upside surprise because, as you say, the costs may be lower. Can you give the Committee any sense of your thinking about how that communication of the costs to the public will go alongside the implementation of the plan?

**Kwasi Kwarteng:** You put it very well in your question. You yourself have admitted that there is a potential upside in terms of the cost. It is a very difficult thing to estimate, and I would be very reluctant to try to put a figure on something that is going to have an effect over 10, 20 and 30 years.

Q225 **Richard Fuller:** We had an interaction with the Committee on Climate Change, and the head of it was keen to start a dialogue on the costs. Is the CCC a group that you might lean on for help in clarifying some of



those costs as we move forward?

**Kwasi Kwarteng:** We have very good relations, as a Department, with the CCC. I spoke to Lord Deben, the chair, and Chris Stark, the CEO. I speak to them very regularly, and I did so in my role as Energy Minister. I am very pleased to say that I have already spoken to Lord Deben after eight days in the job, and I look forward to working with him and his committee very closely.

Q226 **Mark Jenkinson:** Good morning, Secretary of State. I welcome your clarification on coal. We see a lot of conflation between thermal coal and metallurgical coal.

To change the subject slightly, the energy White Paper commits to fully decarbonising the power sector by 2050, which some call unambitious. Could you set out some of the thinking behind the 2050 date, specifically around that decarbonisation, and why it is not 2035 as some might prefer?

**Kwasi Kwarteng:** It is a very good question. I will say a couple of things about it. The 2050 target is certainly achievable in terms of the decarbonisation of power. Between 2010 and 2019, carbon emissions fell by 58% in the power sector. In 2019, the last year for which we have figures, something like 54% of power generation was in low-carbon power and 37% was renewables. The reason why we have not accelerated it is that we have to do this decarbonisation while looking at consumer bills, trying to protect the consumer in pricing terms. We need a realistic target as well. We feel that 2050 is about right.

Other technologies are emerging that will be able to decarbonise more cheaply, so it would be premature, in a way, to aim for a target that is so near in the future. I would say that we are hitting our targets. In this whole debate about decarbonisation, I would suggest to you that the power sector is probably the most successful area in which we have decarbonised in the last 10 years.

Q227 **Mark Jenkinson:** To follow up on nuclear specifically, it has proven quite difficult to finance nuclear projects in recent years, as we have seen. I welcome the Government's commitment to secure one large nuclear investment by the end of the Parliament. What assurances can you provide that whichever plant is approved, be it Sizewell C or another, will be operational by 2031? What are the implications if it is not? What have we learned from Hinkley that would assist?

**Kwasi Kwarteng:** That is a very fair question. Hinkley Point C has had its difficulties, but, broadly, it seems that it is very much on target. Let us take Sizewell C. I do not want to prejudge which site will be our second nuclear power station, after Hinkley Point C. If we were to take Sizewell C, a lot of the technology is the same as Hinkley Point C. There is a lot of learning by doing. It will be a much more efficient and less costly exercise. I am confident that, if we do Hinkley Point C on time, which is



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looking likely—or, if we miss it, it will not be by very much—we can deliver Sizewell C in a timely way.

Just to finish my answer to your question, nuclear power is essential. We have done all the modelling. We need what is called firm or dispatchable power in order to balance the system because, clearly, if we have a system that is solely reliant on renewables, that is intermittent technology. The sun is not always shining for solar power generation; nor is the wind always blowing for offshore and some onshore wind power generation. About 15% of power generation will probably come from this firm power, and nuclear power baseload is the most effective non-carbon source of that power.

**Q228 Paul Howell:** I want to talk about consumers, public engagement and how we move things forward in this space. How do we ensure that changes from the energy White Paper are developed with and not to the public? How important is their engagement? How important is it for them to understand the development of new industries, whether that is hydrogen batteries, solar or whatever, and the positive things that can come from that?

**Kwasi Kwarteng:** That is a fundamental question, because the way that we conduct these debates in policy and Government circles can seem very abstract. All I would say is that there is quite considerable public engagement with these issues. We have to do more, but there are organisations like the Climate Assembly UK. Those of us who were elected in 2019 and had experience of other elections—certainly in my case this was true—will testify that this was the first general election, of the five I have been a candidate in, in which climate change issues and carbon emissions played a part in the campaign. I was struck by the number of times that people raised this on the doorstep.

There is a long way to go to get the majority of people behind what we are doing. The Government have a duty of responsibility in that. Things like the Climate Assembly are very important. As individual MPs, we have a duty as well to talk about these issues in forums held in our constituencies. There is a way to go, undoubtedly. I question the idea that there is not a great deal of public engagement in these subjects.

**Q229 Paul Howell:** I endorse that there is engagement going on. I know you have the strategic dialogue on affordability and fairness. What do you hope to achieve from that? Could you also elaborate a little on your plans for direct public engagement? Is there anything we can learn from all the communications that have had to be done through the Covid-19 process as to how we can get the messages through to people?

**Kwasi Kwarteng:** I will take the last bit of your question first. We have learned a huge amount, through Covid and particularly through the Brexit process, about how to engage with the public. I know you have questions about EU exit later. We have spoken to something like 55,000 businesses. We have had millions of hits on our website with regard to EU



exit preparedness, and that is exactly the kind of campaign and move that we want to push in terms of engaging the public on climate change.

Q230 **Jerome Mayhew:** I am interested in questions about what assessment the Government have made in relation to the potential impact of the energy White Paper on the competitiveness of our domestic industry. I listened to what you said earlier about it being difficult to make assessments of future costs of energy. Yet, in the White Paper, there is an assessment for domestic fuel bills going out to, first of all, 2025 and then to 2030. I have not seen that for industrial fuel costs. Have the Government made any assessment of the likely costs to industry of the energy White Paper?

**Kwasi Kwarteng:** I refer you to my earlier answer in terms of the predictability of these issues. Of course, we have made an impact. In terms of industrial competitiveness, BEIS and the Government already supply a huge amount of support to industrial companies trying to decarbonise and help us along our journey towards net zero. As I said, we have the industrial decarbonisation strategy, which will come out this quarter. We will have things like the industrial energy transformation fund, which has £350 million allocated to help industries and companies make that transition.

We have a clean steel fund, which is specifically targeted at steel companies. We have various allowances in the ETS, which fund companies to the tune of £1 billion to try to make them more fit and to effect this transition. There is a huge amount of support for industries and particular companies to help them along the way to net zero.

Q231 **Jerome Mayhew:** Industrial bodies have set out a number of policies that they would like to see and that they consider necessary to enable the UK to deliver on the carbon net zero target, while remaining an attractive location for industrial investment. For this Committee in evidence just last week, representatives of industry told us that the following measures would be needed to maintain that level of UK competitiveness. Protections against carbon leakage and industrial offshoring were key, as well as protections against increased energy prices, capital grants, operational subsidies for carbon capture and storage and hydrogen, and, importantly, carbon border adjustments.

Particularly in relation to carbon border adjustment, is this something that you are hearing more and more from industry? Is it rising up in the degree of interest that your Department is displaying towards it?

**Kwasi Kwarteng:** Yes, absolutely. You will remember that you conducted a very good debate on carbon border adjustments only a couple of months ago, and, as Energy Minister, I responded to you on the part of the Government. This is not just of local or domestic interest in the UK, but friends across in the EU are talking very actively about how we can measure carbon border adjustments.



You mentioned carbon leakage. I refer you to my earlier comments about the ETS, where we have something like £1 billion allocated to companies precisely to deal with this issue of carbon leakage. In my role as Secretary of State, I will be talking to industry bodies. Not only will I be pushing the publication of the industrial decarbonisation strategy, but I will be talking to industry bodies all the time about how we can effect and help them make this transition.

**Q232 Alan Brown:** Good morning, Secretary of State. If we look at the ministerial delivery group for renewable power, can you explain how that will work, what renewable technologies will be the focus and whether it will include less mature ones, such as wave and tidal?

**Kwasi Kwarteng:** I hope it will eventually. I am very keen to promote tidal and marine technology in the auction process, in the allocation of the CFD rounds at the end of this year, perhaps. The ministerial delivery group is looking at the cross-departmental effect of things like the offshore wind ambition. We are saying that we want to have 40 gigawatts of capacity for offshore wind by 2030. You will appreciate that delivering that has all sorts of issues not just related to my Department, which is driving the policy and the industrial capacity. It also has a Defra angle in terms of the seabed, molluscs and the way in which wind turbines affect bird life.

There is also an angle of dealing with colleagues in MHCLG because there are planning issues related to trying to build offshore windfarms. As a consequence of that, because of the cross-cutting nature of these issues, we thought it would be a good idea to come together and have a ministerial delivery group that can try to iron out the difficulties on our way to reaching the targets set out very clearly, I might add, in the Prime Minister's 10-point plan.

**Q233 Alan Brown:** If we look at that policy in the wider mix, there is a target of 60% UK content to be in the delivery of offshore wind, yet local content rules are still outstanding. We have seen the problems at BiFab, which is unfortunately in administration. In Scotland, in the wider context, the oil and gas sector deal is still outstanding. There are two hydro schemes proposed—Coire Glas and Cruachan dam extension—but there is no route to market for them. The one thing the Government are willing to commit to is the sky-high cost of a new nuclear power station before the end of the Parliament. What are you going to do to have a just transition for Scotland and for the UK to rebalance the market?

**Kwasi Kwarteng:** You will appreciate that the North Sea transition deal, which is a more accurate way of describing what was called, in our manifesto, the oil and gas sector deal, is something that I worked on very strongly and keenly as Energy Minister. We hope to deliver a transition deal very early in this new year, which is way ahead of the commitment we made in the manifesto, which said we would have this sector deal done before the end of the Parliament. We are ahead of the curve on that.



You are quite right. The 60%—

Q234 **Alan Brown:** Will that deal align with the decommissioning of North Sea assets, and consideration of CCUS and how that is deployed as part of the sector deal?

**Kwasi Kwarteng:** It is a key part of the transition. I have been very clear with colleagues and people I have spoken to in the oil and gas sector that there is no way they can have any form of Government support unless they are absolutely committed to the net zero ambitions. Any form of transition deal will have a very strong component that will force them to take steps to decarbonise their processes.

We have a licensing review, initiated by my predecessor, which is looking at how we conduct future licensing rounds with the industry, with respect to trying to force it to think more deeply and do things about decarbonisation. Frankly, the industry has responded well to the fact that we want it to co-operate with us in effecting the transition.

Q235 **Alan Brown:** Will it give serious consideration to the hydro projects and their routes to market?

**Kwasi Kwarteng:** Yes, absolutely. This came across my desk as Energy Minister, and it is something that I am particularly interested in as Secretary of State. Scotland has great opportunities in hydropower, and that is something we need to promote.

Q236 **Alan Brown:** I will do a complete switch of topic to Brexit. We know that there have been high-profile demonstrations from the shellfish industry because they cannot get their products to market. The other export issue that has been announced is about meat rotting, where it is held up in Rotterdam and elsewhere. In terms of import and export, how successful have British businesses been in the UK-EU trade agreement? Are these teething problems or is it the deal itself?

**Kwasi Kwarteng:** I think these are teething problems. We were in the EU for 47 years. I have to say that a lot of the predictions about total congestion and chaos, thankfully, have failed to materialise. That does not mean that we are out of the woods. We still have to engage with businesses, as my Department is doing all the time, to see where there are bottlenecks and to see if there are problems. The scariest predictions were not borne out in reality, and I am confident that we will be able to get to a regime where we will have a much smoother process.

HMRC is taking a phased approach to border controls. It will take about six months to get to a fully strict application of the regime. If we look at the trade deal, yes, people say it was not a comprehensive deal on services. We have to remind ourselves that this was the most comprehensive deal the EU has ever had with any country on services. Not only was it a comprehensive deal on goods; it was quite a full deal on services and it has been quite successful.



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Q237 **Alan Brown:** Can I bring you back to the products that have been held up? Millions and millions of pounds of food has been lost. Is the Government looking at compensating these firms before they go bust?

**Kwasi Kwarteng:** The other thing that we have not mentioned is that, of course, there is Covid on top of the Brexit issues. A lot of the issues relating to things like the collapse of the price of fish are related to the fact that all the restaurants in France are closed. There is no demand for fish in France at the moment. That is an illustration of the fact that a lot of the difficult issues we are dealing with are also associated with Covid. As you know, we have provided unprecedented amounts of support to businesses through my right hon. Friend, the Chancellor of the Exchequer, in this difficult time.

Q238 **Alan Brown:** There was an urgent question in the Chamber about visas for musicians. There is also a wider infrastructure issue. I have a directly affected company in my constituency, which, normally, would move stage equipment for bands. They would maybe go with bands on a two-month tour of the EU. There is no way they can get permission to do that because of the permitted operations. What assessment have Government made of the number of companies that are affected in the music and entertainment business? I believe it affects Formula 1 as well, where they cannot do the touring because of the current agreement. What is being done to rectify this?

**Kwasi Kwarteng:** This is a really serious issue, and there has been a slight misapprehension about it. As far as the deal was concerned, we offered a deal on this in terms of the ease of movement of musicians and other people in the entertainment industry. It was the EU that refused to accept our offer. There has been a slight miscommunication on that. I am convinced that we will resolve these issues, and they are part of an ongoing conversation. We are fully aware of the difficulties in this particular area.

**Alan Brown:** Thanks, Chair. Obviously, all of us could talk for hours on this.

Q239 **Chair:** Secretary of State, we have heard as a Committee that, normally, 10,000 trucks a day go through Dover and it is about 2,000 at the moment. Shipping container prices have gone from the equivalent of \$2,000 to \$12,000 a container. The Road Haulage Association said today that it is a chaotic and deteriorating situation, especially at Dover. The Prime Minister said to me at the Liaison Committee last week that these were teething problems. If they are teething problems but the situation is getting worse, how quickly are we going to resolve these problems so that exporters can get back to business?

**Kwasi Kwarteng:** These are fair points, but I will refer you to what I said to Mr Brown. Not only have we had Brexit but also, by a strange coincidence, we have a global pandemic. Any cursory look at the economic figures of 2020 and the first quarter of this year shows that the global economy has been ravaged, in some instances, by the pandemic.



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You have seen a collapse in demand. I mentioned fish prices in the markets. There are no restaurants in France. France is one of the biggest fish-eating, fish-loving populations in the world. There is a huge collapse in demand there.

There are issues with trade in terms of people moving, being quarantined and having to be put in self-isolation, and the fact that the aviation industry is under great pressure because people are constraining movement. There are lots of swirling circumstances here, which mean that the economic situation is unclear and it is difficult. With respect to the Brexit issue, I am confident that we will be able to reach very normal conditions quite soon. About the pandemic, I have less sight on that. There is nobody in the world who can tell you when the pandemic will have done its worst and be over.

**Q240 Chair:** On the Brexit issue, there are some real-world nuts and bolts issues. There is this issue of paperwork and making sure that paperwork is correct in advance. There has been an issue with payment of duty payments within member states when British companies are exporting, and that is causing some confusion. How is the Department engaging on these particular real-life issues to make sure that they are resolved as quickly as possible?

**Kwasi Kwarteng:** As you may know, towards the end of last year, particularly under the excellent initiative of my predecessor, the Department was totally geared, essentially, from October to be engaging with businesses. We are continuing to do that. We have a transition checker online. That has been checked at least 400,000 times in the last two months. We have corresponded with something like 4.7 million businesses, again, in the last three or four months. That was all put in place by my predecessor.

We have also managed to relay huge amounts of information to our stakeholders in small, medium-sized and larger businesses. We have talked to something like 55,000 businesses directly in the last few months since October 2020. There is a huge amount of engagement that BEIS is doing. Of course, we want to continue doing that because, as you appreciate, we are not out of the woods yet. There is still a lot of uncertainty and people who want clarification. On that, we have launched webinars, which are increasingly popular. We are trying to engage and inform businesses about what is going on.

**Q241 Chair:** Moving on to business engagement and the ongoing Covid issues, the Prime Minister announced yesterday the new business council that he hosted at No. 10. Are you part of that and, if so, how does your engagement with business at the Department that you run engage with the No. 10 initiative?

**Kwasi Kwarteng:** I was very pleased and honoured to be invited to the conference call that we had yesterday. I think the newspapers have reported on that. The Prime Minister had a very useful and open



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conversation with me, the Secretary of State for International Trade and the Chancellor about the kinds of opportunities we see in 2021 and going forward, about things relating to innovation, the strong desire on the part of the Treasury and the Chancellor to increase our skill base, and infrastructure. The Chancellor is formulating and has announced some very exciting plans relating to infrastructure. It was a very good discussion, and I am very pleased to say that, as the new Secretary of State for BEIS, I was able to attend that conference.

**Q242 Chair:** As a BEIS Committee, no doubt like your Department, we are getting lots of representations from different parts of the economy about the ongoing support for business. We do not have time to go through all of them, but, to name a few, the FSB talked about how up to 250,000 small businesses are at risk of going bust because of cash flow issues. There is concern about the indebtedness that many businesses now have and the terms of being able to repay that. There is the issue of commercial rents that need to be resolved. The hospitality sector has asked for a continuation of business rate deferrals. We have the ExcludedUK campaign for many company directors who have not had any support yet. We have the events industry, the non-essential retail industry and others that are making representations.

Are we going to see a refresh of the financial support in the upcoming Budget? What are the specific things that you are asking for as Business Secretary to meet the demands of very significant parts of the economy that feel they do not currently have the reassurance they need to get through the Covid crisis?

**Kwasi Kwarteng:** You are right. It is absolutely vital that, as Business Secretary, I make representations around the Cabinet table and, particularly, to my right hon. Friend, the Chancellor of the Exchequer, about business and championing the interests of business. I was very privileged, lucky and happy to attend a UKHospitality forum last week, ably chaired by my colleague, Paul Scully, the Minister for Hospitality. They were very clear and put across very ably the real distress, in many instances, that they are suffering. Some of their proposals need to be looked at, and I am sure they are being considered by the Treasury. I am very happy to make representations on their behalf.

Having said all that, we cannot forget the huge amount of support that we have already provided to try to maintain the viability of our economy. We have spent something like £285 billion already trying to sustain businesses. To put that in context, when I entered Parliament in 2010, we had a record deficit of £160 billion. That was the deficit then. It was unprecedented. The way in which we are supporting business dwarfs even the borrowing that we had in 2010. It shows the extent to which the Treasury and the Government are leaning in and trying to support the economy.

**Q243 Chair:** One of the main asks that has come to us is about making sure that that borrowing and spending is being targeted in the most efficient



way, so that it is not one size fits all.

**Kwasi Kwarteng:** I agree.

**Chair:** Part of that conversation is about the rewrite of the industrial strategy, which your predecessor said was going to be happening over this year. Is that still the case? Are we still committed to refreshing the industrial strategy?

**Kwasi Kwarteng:** Yes. We are absolutely looking at trying to focus and direct, in a more laser-like fashion, what was written, after all, in 2017. If we look at the industrial strategy, it was presented to the world at the end of 2017. If you compare where we were in 2017 with where we are now, it is a completely different picture. In 2017, we did not have a Brexit deal. We did not know anything about the Covid-19 virus. We did not know anything about the kind of response that we would have to the virus. It is quite right, given the changes we have seen very recently, to refresh and rethink the strategy. We are still committed to intervening, helping business and guiding growth, in a way. Our approach has to reflect recent conditions and not the conditions of 2017.

Q244 **Paul Howell:** I want to talk about the mineworkers' pension scheme. As you are possibly aware, I am one of 50 colleagues who wrote to the Government on this subject. As part of the road to recovery post-Covid, it is obvious that the old coalfield constituencies will need some extra help. Successive Governments have taken over £4 billion out of the mineworkers' pension scheme in surplus payments through the 50:50 split arrangement. A 70:30 split in favour of the ex-miners would still leave the Government with a healthy income but, more importantly, would put some real money back into these coalfield communities. Do the Government have a plan to distribute any of the £1.1 billion of reserves remaining in the scheme to the retired miners' pensions?

**Kwasi Kwarteng:** It is a very fair question. I think I met you on this very subject when I was the Energy Minister.

**Paul Howell:** You did.

**Kwasi Kwarteng:** I certainly met a number of Opposition MPs on this, and I fully understand where they were coming from. There is a reserve and, as you know, stock prices do not always go up. It looked, for much of the early part of last year, that markets would be decimated. In that instance, the 50:50 split of the Government reserve ensured that the mineworkers' pension scheme was able to deliver a guaranteed strong, positive return, even when markets were going down, and the Government are committed to guaranteeing that. The way in which the guarantee works means that we have to have a split along the lines that you have said, but I am always looking at the scheme and how it can work better. You can address this issue to me in the first instance, as it is something I was very conscious of when I was the Energy Minister.

Q245 **Paul Howell:** It is always easy in hindsight, when a scheme is doing well, to have this view, but we are in a hindsight situation now. We have



that opportunity and I would encourage you to see if there is something you can do for these communities.

**Kwasi Kwarteng:** You can see that, if we were to change it and, for whatever reason, there was a downturn, the protection that we provide through the scheme would be a lot less. Then you, in your excellent capacity as an MP, would be saying that we should put more money in to secure the downside, so it is a difficult issue. The 50:50 split works, but we review it all the time.

**Paul Howell:** As I said, I would encourage you to review it, but I accept what you are saying.

Q246 **Chair:** Just to emphasise, it was nearly 50 MPs on a cross-party basis who wrote to you. It is felt quite strongly.

**Kwasi Kwarteng:** They did, and I engaged with them on this issue a number of times. We had conversations in Parliament about it. There may even have been a debate; I cannot remember. It was widely discussed when I was the Energy Minister.

Q247 **Zarah Sultana:** I want to start my question by mentioning the UK-Africa summit, because it is something the COP president mentioned earlier. More than 90% of the £2 billion in energy deals struck at the UK-Africa summit this time last year were for fossil fuels, despite a Government commitment to support African countries in their transition to cleaner energy. Why do the Government's actions abroad not reflect their commitment at home?

**Kwasi Kwarteng:** I dispute that. One of the most significant announcements in this area, in terms of international trade, was the Prime Minister's commitment last December, essentially, to stop funding fossil fuel projects overseas. This issue was discussed in Cabinet committees. People had differing views, but, in the end, the Prime Minister came down very firmly on the side of the people who said we should stop any funding of fossil fuel projects outside the UK. That demonstrates a consistency of purpose.

In terms of the African summit and the deals that were done, we have to distinguish between a couple of things. A lot of these fossil fuel deals are gas-powered stations, which, even though they are carbon emitting, are much less carbon emitting than coal. If you take a country like South Africa, which is heavily dependent on coal, part of the transition in that instance is to wean the country from a dependency on coal to invest in gas-powered power generation. Yes, the gas-powered generation is carbon emitting, but it is a lot less than that which is derived from coal. It is a part of the transition. In a lot of developing countries, the transition will involve moving away from coal-sourced power to gas power, even though gas power, as you know, is still carbon-emitting.

Q248 **Zarah Sultana:** Thank you for that response. My second question is about the levels of funding that have been pledged. The EU has



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committed €1 trillion to a green deal. Similarly, President-elect Biden has committed to invest \$2 trillion. On hydrogen strategies, France has committed €8 billion and Germany has committed €6 billion. The UK is only committing £240 million, so why does the White Paper not meet the scale of ambition that we are seeing elsewhere in the world?

**Kwasi Kwarteng:** In terms of energy projects, we have to get away from the idea that 100% is coming from the public purse. If you look at the deployment of offshore wind, in which I was very involved as Energy Minister, something like £94 billion has been committed to the deployment of offshore wind in this country, to the point where we have the largest offshore wind capability in the world. We have something like 35% of the production capacity in offshore wind.

The vast majority of that spending came from the private sector. It did not come from taxpayers' money. The way we achieve success in hydrogen and CCUS will be through incentivising private investment. Looking at the amounts that Governments commit as part of their investment is not a fair way of assessing our capability. What we have been very successful at—more successful than any other country, I would suggest—is attracting private capital and private investment in the deployment of this renewable technology. That is what we should be judged on.

Q249 **Zarah Sultana:** You mention offshore wind, and the commitment to rapidly develop the UK's offshore wind resources is very welcome. Why are we diverting resources towards new nuclear when the cost of renewables, right now, is plummeting?

**Kwasi Kwarteng:** I tried to address this issue and it is a fair question. If you were to have an energy system that is entirely based on renewables, it would be far more expensive because the renewables are intermittent. If you have a solar power station, the sun does not always shine, so there will be large portions of the day where you are not generating any power. The same is true of offshore and onshore wind turbines generally. You would have to have far more capacity to be able to have continual power generation. On top of that, you are paying National Grid a huge amount of money to balance the system.

In any energy system, you need a firm, stable source of power. As a decarbonised source of firm power, nuclear fits the bill. I am open to other ideas of non-intermittent, decarbonised energy sources. The nuclear industry provides firm power. One of the first things I did as Energy Minister was to commission a series of models to see how we can get to 2050 in a decarbonised way. Any model showed that a source of firm power—in this case nuclear power—meant that it was much cheaper to do that than to have a system that is fully dependent on renewables.

**Zarah Sultana:** Thank you for the offer of listening to alternative ideas on how to do that.

**Kwasi Kwarteng:** I would love to hear those ideas.



Q250 **Zarah Sultana:** My final question is about the White Paper not including a date or a plan for building new zero-carbon homes, and not including shipping and aviation targets in the UK's emission totals. When will the Government address these emissions in the White Paper?

**Kwasi Kwarteng:** I have said that shipping and aviation need to be addressed. That has to be part of our calculus in terms of net zero. You will appreciate that, in terms of housing, I have lots of very good conversations with MHCLG. We have to work very closely with them in terms of the housing policy and the aspiration that we have for that. It was felt that the energy White Paper is something that we owned as Energy Ministers and as BEIS. We thought it would muddy the waters if we were to stray on to the housing issue. We have a heat and buildings strategy coming out imminently, I hope, in this quarter. I will be very happy to take questions from your Committee about that in due course.

Q251 **Chair:** There was some reporting that we are expecting an updated employment rights Bill this year. Is that correct?

**Kwasi Kwarteng:** We are absolutely looking at safeguarding employment rights. I know there have been stories in the newspaper that there is going to be some sort of bonfire of rights and that we are going to scrap rights. This could not be further from the truth; I have to rebut this very clearly. We feel that we are enshrining rights and we can protect rights. I am very proud that, as Energy Minister and as Secretary of State, in the nine days that I have been in the job, I have reached out to trade union leaders. I spoke to Frances O'Grady last week.

My firm conviction is that we are never going to get to net zero, or have a chance of doing so, unless we work very closely with trade unions on skills and employment opportunities. The industrial relations of the 2020s and 2030s will be nothing like the world that we emerged from at the end of the 20th century, the 1970s and 1980s. It is a completely different debate, and I do not want to be dragged back into that world of the 1970s.

Q252 **Chair:** The concerns in the press are about comments that you co-authored or supported, albeit a long time ago, in 2012 or 2013.

**Kwasi Kwarteng:** It was a long time ago.

**Chair:** I understand, but the comments are of concern. You said that British workers were among the worst idlers in the world, and you suggested that the national minimum wage should be different in different parts of the country. Do you want to take this opportunity to distance yourself from those comments?

**Kwasi Kwarteng:** A book written by a bunch of Back-Bench MPs nearly 10 years ago is not particularly relevant to the problems and issues that we face. If you look at the world of 2011, who was talking about net zero? We were not talking about the net zero challenge. We were not talking about the industrial opportunities that would come from net zero.



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We were not talking about global leadership in the fight against climate change. We were not talking about Brexit. That was a speck on the horizon, if anyone could see it.

It was a very different context. We can have a philosophical debate, if you like, about the nature of the state, free markets and that kind of thing. It is a very interesting debate. I do not think being wedded to a text from 10 years ago is a particularly constructive way of conducting future debates about really important issues in the 2020s.

**Q253 Chair:** I am pleased to hear that. Looking at something that exists today, I have seen some of the internal documentation from your Department. The thing that caused some concern was a consultation being done right now, as I understand it, in the BEIS Department, consulting on EU-derived employment regulations and how they could be reformed for business post-Brexit. There was a specific mention of the working time directive, which limits work to 48 hours in a week. Why is that consultation taking place, and what is the intended output of it, if we are not trying to change workers' rights as they exist today?

**Kwasi Kwarteng:** The view was that we wanted to look at a whole range of issues relating to our EU membership and examine what we wanted to keep. I will say to you now that we are absolutely committed. I think we can have a very, very strong and powerful economy based on net zero and the Prime Minister's 10-point plan, while having a really high standard for workers, high employment and a high-wage economy. That is what I am focusing on. The idea that we are trying to whittle down standards is not at all plausible or true.

You talk about the working time directive. I am very struck, as I look at EU economies, by how many EU countries—I think it is about 17 or 18—have essentially opted out of the working time directive. Even by just following that, we are way above the average European standard. I want to maintain that. We can be a high-wage, high-employment, very successful economy. That is what we should be aiming for.

**Q254 Alan Brown:** If we return to nuclear power providing baseload, there are eight existing nuclear power stations at the moment. Four of them are going to go offline and stop generating before Hinkley Point C comes online. Another three are going to go offline before the end of the decade, which is way before any new nuclear power station can be built. If we can do without the baseload from these power stations in the meantime, why is there a so-called justification that we need a new nuclear power station to provide that baseload?

**Kwasi Kwarteng:** It is for two reasons, which I have tried to mention. I will just repeat what I said. If we had a system that was 100% renewables, you would have to have so much capacity because, obviously, the wind is not blowing all the time and the sun is not shining all the time. The cost of having that capacity would be very, very high indeed, and it would put a cost on the consumer.



Q255 **Alan Brown:** How do we deal with these stations being offline, then? You are saying that the system will not work properly or will be too expensive when we do not have these existing power stations online.

**Kwasi Kwarteng:** That is why we are acting on building the power stations. We hope that Hinkley Point will be delivered in 2025. As we expressed in the White Paper, we are open to making a decision on a second power station that will be, perhaps, even a twin to Hinkley Point C. We are committed to the nuclear industry, and not only in large-scale nuclear. I think the third of the Prime Minister's 10 points was all about nuclear. He said that we would have small modular reactors. We are looking at research into that and building up capacity in it for the 2030s, as well as, in the 2040s, advanced modular reactors. We are very committed to this source of power. We think it is a good source of baseload, dispatchable power that can balance a heavy reliance on renewable power.

Q256 **Chair:** You have referred to audit reform in comments since becoming Secretary of State. As we all know, it has been rumbling on for some time. Are you able to give us any sense of dates around, we understand, an outstanding consultation from Government?

**Kwasi Kwarteng:** This is very simple. People interpreted it as a key priority of mine. As you will know, there were three reports on audit reform that came into the Department. We had embarked on a White Paper on it, and literally on my desk when I entered the office there was a White Paper. I am very, very keen, having done the work, that we manage to publish it. I said to the relevant Minister, Lord Callanan, that I am very keen to show that we have done work on this, and I am very keen to publish it. That was one of the first action points that I initiated.

In terms of dates, it will have to go through the usual write-round process and all the rest of it, but I am very keen to see that White Paper hit the ground so that we can start a discussion. It is not the be all and end all. It is not as if we are going to be legislating next week on audit reform, but we have to get the ball rolling. As you said in the question, there have been lots of reports. We have had lots of debate. Now we need to push this thing forward.

Q257 **Chair:** Our inquiry on the Post Office Horizon issues is currently suspended because of the independent review, but we still have some outstanding questions primarily about the role of Government as a shareholder and how that works internally, around check-offs and access to information. There have been concerns from some stakeholders on this issue, primarily the victims of what happened in this tragic set of circumstances for many of them, about the independent review itself. Do you have any thoughts at this stage about their engagement with that independent review and, therefore, how valid its conclusions will be in how we try to resolve this issue going forward?



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**Kwasi Kwarteng:** I am assessing all of this information as quickly as I can and trying to process it. You will appreciate that I am relatively new into the job. I was a Minister in the Department before, but I was responsible for energy. This is a really live issue that I am getting across very quickly. I know you will probably be inviting me to your Committee to talk about these issues, and I hope I will be fully prepared to answer your questions then.

**Chair:** Thank you, Secretary of State. We are going to call the session to an end. Thank you to Kwasi Kwarteng, the new BEIS Secretary. We are delighted to have you here. Thank you for attending, even though you have just taken on the job. We will speak to you soon. Thank you also to your colleagues, Joanna Whittington, Jo Shanmugalingam and Ashley Ibbett.