



Treasury Committee

Oral evidence: Appointment of Ric Lewis as Chair of the Crown Estate, HC 683

Wednesday 19 March 2025

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Members present: Dame Meg Hillier (Chair); Dame Harriett Baldwin; Chris Coghlan; Bobby Dean; John Grady; Dame Siobhain McDonagh; Lola McEvoy.

Questions 1 – 74

Witness

I: Ric Lewis, preferred candidate for Chair of the Crown Estate.

Examination of witness

Witness: Ric Lewis.

Q1 **Chair:** Welcome to the Treasury Select Committee on Wednesday 19 March 2025. Today we are pleased to welcome Ric Lewis, who is the chair-designate of the Crown Estate. He has been appointed to this job by the Treasury and we are here to do a confirmatory hearing. I should stress that we have no actual power of veto. It occasionally has happened, I should say, Mr Lewis, where people have revealed things in a hearing that have caused problems for their candidacy. You are not quite there yet.

I am really pleased to welcome Mr Lewis. His CV and answers to the questionnaire that we sent him are just about to be published in the public domain. Thank you very much for that. I will start by asking some boringly practical questions about the questionnaire that we sent you, Mr Lewis. We sent you a questionnaire and then you filled it in. Did you send that to anybody else before sending it back to us?

Ric Lewis: I probably discussed it with my colleagues or my future colleagues at the Crown Estate, but no, before sending it to you, definitely not.

Q2 **Chair:** It did not go to anyone at the Treasury at all.

Ric Lewis: I do not remember. I may have copied them in afterwards, but I sent it back directly to you.



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Q3 **Chair:** You sent it to us and then you possibly sent it on to them after that.

Ric Lewis: Yes.

Q4 **Chair:** Did you have any further contact? Did anyone from the Crown Estate or the Treasury suggest any amendments?

Ric Lewis: If there were amendments from the Crown Estate, it would have been syntax or those kinds of things, but the thoughts are original and from me.

Q5 **Chair:** Did the Treasury talk to you about the answers to your questionnaire in any way?

Ric Lewis: No.

Q6 **Chair:** Did you have any further conversations with the Treasury about any answers in the questionnaire that may have arisen that caused it concern in your recruitment process?

Ric Lewis: No. If I recall correctly, the input was just process.

Q7 **Chair:** In the questionnaire, you pointed out that you had made some political donations to the political offices of Shaun Bailey and David Lammy MP. For anyone who does not know who Shaun Bailey is, he was a Conservative member of London Assembly, running then for the Mayor of London. That was for £50,000. For anyone who does not know who David Lammy is, he is the current Foreign Secretary, but in 2023 and 2024 he was the shadow Foreign Secretary. That was two donations of £15,000. You pointed out that there was some error in some recording of that, but it was two donations of £15,000. Could I ask, one, why you chose to donate money to those two individuals?

Ric Lewis: I appreciate the opportunity to answer this important question. I would like to say that I am not and never have been affiliated with any political party in the UK, or in the US before that. You can tell from my accent that I have an American background. The donations I made were to two individuals, with a single objective, which was supporting those who are doing work in under-resourced communities. It is consistent with what I have done in my 25 years of philanthropy here in the UK and with my foundation.

In retrospect, now that I have read the code of conduct of chairs of public bodies, I understand that it would be regarded as political because of their connection to politics. I was never doing something for the party. Both parties understood that this was for a mission that they were on, but not for the general support of the party. There has been nothing before or after.

The other thing that I would add to it is that, if you were to examine my pattern, philosophy and practice of giving in the 25 years I have been here, you would see that this is a very small part of it and completely



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consistent with the theme of my giving all along. I understand that this is regarded as political. It was not intended. However well intentioned my giving was, I now understand the sensitivity here and would do it differently if I had the chance.

Q8 Chair: To be clear, you say that these individuals were doing work in under-resourced communities. Do you want to be a bit more specific about what you mean by that?

Ric Lewis: I do not want to be too colourful here. I was supporting Shaun Bailey as a black British person who was trying to do better in his community and working on things in the community. I know that he was moving towards a political appointment. I had very frank conversations with him about the fact that I did not believe he could be successful, so that is not why I was doing it. I was not doing it to support the Conservative party. I was doing it because he was trying to make the community better.

It is the same thing on the other side with the current Foreign Secretary. He came to me and said, "I have an opportunity to employ a couple of interns in our office from under-resourced communities who would not get the job otherwise. It is consistent with what you do. Would you support it?"

Q9 Chair: Can I be clear? Did each of them approach you first, or did you seek them out?

Ric Lewis: No, each of them approached me first. In the instance of Shaun Bailey, it was an intermediary who works in property whom I knew who introduced me to Shaun Bailey.

Q10 Chair: They approached you and you met with them.

Ric Lewis: This is something that came to me. It is completely consistent with the giving that we did. I reviewed it with my trustees and said, "Yes, this is kind of what we do". In retrospect, it looks political, but that is not what it was and it was consistent with doing all the other things we do.

Q11 Chair: You have indicated that you have given money through the Black Heart Foundation to a lot of other people. When you talk about under-resourced communities, is your particular focus on black men to help them achieve?

Ric Lewis: No, it is generally under-resourced and under-represented communities, not necessarily just black. It is all ethnic minorities. It is socioeconomic underprivileged folks from around the country. Our scholarship programme, which has been in effect since 2013, has endowed 860 scholars at 160 schools, studying 220 different subjects.

Q12 Chair: It is the wide range of under-representation.



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Ric Lewis: It is a wide range, but the theme that is consistent all the way is that it is about education, opportunity, aspiration and improvement.

Q13 **Chair:** To be clear, the money that you gave to these two individuals was not because you thought they needed help individually to progress their careers, given both were, at the time, elected politicians. You can argue about the level of success, although one had been 23 years an MP and was shadow Foreign Secretary at the time.

Ric Lewis: If either of them had asked for money for themselves, it would have been a hard no.

Q14 **Chair:** Okay, so it was really for their staff. You have told us what you funded for David Lammy. What did you fund for Shaun Bailey?

Ric Lewis: He was trying to get the start-up of operations to try to figure out his political career, so it was the establishment of his office. He was not technically a candidate and he had not been running yet. I do not know how colourful to be here. He just said, "I am going around and talking to people who do not look like me and begging them for money. You are a leader in our community. Would you support me?"

Q15 **Chair:** That was a direct political donation for his political campaign and David Lammy's was a direct donation to his office for staffing.

Ric Lewis: I do not think it was a direct donation to Shaun Bailey. It went to an account that someone else ran for him, so it was even before he had his office set up. I did not view it as political and I was very clear with him, as I was with David Lammy: "This is not a political campaign. I do not want to be part of the party". Although people confuse that, I communicated that at the time.

Q16 **Chair:** It was to them individually.

Ric Lewis: It was to their efforts, yes.

Q17 **Chair:** With David Lammy, was it to a separate account or to him personally?

Ric Lewis: It was to a separate account, but it was David Lammy's account, I remember, at HSBC. It went to his account. I know that both of them were recorded on the register, so I made sure that they were official. They were going to them as individuals trying to do something different.

Q18 **Chair:** Do you do any due diligence when you donate? First, have you donated to any other politicians that you know of?

Ric Lewis: No, never.

Q19 **Chair:** Not at local council level or anything?

Ric Lewis: No.



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Q20 **Chair:** Did you do any due diligence or have anyone checking anything, because this was a bit out of your pattern of donations?

Ric Lewis: I did due diligence in that I knew that it was recorded. I did due diligence in that I know that it went to the destination that I intended it to. They were both credible public people, so I did not feel like I had to go much further than that.

To show how distanced I was or am from the issue, I do not know the names of the interns he hired. I trusted that he did the right thing with the money because I trusted him as an individual I had a distant relationship with, in the case of David Lammy, and the same thing with Shaun Bailey. I assume he used it for the reasons that he said he did, but I did not follow up on that.

Q21 **Chair:** When you were going through the process for interview, did you advise the interview panel that you had made these donations to these two politicians?

Ric Lewis: I did not, because I did not view them as political. I look in retrospect and I realise that I made a mistake in not saying, "Hey, these were political donations", because I did not regard them as such. We discussed a great many things through the process and in the early process about conflicts of interest with all the things I do at other corporations and community issues. This subject came up later. It is still part of due diligence, so we discussed it in detail and came to the conclusion that there is not, was not and will not be any future conflict of interest.

Q22 **Chair:** You were not called back in after. Some of this was in the public domain, I think, at the point you were applying for the job.

Ric Lewis: Yes. It was still in the due diligence and evaluation process. At some level, as cumbersome as the process and talking about it again was, we got a chance while I was still in the vetting process to look at this in detail and understand its issues.

Q23 **Chair:** Knowing what you know now, would you have done that differently?

Ric Lewis: Yes, I would not have made the donations at all.

Q24 **Chair:** You would not have made the donations at all. Okay. That is lucky for David Lammy and Shaun Bailey.

Ric Lewis: The good thing is that the foundation and I have been very generous. My board, some people who have contributed to the foundation and I have been very generous in the community, so I would not have felt bad because I know we are doing a great deal of work. I would not have done these two things if I knew that this would have caused this level of alarm.

Q25 **Chair:** No politician can come begging to you now for money.



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Ric Lewis: No, unfortunately not. My doors are closed.

Q26 **Chair:** I talked about due diligence. David Lammy has written books. Shaun Bailey has been on the record making some quite outspoken comments. These are politicians. That is not unusual. Did you consider looking at anything they had said or done while making these donations?

Ric Lewis: I did not in detail. My feeling is that I do not want to get involved in personal philosophy. I want to make sure that they are ethical people who do a good job and are respected in the community. That is my bar in thinking whether I can partner with them. My desire is not to influence their policy or understand and support it; otherwise I would be political and making donations to political parties.

Since I have spent my entire professional and personal life not doing that, it would have been a mistake to ask, "What do you stand for? What are you doing here? What is the issue on?" I do not mean at all that I do not understand where their thoughts and mine might overlap and depart or diverge. I do, but that was not what I was trying to do. I was supporting the person.

Chair: We could go into all sorts of detail about what each of them has said, but you have made your point very clear. I want to turn to Dame Harriett Baldwin. We have covered Britain.

Q27 **Dame Harriett Baldwin:** Mr Lewis, I wanted to ask a few more of these political and personal questions, because we are politicians, I am afraid. You have citizenship here in the UK and citizenship in the States, I understand.

Ric Lewis: I have been here about 25 years. I do not know exactly, but I think I have had British citizenship for 23 or 23 and a half years. Through my ex-wife's family, I qualified for and applied for it right away. I have been here for over 25 years and I really regard this as home. Both of my daughters were born here and this feels like home, although I know I have two countries.

Q28 **Dame Harriett Baldwin:** You have the US passport still.

Ric Lewis: Yes, I do.

Q29 **Dame Harriett Baldwin:** I wanted to clarify for the record. From what I am hearing, I think I know the answer. Have you ever donated to any American politicians?

Ric Lewis: No, I have not, never. I have stayed out of that. I might have personal political leanings, but I have not committed to either party or any party in the US as a result. That is why this is particularly troublesome, because I literally have spent my entire life not doing this. For this to happen and be any point of question seems peculiar, but I understand.

Q30 **Dame Harriett Baldwin:** Given the role you are going for as chair of the



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Crown Estate, I feel I also have to ask you, in terms of the country you were born in, which got rid of the monarchy, and the country that you now live in and are going to go and work for as chair of the Crown Estate, whether monarchy is better than a presidency. What is your view on these two systems?

Ric Lewis: That is interesting. That is going way back and I am certain that I was not part of it. I do not have that position. This would be an interesting time to question how I think about US democratic policies, because they are sliding and waning.

Q31 **Dame Harriett Baldwin:** You are not going to go there.

Ric Lewis: Yes, exactly.

Q32 **Dame Harriett Baldwin:** You have sworn allegiance to the crown and are a supporter of the work of the Crown Estate.

Ric Lewis: I am very much a supporter of the Crown Estate. I understand the priorities of the Crown Estate in terms of energy, the environment, inclusive communities and responsibly delivering increased value and economic return to the Treasury for the public good. I completely support that and look forward to being able to serve that if I move from the pre-appointment candidate to the confirmed candidate.

Q33 **Dame Harriett Baldwin:** When you took up your British citizenship, you would have sworn allegiance to the Crown.

Ric Lewis: I probably did on paper because I did it so many years ago. I think the process now is where you do it in person. I am sure that I did, yes.

Q34 **Lola McEvoy:** Good afternoon, Mr Lewis. Your CV is really impressive. It sounds like you have had a really interesting career. Following on from Dame Harriett's question, is there any scope for you to bring these philanthropic passions to the new role? Do you see any crossover with your philanthropic arm and the things that you have spent your time doing, the passion projects, and this new role?

Ric Lewis: Yes, philosophy and intent perhaps. I have just stated what I think the four major goals are. If you look at the third one of building more inclusive communities, trying to foster and generate more economic inclusion for a greater part of the country is part of the Crown Estate's remit. That feels very comfortable to me, because that is what I am trying to do, making some parts of community bigger, better and more included, but not in an overt way, no.

Q35 **Lola McEvoy:** How do you expect your chair of the Crown Estate role to be different from that of the one in the private sector?

Ric Lewis: There are a lot of similarities. At some level, it is funny that I feel like I have almost been preparing for this role for most of my professional career. There are a lot of overlaps. I am a specialist in investment in real estate and alternative assets. I have worked across a



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number of jurisdictions and geographies. I have been charged with managing risk and fiduciary responsibility. Those things are all pertinent here. Equally, because I have been active in the built environment, sustainability and environmental security and connection has been very important.

The difference in one of the areas where I am growing in knowledge and understanding is that, among my strengths, one thing that I still need to work on is a deep appreciation for working in the public interest in a public body and the scrutiny that comes with it. It is not uncomfortable to me. I am on the board of Legal & General, which is governed by the FCA and the PRA. I have worked with shareholders. I have worked with documents for my funds that have a very clear delineation of fiduciary responsibilities to my stakeholders. Those are very comfortable, but this is a different bar. I am prepared for it and, at some level, this is part of that process.

Q36 **Lola McEvoy:** It is indeed. This is just a quick thing about logistics. How much of your time will you devote to working at the Crown Estate? How often will you be in the office?

Ric Lewis: The brief said one to two days. I believe that it is five to seven days when it gets to normal and probably seven to 10 or seven to 14 days for the first year or so until I get up to speed. I do not have a set agenda for it. I know that I have enough room. If you knew me, you would know that I have a great deal of curiosity, energy and passion for change and improvement, which I hope to bring to this role. In addition to knowing that I had time and room for this before this very serious role, I am just finishing as vice-chair of the board of my alma mater. That is after eight years.

Q37 **Chair:** That is Dartmouth College.

Ric Lewis: Yes. As part of this, I resigned myself from the chair of the council of Imperial College London so that I would make even more room. Even if I did not have room before considering this role, I am removing myself from two roles for this one role. I take this very seriously and will have enough time to be here and do it comprehensively.

Q38 **Lola McEvoy:** On that point, are there any particular sites under the Crown Estate that you are excited about visiting first? What are your priority sites?

Ric Lewis: They are the ones that are on the alternative assets side. I do not mean to assume anything, but, on the central London office, I have done plenty of it myself. I live and work around it, so those will be comfortable and quite easy. I want to see the marine sites, wind sites, et cetera, and spend more time in the rural communities. There is a lot to learn and a lot to visit. Part of those days that I mentioned, whether it is seven to 14 days or not, includes site visits and being present there so I really know it. I will not be a desktop chair.



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To be clear, this is all in conjunction with my conversations with Dan Labbad, the chief executive. My role is to chair the board, if confirmed. It is not to be the chief executive. I do not want to step on toes, but he is very welcoming and agrees that he would like me to do that as well.

Q39 Lola McEvoy: That was actually my next question. How will you share the strategic direction? How is it going to be divvied up between you and the chief executive, Dan Labbad?

Ric Lewis: That is to be determined. One of the attractive parts of applying and digging in for this role is that I really like the potential combination with the chief executive. You will appreciate that, as the preferred candidate but not the confirmed candidate, I have met with the board, the panel, the chief executive and a few of the senior management team, but not comprehensively because that would be inappropriate at this stage. That is all to come.

I think that Dan Labbad appreciates that I want to be a team player. I have a personal philosophy in which there are 12 principles that govern my last two businesses. One of them is that, if you are above emptying the bins, you soon will be. It means that I am open to doing anything as long as we do a good job. If we can look our stakeholders in the eye and feel like we have performed to their expectations, or outperformed them, I am fine with literally doing anything in the role.

That does not mean that I do not know and understand that I have responsibility, or will have responsibility, for governance. That comes with the rules and scrutiny that I am supposed to have as chair. Personally, I am very flexible about picking up any task to make us successful.

Q40 Lola McEvoy: How applicable is your experience in real estate to the assets held by the Crown Estate?

Ric Lewis: I know of some of the particular assets. In terms of the assets in general, it is my strong suit. I am still chairman of Tristan Capital Partners, the business that I founded. It is about 16 years old. It is about the same size as the Crown Estate. It operates in the UK and Europe, so only about 20% of the portfolio is in the UK. With the type of assets, risk and economic performance, understanding portfolio diversification, risk, leverage and those things is something that I have done for a great many years. I have been in this industry for 35-plus years, 10 in the States and 25 here. That is the good part. I am not learning how to do it. I am just learning the specifics of this assignment.

Q41 Chris Coghlan: Thank you, Mr Lewis. Your commercial experience is hugely valuable for this role, but it raises potential independence issues. Do you see there being any potential conflicts of interest with your private sector roles? How will you manage that if so?

Ric Lewis: I do not. We looked at this in great detail. It was part of the panel's great expertise to look at it and regard it with regard to everything that I do, such as the non-executive role at Legal & General



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and Tristan Capital. I can say that, in 15-plus years of Tristan Capital and 10 years of the predecessor company, Curzon Global Partners, we have run across the Crown Estate in our portfolio only once in 26-plus years.

That was very simple. It was that we were a freeholder and the Crown Estate owned the leasehold. Our deal partner went and negotiated an extension to the leasehold. None of the people in my company had to do that themselves and it was very straightforward. Effectively, we were paying a premium to the Crown Estate to extend the lease to make the whole more valuable.

Q42 **Chris Coghlan:** But that lease no longer exists.

Ric Lewis: The lease exists because it was extended for 125 years.

Q43 **Chair:** It is no longer in play commercially.

Ric Lewis: It is no longer in play as a commercial negotiation or anything, yes. Again, none of the people directly in my company did that. In most of the deals that we have, we have a 10% or 20% operating partner on the ground. They had the conversation and reported back. Until I did the research to ask my team whether we had ever run into the Crown Estate anywhere in our portfolio, I was not even aware of it. I knew the lease was extended. I just did not know who the counterparty was.

Q44 **Chris Coghlan:** You mentioned that you will have one to two days a week on the Crown Estate chairmanship role, but seven to 10 overall.

Ric Lewis: One to two was what the brief said, but I think that that underestimated the time commitment.

Q45 **Chris Coghlan:** How much time will you be spending on Tristan Capital Partners by comparison? How do you split your time?

Ric Lewis: I want to be careful because I know that this is public and I want my clients to feel like I am there all the time. The truth is that my role is as chair. I chair. I do not run the day-to-day. I have two co-chief executives who run the day-to-day. My job is to steward ethics strategy and business strategy, and chair the investment committee. I am probably there 60% or 70% of the time and working a little less than that. If we can leave it at that, that is probably good for the public record.

Q46 **Chris Coghlan:** You mentioned already that you are leaving two of your trustee positions. Are there any other positions that you are leaving to make space for this?

Ric Lewis: There are two that I am holding. I am a non-executive director of Legal & General, which I will continue. I am also a trustee of the Earthshot Prize, which is very involved in environmental and sustainability, so overlaps a lot with the ideas that the Crown Estate does. I want to make it clear that not only do the panel, the Crown Estate



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and I believe that there is no conflict now and there will not be, but we will vigorously manage from day one.

We have processes that we have potentially agreed to be put into action. I will establish relationships between the Crown Estate and the legal and corporate secretaries of all those entities, so that we have a process where we can see anything that comes up and anything that could be a conflict of interest. There will be a committee at Crown Estate that reviews that with me to make sure that they agree with me too. If there is anything that comes up, I will recuse myself.

If I have to recuse myself more than a couple of times, I am prepared to make the Crown Estate my first and main priority, and I will step down from roles. I have told that to the chairs of the other companies, Tristan being the exception because I would have to tell myself, so that is pretty easily handled.

Q47 **Chris Coghlan:** Will you be making use of your extensive contacts in industry in your position and role as chair?

Ric Lewis: I hope so. I want them to be helpful wherever they can be helpful. I can say already that it is a two-way street. After the announcement that I was the preferred candidate, you would not believe how many people have a party wall or right of way that is owned by the Crown Estate and want to have a chat. It has been very helpful to say that I am the preferred candidate but not the confirmed candidate so I could not possibly talk to them about that.

Q48 **Chris Coghlan:** Apologies, this is a bit of a basic question, but I need to ask it. Can you confirm that you will not seek to generate business or advantage for your existing commercial interests through your role as chair?

Ric Lewis: I 100% confirm that, yes.

Q49 **Chris Coghlan:** Apologies for the same thing. Can you confirm that no favourable treatment will be given to existing contacts of yours should they seek to work with the Crown Estate?

Ric Lewis: I confirm that completely. As a matter of fact, I like protection from the number of asks that will come in. That is something that I am sure that the current chair has had to deal with as well as the chief executive, telling people, "That is a really important message to you, but I cannot really help you with it".

Q50 **Chris Coghlan:** Apologies again. It is formulaic but we need to ask it. You have already answered this to an extent. Is it possible that companies you control may be operating in direct competition with the Crown Estate?

Ric Lewis: In theory anything is possible, but there is nothing that has come to my attention or nothing I am worried about. In concept, it could be that there are counterparties. I do not think that there are probably



companies that we are invested in, because we operate in a different part of risk spectrum, but there will be people I know who might be in competition on a piece of land or initiative with the Crown Estate, yes. In theory, sure, but the world is that way.

Q51 **Chris Coghlan:** You have processes.

Ric Lewis: Yes. The whole world works that way. There is always something.

Q52 **Chris Coghlan:** Great, so I can be less formulaic now. Why do you believe the Crown Estate needs the power to borrow, as envisaged by the Crown Estate Bill?

Ric Lewis: "Need" is an important word, so maybe I will duck that a little bit. It is an important development after 260 years.

Q53 **Chris Coghlan:** Why would it help?

Ric Lewis: Prudent leverage can be the cornerstone of a great financial plan, if managed very well. When the Crown Estate looks at the number of things it can do and do at bigger scale, the challenge it has is how it generates the economic return to the Treasury for the public good that it promised, at the same time that it needs additional equity to put into deals, transactions or initiatives. To date, it has been forced to think about having to sell some of its prize assets to have the income to do that.

With a little bit of leverage, it does not have to sell something that it regards as valuable and can put up the up-front equity in there, but that comes with a lot of risks. I have a very well-developed personal philosophy on leverage. Even though my business in Tristan Capital works in a world where people will give you a lot of money, debt and leverage, we have always been a moderate-leverage borrower. Leverage can be really helpful but can also kill. I believe firmly that you can never put yourself in a position where you have to do anything.

Market cycles and values change, and all of a sudden your asset is overleveraged, or a lender calls in the debt because they say, "This is not at the right leverage level", or they stop wanting to lend because of what happens in the debt capital markets. You need to be able to look at this. At the moderate leverage levels that the Crown Estate is contemplating, it is market cycle protected. That is really important.

Q54 **Chris Coghlan:** How would you think about managing that? Would you have maximum leverage ratios, I guess, approved by the board? How would that work?

Ric Lewis: As I understand it, that conversation is going on between the Crown Estate and the Treasury now. I am not privy to all of that, but I think that there will be an agreement that the board gets to set some kind of leverage that is comfortable to the Treasury, Parliament and public good. I am more than pleased to work inside those constraints.



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Any amount would be helpful to the Crown Estate, but making sure that it does not endanger its four strategic priorities is really important.

Q55 Chris Coghlan: Presumably, when the Crown Estate develops its asset base, by definition it is going to be competing with the private sector. Is that a problem?

Ric Lewis: It is two things. It already does. If it has an office building in London, it already competes with the private sector. The more important thing, and the thing that is really interesting as you go forward, is that it also partners, potentially, with the private sector in a bunch of ways.

One thing that you did not ask me but I would be remiss if I did not say is why I really want to do this. I look at this and say that it is an interesting and almost unique opportunity to work in public assets and private markets for the state interest and for a sovereign stakeholder. That does not exist anywhere else. The important part is that you are in private markets and competing there, whether it is marine issues or wind issues. Where you are bringing capital in, there is a greater opportunity to partner with private markets and international investment, as well as to compete with it.

Q56 Chris Coghlan: You would not envisage your role to be to help crowd in private sector investment, for example, or having a higher risk tolerance than, say, the private sector.

Ric Lewis: I do not mean to be flippant, but I might be an option. I have credibility in the private sector, just as the chief executive does, because he came from it a bunch of years ago. If we are partnering with someone, they are not uncomfortable. They know who we are, how we do things and our track record, but there is no strategic plan to bring a bunch of private money into this, no.

Q57 Chris Coghlan: Why would you not allow the private sector to develop the Crown Estate's assets on the Crown Estate's behalf, instead of borrowing internally?

Ric Lewis: It is case by case. At first, it is when you look down the road and think about trying to provide the economic return to the Treasury for the public good. It is trying to figure out what the best way to do that is. The assets are held for the public good and the mission is not to try to sell them all out or trade them to somewhere else. It is to try to maximise their value over time. There is an individual and portfolio decision all the time about what is in the best interest of maximising value and return.

Q58 Chris Coghlan: Are there any level playing field issues, given that the Crown Estate can borrow probably at a lower interest rate than the private sector?

Ric Lewis: My feeling is, "Wow, isn't that great?" That is one advantage among many challenges. I would probably need to give that some more



thought. I have not thought about what level it can borrow at and I do not think that that has been set yet, so I am really interested in learning more.

Q59 John Grady: Mr Lewis, as you are working out what the Crown Estate needs to do over the next wee while, to what extent will you be led by the chief executive, Mr Labbad? How much are you going to get your hands on that as a question?

Ric Lewis: In any chair/chief executive role, it has to be a two-way street. It is not just the chair and the chief executive; it is the board and the chief executive. As a matter of fact, right now, as we speak, the board is at an offsite in Cambridge as a regular board meeting. Yesterday I know they reviewed business strategy and the budget, et cetera.

It is not a sole person or a sole senior leadership team independent view. It is a circular conversation between what ideas and initiatives the chief executive has and what the board thinks. If it goes as I envision it, and I think Dan envisions it, we will be very active in the conversation about his ideas and thoughts on what the trade-offs, opportunities and challenges are. I expect not to be the chief executive but to be comprehensively involved in a way that works for the chief executive and senior management team.

Q60 John Grady: Looking to the end of your first year at the Crown Estate, what would be the three things you would want to achieve?

Ric Lewis: That is a good question. First and foremost, I want to get up to speed and have credibility with the chief executive, the whole senior management team and other stakeholders, so that I understand what we have, are and intend to do, and what the opportunities and challenges of that are. I am a quick study, but there is a lot to learn. When I think about it, I start to think about compressing that into the first 100 days, but I am also humble enough to know that it might take a little longer than that.

Q61 John Grady: Maybe 110. What about the other two things? Are there any other things you would want to cover?

Ric Lewis: It is also the personality of the team. One thing that goes with any of this is to understand who the personnel are and what they are doing, not to evaluate them for fit for purpose but just making sure that I understand whether there are any particular strengths or weaknesses that are either not exploited or not considered in that.

The last thing is how we are doing against the plan and what it looks like in the years going forward. I know as much as I can know as the preferred candidate but not the confirmed candidate, so I have not dug into all the details. I want to know whether next year is covered. What do the few years after that look like? What is the degree of difficulty for achieving what we have intended and promised to achieve in years 2, 3, 4 and 5? What does that mean? What do we have to do in terms of new



initiatives and ventures? What is that challenge and what does our stakeholdership think about that as we move along with it?

Q62 John Grady: If you look at the balance sheet of the Crown Estate, looking towards that topic you have engaged, there is a fair amount of cash. There is property in Windsor, regional property and London property. Then you have your marine property. My understanding of it is that a lot of the revenue actually comes from the offshore leasing rounds for the windfarms. Looking at that, do you have particular views on, with these new borrowing powers, what the Crown Estate should look to do with its portfolio and where it should look to invest over the next five years?

Ric Lewis: There are two parts to that question. Again, I am going to try to caution myself and us that, as the preferred candidate but not the confirmed candidate, I do not have access to everything yet. I have access to public information and a few conversations, but I have not been in the details. As I understand it, there is a core return from the portfolio that has been fairly consistent. Over and above that has been the sale of the wind right options that have provided—I want to be careful about saying “windfall”—extraordinary profits last year, the year before and maybe into this year.

The core has not changed and is growing at a good rate. In my due diligence in looking at this, that is what gave me comfort that this is not something that is buffeting from feast to famine. This has been pretty consistent and there have been some extraordinary profits on top of that. In terms of taking advantage of those things, it would be premature for me to comment on it, not because I do not have some personal understanding of it, but I do not know enough of the detail to speak with conviction on it.

Q63 John Grady: Do you think there is a difference between being an arm’s-length private sector investor in property, so a REIT or a property investment trust, and being a public sector investor? Does it demand a different approach to environmental stewardship, investment risk and decision-making?

Ric Lewis: I do not think that it has to, but unfortunately it does. In the private sector there is a wide range of operators, including those that are completely financially motivated. I do not mean that they have disrespect or disregard for the environment, but they pay less regard to it.

If you look at the Crown Estate and its stated priorities, which I talked about earlier, when you dig into it, what I have come to learn about the framework with which it looks at existing portfolio and new investments is that it is asking, “What is the potential economic return and what is the transformational potential of what we are doing?” It is always balancing off, “What is the short, intermediate and long-term transformational potential of what we are doing and how does it contribute to the



economics?" It is not one or the other; it is both considered in the whole and what that means for the portfolio in the short and long term.

The stewardship is right for the stakeholdership. It is the same as the best-run private sector companies, but is very different from some other private sector companies that I have seen too.

John Grady: That is clear.

Q64 **Dame Harriett Baldwin:** On that topic, covering agricultural land with solar panels and building a lot of onshore wind is something that is happening across the UK at the moment. Does the Crown Estate have a policy position on that?

Ric Lewis: I am afraid that I am not up to speed. I would really love to come back and talk to you about it when I know my facts and have more credibility.

Q65 **Bobby Dean:** Good afternoon. I am struck that some of the priorities are areas that are coming under enormous political pressure at the moment. In particular, you talked about working to implement diversity, equity and inclusion metrics into its operations. We in this Committee have seen the FCA and PRA retreating from introducing new DEI rules. They are getting bundled in as a regulatory burden. How would you respond to that?

Ric Lewis: This is a tricky one. First and foremost, I have to look at my potential role as the chair of the Crown Estate.

Sitting suspended for a Division in the House.

On resuming—

Bobby Dean: For the record I will repeat the question. I noticed in your answers that you paid attention to implementing diversity, equity and inclusion metrics. That is one of the Crown Estate's priorities. Inclusive communities is something you have spoken about. We have seen other bodies, such as the FCA and PRA, come under pressure to relax the number of rules that they are introducing around DEI. This is a trend that we are seeing on both sides of the Atlantic. I wanted to get your views on that as well, if I could.

Ric Lewis: My understanding is that the Crown Estate, by statute, is independent and has the ability to have independent views on these things. To be fair, the stakeholders of the Crown Estate, so the benefactors and the Treasury, as the sponsoring entity for Parliament, are going to have an influence on what feels comfortable to them.

You know that my personal feeling is that I believe in inclusive communities. You can see that I have done that work both personally and through my foundation, so I think that I can be a positive influence on continuing to do that work. I know that the senior leadership of the Crown Estate already feels that way. We are going to have to understand that, as the winds buffet back and forth, if we are pushed by law or



decree somewhere else by Government to do something different, we will have to do it. If not, I cannot see us changing the mission that we have.

Q66 **Bobby Dean:** Another stated priority is working towards net zero. That is another thing that is subject to a lot of political discussions. Some people are saying that we need to retrench and think about energy security first because of the way the world is going. How would that impact on the Crown Estate's priorities as well if that environment around you was to change?

Ric Lewis: One of the four stated priorities is to move closer to cleaner energy, whether that is net zero or just much cleaner than we are now in a more energy secure future. That is going to continue to be a very important part of the mission of the Crown Estate. Even though some may doubt that we can get to net zero by 2050, it does not mean that we could not be cleaner, better and more energy secure as a country between now and later.

Q67 **Bobby Dean:** Finally, because I have mentioned most of the other priorities, what does delivering value mean for you? It is a priority of the Crown Estate, but what does delivering value mean for you?

Ric Lewis: There are two things. One, it is delivering economic value and increasing the value of the assets in a way that is consistent, dependable and reliable. It is delivering an economic return to the Treasury on behalf of the public purse. The third part of delivering value that is really important is doing it responsibly, so that you can hold your head up and the Crown Estate and its stakeholders can feel like they were proper and responsible stewards of a big part of the country in generating that economic return.

Q68 **Chair:** We talked at the beginning about politics with a big P, if you like, and party politics, but there is a lot of politics to heading up an organisation such as this. You are dealing with issues we touched upon, such as the seabed, climate change and the buffeting of politics. We have also seen in recent months a spate of senior leaders of regulators and other quasi-autonomous organisations leaving quite abruptly because of the politics of the Government's mission on growth. How adept are you at navigating those political—small P and sometimes big P—waters?

Ric Lewis: I am adept at negotiating stakeholdership and change in different environments. I do not want to be so presumptuous to say that the little P political environment is akin to what I have experienced in the private sector. I have been through a number of challenges in my professional career and some of my biggest clients are sovereign wealth, Governments et cetera. I understand how policy can change and that how they feel about the thing that they were completely on board with doing with you and asked you to do then changes overnight. That is not unfamiliar to me.

Q69 **Chair:** You knew exactly what I was driving at.



Ric Lewis: I do not want to be so presumptuous to say that I understand what it means in this country and for the Crown Estate, but I am a quick learner and I have been through a lot of it before. It is not daunting to me.

Q70 **Chair:** The Crown Estate has its remit and its mission, as others have talked to you about. We have seen other bodies where there have been remit letters issued and secondary objectives required. How broad are your shoulders in standing up for what the Crown Estate is now, versus maybe having to adapt it as the Government of today, or in future, might require you to do different things?

Ric Lewis: As I understand it—I do not want to be too forceful about this—the Crown Estate operates with independence by statute and has the right to do the things, along with its strategic priorities, for what it was set up for. It is my job to walk that line, with my colleagues, and hold that line. We have to be independent of a change of Government or the initiatives that they want. It does not mean that we should not listen, hear, try to adapt and partner, but we have to regard our independence as really important because it was set up for a reason.

Q71 **Chair:** I am not making any party political point here. Unfortunately, it happens under Governments of all colours that sometimes someone is the flavour of the month and paraded as perhaps the great new chair of the Crown Estate, or whatever it may be, and then the Crown Estate, or whatever body, might have to dig in on exactly the agendas you have described and become unpopular. Sometimes that can become personal. Are you capable of dealing with that kind of potential personal attack and publicity in a way that you do not always get in business in the same way?

Ric Lewis: I would not say that I want it or want to invite it, but, yes, I have broad enough shoulders to be able to take it and understand it. The mission is more important than what people think about me. The great part is that the people I care most about, my friends, loved ones and the people who know me well, will know who I am. That is a safe anchor for anything that comes up in the press. There have been things in the press at different times about me because they want to be sensational, but the people who really know me know who I am, so I am not afraid.

I also have another advantage, which is that I am pleased and emboldened that I got to this place where I am the pre-confirmation candidate and hope to be the confirmed candidate. It is somewhat of an advantage to be part of this country but not to have grown up and been born here because I am, at some level, agnostic. I know what the mission is. I think you understand. The deep philosophy and connection is there, but it is learned. It is not rooted and organic, so I feel like I can move around based on what we are supposed to do and what the right thing to do is, not what my father, mother, grandfather and grandmother taught me to do.



Q72 **Chair:** The Government have a very big mission on growth. We have touched on that a bit. Do you think there are any tensions that could come from what the Government want to see and what the Crown Estate's mission is? You are partly being appointed, I think, to help promote future opportunities for the Crown Estate, as we have touched on. Are there any areas where you would find that there might be red lines that might be drawn?

Ric Lewis: I suspect that there will be. There always are. As you start to move and try to do things at scale, there are going to be people who have an idea that you should be 10 times bigger, five times bigger or two times smaller. We have to stick to our mission and our knitting, and respect the guardrails that we have set out in our strategic priorities and in our stated mission.

Q73 **John Grady:** On that one, the Crown Estate invests a lot in net zero assets—offshore windfarms and things like that. It has a stake in them because it rents the seabed out to the operators. Is there a trade-off between protecting nature and biodiversity and pursuing net zero, in your experience?

Ric Lewis: My experience is that there is always a trade-off, but they do not have to be mutually exclusive. It is incumbent on us, and everyone who works in this space, to figure out how you have the least impact on nature and the environment as you are doing good. As you are moving towards a more energy-secure future, there are definitely some things that you have to do that can affect nature along the way. The question is how to do that for maximum value with minimum impact. It is our responsibility to always look at that.

The great thing is that it is part of our stated mission. We are looking at how you increase the natural environment and biodiversity at the same time that we are trying to make an energy transition to cleaner energy and a more energy-secure future.

Q74 **John Grady:** The only other question would be whether you think the public have a good understanding of what the Crown Estate does.

Ric Lewis: No, I do not. I am not sure that they do. As I understand it, they do not. I do not think that they understand what its core mission is necessarily. Some people do but, just testing among the people I know who are very well versed in property and investment, I do not think that they do.

As I understand it, there is a public inquiry about the Crown Estate, how it is regarded, what it does and how it is supported. I really look forward to the finish of that. I do not know who the sponsoring Department is. I do not know whether it is the Treasury, but I understand that that work is going on to get an impression of whether people understand what the Crown Estate does. Its name can be misleading. Unless you spend time digging through the very comprehensive annual report and public



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records, you would not really know the scale and scope of what it delivers and does.

Chair: Can I thank you very much indeed, Mr Lewis, for your time today? We will now be producing a report to make our comments on your appointment to the Treasury. That will be produced in due course. The recording of this session will be available and the transcript will be available on website in the next couple of days uncorrected, so you have a chance to look at that. You can always play it back if you fancy. Thank you very much indeed.