Environmental Audit Committee

Oral evidence: Sustainability in BIS, HC 613

Wednesday 4 September 2013

Ordered by the House of Commons to be published on 4 September 2013.

Watch the meeting

Members present: Joan Walley (Chair); Neil Carmichael; Martin Caton; Zac Goldsmith; Mark Lazarowicz; Caroline Lucas; Caroline Nokes; Dr Matthew Offord; Mr Mark Spencer; Simon Wright

Questions 1-86

Witnesses: **Emma Ward**, Director, Economic Development, Department for Business, Innovation and Skills, **Howard Orme**, Director General, Finance and Commercial, Department for Business, Innovation and Skills, **Janice Munday**, Director, Advanced Manufacturing and Services, Department for Business, Innovation and Skills, **Alex Wilson**, Deputy Director, Regional Growth Fund, Department for Business, Innovation and Skills, **Paul Williams**, Deputy Director, Student Finance Policy, Department for Business, Innovation and Skills, and **Steve Egan**, Deputy Chief Executive, Higher Education Funding Council for England, gave evidence.

Q1 Chair: I thank all six of you for coming along. I apologise for the difficulties of sitting you all round the table in a way whereby you are able to confer with each other. Apologies if the order is not quite as you would have hoped it might have been. What I would like to do is to kick off this inquiry. We are very keen to look at the way in which a cross-Government sustainable development is embedded. As you are aware, we have been doing some work with the National Audit Office. For reasons, good or bad, BIS is the Department that it has been decided we shall focus on as an exemplar or otherwise of how to embed sustainable development. We will be looking across a whole range of different areas, including regional policy, manufacturing and higher education. What I want to do from the very start, before my colleagues come in, is to ask you, Emma Ward, as the Sustainability Development Champion, what your role is and how your previous experience equips you to bring all your colleagues and ministerial team into line on this agenda.

Emma Ward: Thank you very much, and thank you for hosting us today. We are very pleased to be here. I would also like to thank the NAO for doing the review. As you will be aware from the report, I became Sustainability Development Champion in March of this year. I was asked to do so as a member of the Department's Operations Committee, which is part of the overall governance of the Department and reports to the executive board. I have sat on that committee since March of last year. My day job is Director of Local Growth in the Department. That covers a whole host of policies, from local enterprise partnership and cities policy, for which we share responsibility with DCLG and the Cabinet Office, to European structural funds. Both of those policies have considerable impact, in terms of driving economic growth and development and focusing local places and local partnerships on issues like how to ensure that businesses can take advantage of low-carbon—

Q2 Chair: Can I just cut you short there? You mentioned growth, and I think that the conundrum for us is how that growth is sustainable growth and so how your role pursues that sustainable growth, so you look at economic, environmental and social and find the balance within that?

Emma Ward: Yes. I think overall the NAO report reflected that. Obviously the Department is the Department for growth. We very clearly have that as both a Government and a departmental ambition. What is very clear in the way that we articulate that, is what we are looking for is sustainable growth, both in terms of the social and the environmental impact, but also in terms of the Government's rebalancing agenda around sectors and places, so in any number of ways. Both the Department's objective of pursuing sustainable economic growth—and it specifically does say that—and also the Government's plan for growth, which is also very clear on that, give an articulation of that. Then it is how we do that below those headline ambitions that is obviously key.

Q3 Chair: How do you measure what success you have had in the amount of time that you have been in this role?

Emma Ward: In the role itself?

Chair: Yes.

Emma Ward: I have been in the role for a very short time, not even a year, so six months.

Chair: I appreciate that.

Emma Ward: We have worked quite closely with NAO over the last three months to look at the Department's systems and processes, to look across its operations, across its policies, across its procurement. That has helped me to start to shape what this role ought to look like. I have taken quite an active role, in terms of leading the Green Guardian network, which is a network of volunteers across the Department. In terms of what this role will do for the Department and sustainability, I think it is on the back of the NAO report that I take my lead and that has helped me to shape how that works. I can talk a little bit about how we have looked to strengthen our governance arrangements on the back of the NAO report a little bit later if you would like me to.

Q4 Chair: Do you have some formal terms of reference for your role?

Emma Ward: I do now, yes. I do not know whether to read them to you or to share them with the Committee.

Q5 Chair: Rather than read them, perhaps you could make sure that we actually have them. Was it difficult to get them? You said "now", the emphasis was on the "now".

Emma Ward: At the outset there wasn't a formal set of terms of reference. As I spoke to the NAO it became clear to me that it would be helpful if there were, both for the Department and for external stakeholders, and so the Operations Committee approved those at the end of July I think it was.

Q6 Chair: How does that sit with other colleagues within BIS? Do they object to those formal guidelines being there? Have you educated other people about them?

Emma Ward: What we have done is given me, as Sustainability Champion, formal terms of reference, but also established a Sustainability Committee, which I chair, which has fellow members of the SCS from the operations part of the Department, so from the estates, from the procurement functions, and from a range of policy functions. That will help us to ensure, and assure ourselves, that we are embedding sustainability in the way that the Government's ambition drives us to and the way in which the Department desires us to.

Q7 Chair: How much time do you spend on this role as opposed to the local part of your brief?

Emma Ward: Over the last two days quite a lot.

Q8 Chair: You say "quite a lot"; is it something that you should just be doing full-time without having other responsibilities?

Emma Ward: No, I don't think it needs that. What the Department is looking to do is to embed sustainability, as it is looking to embed other cross-cutting Government priorities in its work. That means that everybody in the Department, every policy official, every member of staff, needs to recognise this as an issue and needs to understand what guidelines are in place, what commitments the Department has that it needs to meet, and they need to take that on their own accountability. My role as Champion is to give that visibility and to ensure that there is effective leadership in the Department, the governance arrangements are in place and to report to the board on that. That does not require a full-time role and I give it as much time as it needs, depending on the circumstances.

Q9 Chair: Do you have input into the Department's business plan?

Emma Ward: I do.

Q10 Chair: From your point of view, why are there only two listed things there that relate to that?

Emma Ward: Because the departmental business plan is a high level document. It does not seek to set out everything that the Department does. I think what it does is make very clear that there is an ambition on the part of the Department to pursue sustainable growth. It indicates a number of areas where we are specifically seeking to do that and lead, but it does not cover all of the Department's activities.

Chair: I am just going to bring Caroline in on that point.

Q11 Caroline Lucas: I am interested in how you define sustainable growth in that context. There are some who would suggest that if sustainable means we can go on doing it ad infinitum, then a growth model that is basically about the production and consumption of more and more resources is not sustainable on a planet of finite resources. When you are looking at sustainable growth, what are you actually looking at?

Emma Ward: I think you can debate that for quite a long time. At the first meeting of the Sustainability Committee, which I mentioned, we had quite a discussion on what we were going to use as our definition of sustainability. What is it that we need to communicate to staff in the Department about what this means?

Q12 Caroline Lucas: What did you decide?

Emma Ward: It will change as we go but where we started was that the Department has a very clear role in terms of rebalancing the economy—so as I said, sectors and places—so looking at sustainable growth from a rebalancing perspective. It has a very clear role in terms of climate change adaptation and transitioning to a low-carbon economy. Those two things are very clearly within the Department's remit. It also has a clear role in terms of the social inclusion agenda, the skills agenda, and ensuring that those policies are also sustainable. There are a number of places where the Department's policies very clearly have a sustainability access, and I think that is where you can take your definition of sustainable growth from.

Q13 Caroline Lucas: Is that codified somewhere? Is that set down for everybody to see?

Emma Ward: Yes, it is within the terms of reference of the Sustainability Committee.

Q14 Chair: In terms of your intentions to get this balanced growth shared evenly across the country, do you have any reflection on that in terms of some parts of the country perhaps faring better than other parts and the whole inequality agenda?

Emma Ward: I think that is an overall Government ambition. It is something that the Department works towards. We have a number of interventions, like the Regional Growth Fund, which Alex works on, that are specific tools in order to help that happen.

Q15 Chair: Looking at the determination of enterprise zones as an example—and we will come on to it in more detail with my colleagues and home in on this, but just from your perspective as Sustainability Champion and for the Department—how do you square the choice that was made about where enterprise zones should go, in terms of areas across the country that needed to share equally in long-term sustainable growth?

Emma Ward: You have to look at every intervention as one of a basket of measures, and I think what you cannot do is take one specific intervention. There are a number of local growth interventions—and enterprise zones is one—but I think if you look overall at what we are doing around local growth, there is a very clear policy towards rebalancing the economy in terms of this.

Chair: Not everyone would agree with you on that. Okay, we will move on.

Q16 Mr Spencer: I do not know if this is to Emma or to someone else—

Emma Ward: I will redirect if it is to someone else.

Mr Spencer: —so when the Operations Committee at BIS decided to create your role it identified that it was insufficiently sourced in terms of policy-making. What progress have we made? Have we made any progress? Are there more resources put in that direction now that you are in post?

Emma Ward: I am sorry, I do not quite understand the question.

Q17 Mr Spencer: What has changed, in terms of the resources being put from BIS into policy-making?

Emma Ward: When I was appointed as Sustainability Champion I think what the Department was looking to do was to ensure that there was visibility of the issue. What the Department decided two years ago, as part of its restructuring, was to embed sustainability alongside everybody's role. There was no decision when I was appointed Champion to create a specific unit or resource within the Department to simply pursue this agenda. We have a number of policy units that very clearly lead on this agenda, in terms of climate change and in terms of low carbon. But in terms of assuring ourselves that the Department is embedding this, that is the role of the Champion and it is the role of every individual in the Department to do that. My role as Champion is to ensure that we have the systems and processes in place to do that.

Q18 Mr Spencer: Yes. But some might say that the business plan appears to list only two sustainable development actions. They are the Green Investment Bank and looking at—I wouldn't say carbon leakage—high intensive energy industries. Whose job is it then to come forward with new policies, is that your role or is that somebody else's role?

Emma Ward: That is the role of officials across the Department. One of the challenges for us is that the business plan is a relatively short document. As I said, it does not cover everything that the Department does. One of the things that the Sustainability Committee, which I chair, will look at is how we use our internal business planning and reporting processes to tell a better story about what the Department is doing. These are two things that have been highlighted in the business plan but they are not the totality of what the Department does around sustainability. The Green Investment Bank is there, the Centres for Offshore Renewable Energy, engineering, which is part of my brief, structural funds, negotiations in Europe, and the new structural funds programmes, which will have five of the 11 thematic objectives, will be very clearly within sustainability objectives of low carbon, social inclusion, issues like that. None of that is reflected in the departmental business plan. There is a disjoint between what is reported at a very high level and all of the other activity that is going on in the Department, so I think there is a visibility question there.

Q19 Mr Spencer: So I am clear in my own mind, is it your role then to prove those policies as they come forward or do you have any role in creating those policies?

Emma Ward: I do not have a cross-cutting role. Through the Sustainability Committee, I have a mandate to ask the Department to reflect on whether the internal business planning process sufficiently challenges the rest of the Department to ensure that it is looking at these things. My role is certainly to ensure that, when we report on them, we tell the best and most comprehensive story that we can about what the Department is doing.

Q20 Mr Spencer: Yes. What I am driving at is whether you feel that you have the ability to implement policy if you think it is going in the wrong direction, in terms of guidance and—

Emma Ward: That is a more strategic question. It is one of the other things that we have talked about on the Sustainability Committee—and it was picked up in the NAO report—about whether overall the Department takes a strategic enough view about the whole of its policies and whether there is more that we can do, so exactly that. One of the considerations that we will have to have on the committee is whether we need to do more of that and whether that should be part of my role or, for example, whether we should be using the Green Economy Council, or some other body like that, to help us test whether we are doing enough or whether there are some policies that are going the wrong way.

Q21 Caroline Lucas: It is a strategic question, as you just said to my colleague, but at the end of the day it is also a question about teeth. What I still do not understand is that you have a mandate to ask questions. If the answer that you get does not seem a very good one, what happens then?

Emma Ward: I have Howard here by my side, as board sponsor, to give me those teeth and I have a mandate to report to the executive board. Ultimately it is for the executive board to make a judgment about the balance there, but it is my job to make sure that those questions are made visible and are addressed.

Q22 Caroline Lucas: Is it appropriate now to ask Howard about the teeth that he is able to use? What I want to understand is how enforcement happens. It is one thing to create a champion, and somebody who raises lots of questions, but, in terms of changing things, can you just quickly outline how that happens?

Howard Orme: Yes. We are on a journey of embedding this. We started two years ago. I would say that there are three things that we are doing. The bit where we are leading—and that is where a lot of the things that Emma has outlined are very clear—is very straightforward in terms of identifying that there are things that need to be done that we are doing. There are things where we are complying, which tend to fall back into my area, for example, the greening Government type of things. I think the Department has come a long way in getting to that stage. I think we are now at what they call the third stage, which is the improving bit. That is, having done the things that needed to be done immediately, are we embedding this in our policy-making in the right way? The fact that the Operations Committee has this as a standing item on the agenda, and the fact that I sit with the Operations Committee, means there is a way in which feedback can be given direct into the executive as to how we are doing on this agenda. Ministers are very supportive of this as well and we are accountable to Ministers about whether we are making—

Q23 Caroline Lucas: Perhaps it is too soon to say, but are there ever proposals that have come forward where you can demonstrate things have not happened because they did not pass the sustainability test?

Howard Orme: No, I don't think so and I think that is the stage we are now at. Implementing a raft of policy reforms, as we have done in every part of our business including restructuring ourselves, means that there is a sequence to this. Part of the remit we are giving to Emma, and to the group that I sit on as well, is to do exactly that and challenge whether we are doing enough, whether we have the right challenge processes. If they are working, fine, we will just leave them. If they are not then we will intervene.

Q24 Caroline Lucas: The business plan tells us that development and delivery of policy, including policies that support sustainability, are reported to the board. That is the phrase. In that reporting to the board, are sustainable development policies explicitly identified, and in reality how does the board know whether those policies are sustainable?

Howard Orme: Again, we are acknowledging that we are on a journey. On the bits that are very clearly aligned to the agenda, for example, the Green Investment Bank, as anybody involved with that will know, the board is all over it to make sure it is moving along in the way in which it is intended. I think we are at the next stage where the board will take a direct interest, depending on the outcome of the review that Emma and the team are doing about how well we are doing across the board, and if we need to make some changes we will do.

Q25 Caroline Lucas: In terms of influencing business partner organisations to include sustainable development objectives in their remit, do you have any remit to try to influence the partners of BIS on this subject?

Howard Orme: I think that is the next stage in our development as well, again, following the leading, the complying and now the improving. Yes, all partner organisations do know Government policy on sustainable growth and through our usual arrangements, which are that they are accountable for their business, they will be taking those into account. For certain partner organisations this is a major issue for them, the Green Investment Bank being an obvious one. For some it is less obvious and they need to embed it in a different way.

In terms of complying on greening Government, again you will see us making progress step by step in that area too. We are now at the stage of taking stock with our partner organisations to say, “Are there things we should now be doing more across BIS?” The approach that we are taking is one we have tried in other areas as well, which is on the transparency agenda where we are also following a similar type of path as we are doing here. A couple of years down the road we are saying, “We have done the obvious things. We have done the bits that we have been told we must do, now how do we get the join up across BIS where we can get into the improvement side?”

One of the excellent things about BIS is we do have some good partner organisations who are frankly better at this than the centre of the Department. We need to leverage that across the BIS family. That is part of the enthusiasm and support that we will be giving Emma and the team to realise.

Q26 Caroline Lucas: To probe that a little bit more. I appreciate it is early days, but do you envisage that your ability to influence partner organisations will go beyond simply persuading? Some of those partner organisations will be dependent on BIS for their funding. Presumably that gives you rather more leverage than when we are talking about organisations that are self-funding, for example.

Howard Orme: Steve can probably echo the other side of this. As we go down various parts of our remits some of them are very directed, for example, to comply with the greening Government agenda. That is not one where the Department itself would tolerate non-compliance. Quite rightly, other bits should be much more laid out by the partner organisation itself and it is important that we have given them the right brief to do that. For example, in things like grant letters—and Steve may well want to comment—the brief that HEFCE have to fulfil the sustainability agenda is built into the governance of the Department and organisation itself. Of course we have a range of partner organisations and we have to make sure we are giving the right brief to the right partner organisation. This is not a one-size-fits-all.

Q27 Martin Caton: Accepting sustainability as a work-in-progress in the Department, have you managed to identify ways of raising understanding of sustainability among members of staff and make it a central part of their jobs?

Emma Ward: I will answer that question initially. A lot of work is done, both by the voluntary Green Guardians network but also by Janice’s Green Economy team, to raise awareness in the Department, both of the kinds of work that the Department does that contributes to this agenda but also wider interests. The Green Guardians network itself had a very full calendar last year, a number of successes both in terms of raising awareness of things like recycling, climate change, energy usage and others. As Champion, one of the first things that I did was to get that group together to try to look at what the annual programme of events was going to be within the Department, to ensure that we were regularly raising the awareness of staff about those kinds of issues so I think quite a lot already happens.

Q28 Martin Caton: Do all members of staff have sustainable development included in their job description?

Emma Ward: No.

Q29 Martin Caton: Apart from you, does anybody have it?

Emma Ward: Apart from me quite a number of people will, yes, and it is back to Howard's point about where we lead and where we comply. There are staff that are very clearly in the lead in developing sustainable, low-carbon, green policies. Whether it says "sustainable development" in there or not, their objectives are completely tied to delivering those policies. Where staff are involved in the estates and procurement side, in complying with greening Government targets, again their objectives are clearly tied to that. The voluntary network of Green Guardians has sustainability as a corporate objective within their objectives. As we gather volunteers again, that will be recognised by the Department as a corporate contribution. We do it in a number of ways for people whose business objectives clearly align, but also for those who are contributing in a more corporate way that that contribution is also recognised.

Q30 Martin Caton: What training on sustainable development is there within the Department?

Emma Ward: I think the training that is available tends to be led out of DEFRA and DECC. As far as I am aware, that is where we send people who are interested to do that kind of training.

Q31 Chair: Could you give us an example of what that training might consist of that affects BIS?

Emma Ward: I cannot because I have not been on any. I have been Champion for far too short a time, but I am aware that a number of the Green Guardians have encouraged people to go and participate.

Q32 Chair: In terms of what you have said, given that BIS played an important part in respect of the Rio+20 conference on sustainable development and how to take that further forward, as Sustainability Champion what work have you done so far in looking at what the 2015 deadline for sustainable development goals will mean, in terms of business, regional policy, higher education policy and so on?

Emma Ward: Janice might want to comment a little bit more fully, but equally I think it is one of the challenges for the committee back to this more strategic question.

Q33 Chair: Which committee?

Emma Ward: The Sustainability Committee. I said I could talk about what that committee is about if you like. In the Sustainability Committee that I chair, one of the things that we will look at is the strategic question of whether the Department is looking across its policies as a whole and whether there is more that we can do.

Q34 Chair: Have the SDGs arising from the Rio+20 conference been an agenda item so far?
Emma Ward: We have not yet discussed it.

Q35 Chair: This is six months on since the conference.
Janice Munday: If I may pick up, and Emma has already referred to the Green Economy Council, which is a body that we formed in 2011 that is jointly chaired by three Secretaries of State for BIS, for DECC and for DEFRA. The Green Economy Council very much helped the then DEFRA Secretary of State look at what those goals should be in the run up to Rio, looking at who the accompanying delegations would be.

Chair: I am talking about post-Rio.

Janice Munday: Okay. That work in developing the goals we have now carried forward in our conversations with business in the margins of it, so that they are aware of it. We also have colleagues in the Department who deal with international trade in our Europe and international trade directorates. Unfortunately we do not have those colleagues represented here today, but I am sure we could drop you a note to let you know what they have undertaken.

Q36 Chair: Would that include export credit controls as well?
Emma Ward: That is those colleagues, yes.

Chair: All right, we must move on.

Q37 Caroline Nokes: I am going to turn to higher education and Steve Egan. Sorry, that puts you in the hot seat. Just some questions about the Funding Council's sustainability strategy published in 2005, updated in 2008, and scheduled to be updated in 2011, but that has not happened.
Steve Egan: We are updating it this year. We felt that it was right to do it this year rather than last year because of things that were going on.

Q38 Caroline Nokes: Sorry, "things that were going on", which things?
Steve Egan: There were lots of other activity within HEFCE, in terms of tuition fees and so on, and we wanted to make sure we got this right. We have consulted widely during that period about what should be in that reformed framework. It will be published in September and we will be having three consultation events in the sector. We are a year

behind in terms of updating that strategy, but it will not make any difference to the actions that we take and the force with which we will do them.

Q39 Caroline Nokes: Can I just check then that you are still following the 2008 strategy?

Steve Egan: We are.

Q40 Caroline Nokes: What exactly is that requiring universities, for example, to do?

Steve Egan: There is a whole range of measures. The strategy itself was setting down all the actions we take. There are specific funding initiatives that we have, one called the Revolving Green Fund, which provides funding to universities to make environmental improvements and reduce carbon. That is a repayable grant. We did that with Salix Finance in the beginning but we continued that. The first tranche of that made 2.5% savings in carbon for the sector, and 9% by 2020 was the evaluation of that initiative, so we have two more tranches of that. We have just carried out a green fund initiative, funding through the NUS student unions to carry out environmental improvements, both within their universities but within their communities as well.

Every university has to have a carbon management plan in order to get any money from us. Our capital funding is dependent not just on plans but also improving performance, and if they cannot demonstrate that we do not give them a proportion of the capital funding. If they continue not to demonstrate that they will not get any of it. The specific capital programmes that we have all have carbon requirements within them, and environmental requirements and environmental standards specific on the individual programme.

For all our policy areas everybody has to incorporate sustainable development as part of policy development. Where we have the Higher Education Academy that develops teaching methods for institutions, they have sustainability embedded within the contract that we make with them and they have a sustainability line within their activity. The Leadership Foundation, which teaches aspiring vice chancellors, has sustainable development within its programmes because we say that, "It has to be in your programme". Our research evaluation framework—which assesses the quality of research every five years, and is the instrument we use to base our funding—has environmental concerns embedded within the impact element of that. I could go on, but I think you have the sense of what it is about.

I think staff at HEFCE do not need any encouragement to do this. They are pro-environmental people. We try to build on that by saying, "We need to live the life that we expect others to do"—live what we preach. We have talks coming from people outside. Those higher education institutions do great things. We have them come to talk to us. Very recently, we had students from the University of the West of England come and assess how well we were doing and give us recommendations for improvement. They did that very cleverly by looking at different teams within HEFCE and creating a competition among them to see who could do better, who could have more sustainable travel to work, who could increase their volunteering and so on. I think things like that create a value set and a culture that drives sustainable development in everything we do, so I have given you a flavour of what we do. I hope that demonstrates that there is substance behind it.

Q41 Caroline Nokes: Can I turn to Emma now? Having heard all that about the higher education sector, is there anything that you think BIS can learn from that experience?

Emma Ward: Yes, I think it goes back to what Howard said earlier about how we will engage with our partner organisations on this. This is not about BIS laying down a checklist, it is about organisations learning from each other. There are a number of our partner organisations for whom this is front and central. You have just heard all the things that HEFCE are doing, and the same goes for the Met Office. They have sustainability front and centre to both their values and the core of what they are about. There are clearly lessons that can be learned from that, and I hope that having formed the Sustainability Committee it will give us a forum within which we can now do that.

Q42 Caroline Nokes: Having heard that their work on their sustainability strategy has been quite significant, why is BIS now requiring the Funding Council to develop a framework for sustainable development? Are there any other organisations, for example, the Skills Funding Agency that you are also requiring that of?

Emma Ward: I go back again to what Howard said. Our relationship with our partner organisations is different in every case. In some cases we do require that sustainability is one of the levers that we have with those partner organisations, but that depends on our relationship with them. As Steve and Howard said, sustainability is one of the things that is written into the grant letter that we have with HEFCE. That will be the case with other partner organisations but it won't be the case with all. What we will do is look across and see what the performance is like, whether there are things that BIS can learn from that, but also see where it is working, where it is not and whether we need to do more.

Q43 Caroline Nokes: Do you think there is a case for having a uniform approach to it, though? I appreciate that your relationship with every organisation will be different but—

Emma Ward: Yes. I think that would be my answer. I would not want to say absolutely. I think it depends on the organisation. I think it depends on the challenges of that organisation and what priorities it needs to balance at a particular time.

Q44 Dr Offord: Ms Ward and Mr Orme, I want to ask you about your greening Government commitments. You have done rather well on those in the last couple of years. I understand you are about two years ahead of your objectives as well, for example, with regards to paper consumption and some emissions as well. Would you attribute that to a change in working practices, or has it come about as a result of a decrease not only in the use of buildings but also the number of employees that you have within the Department?

Howard Orme: I think it has come from both. There is a complementarity between what we have to do overall on—I will call it—the austerity agenda. Basically BIS, as a whole, is looking to halve its running costs over the course of the Parliament and to use less. We are also taking the opportunity to do it in a more sustainable way as well. The type of policies we are putting in place—for example, on travel it would be favouring rail over anything else. I am sure you will ask me a question on that later.

In terms of overall, I do not have a precise estimate and being an accountant I have to be careful on this. For example, if you were to ask me to estimate on the carbon reduction of

23%, how much of that was due to downsizing and how much of it was due to other types of activities, I would say that 10% of the 23% was coming through things that we have done, like moving to better buildings. We talk about replacing a biomass boiler and those types of activities, and the remainder is coming through size and activity reduction. That will continue and deliver for us until the end of the programme. I would put it at that sort of proportion. The things that we are doing are actively and positively on the green agenda and it is a significant proportion of our outcome.

Q45 Dr Offord: Do you feel that the targets could have been tougher on you?

Howard Orme: The target was a cross-Government one and I think it all depends where you start from. Let me pick up on the water reduction, which on one hand looks very good at 44%. That is a very significant movement but it puts us at the moment at 10 cubic metres per person per year. I am told that we ought to be looking for better than that, at around six. By the way, I cannot guarantee we will be able to do that over the period but we are moving ourselves towards more benchmark-driven targets than the overall headline targets. The Government policy had to start somewhere so it gave an ambitious goal, but I think in some areas we can beat it but we will beat it through doing best practice.

Q46 Dr Offord: You mentioned it is a cross-Government target. As a Department, will you be unilaterally deciding that you are going to exceed these targets?

Howard Orme: We won't be holding back if we can do better. At the moment I think we are pretty well positioned on most except internal flights. It was a headline, it was important to get behind it. It did change behaviour, particularly in the first year when the Prime Minister made it absolutely clear we had to get the 10% carbon emission reduction so we did things to push that. That has been helpful because it has raised the profile but in certain areas we are able to go further and we will do.

Q47 Martin Caton: When businesses compete for the money available through the Regional Growth Fund, to what extent are social and environmental factors considered in selecting the winners?

Alex Wilson: Ultimately, what we put to Lord Heseltine's advisory panel is a monetisation of all the costs and benefits for each individual project, including social and environmental benefits. Where we cannot monetise those benefits we describe them. That is just in line with normal Treasury Green Book practice. It is a vanilla implementation of the Green Book.

Q48 Martin Caton: The independent panel that makes the selection has this advice from you, you ensure that the sustainable development agenda is included in their criteria?

Alex Wilson: Indeed. I have a couple of examples. Perhaps if I were to read them out you could see exactly the sort of thing that went to the independent advisory panel and also to the ministerial group.

Martin Caton: Please.

Alex Wilson: I won't name the billets obviously but here there was a text that said, "Both projects will deliver £9.4 of quantified benefits for every £1 of public support. Both projects provide benefits by safeguarding a number of jobs, ensuring the firm's long-term competitiveness and viability of the two sites. They will both create a number of construction jobs in the short-term" and then, "Both projects offer wider environmental benefits with approximately £1 million of benefit from the direct reduction of carbon on both sites". Where we could identify those benefits and monetise them, that factored directly into the value for money analysis that went to the independent advisory panel and to the ministerial group.

Q49 Martin Caton: When the RGF scheme was first developed, DEFRA were involved. Did they try to get environmental factors given greater weight?

Alex Wilson: When the scheme was developed there was discussion across Government, the Government policy was written into the *Local Growth White Paper*, and sustainability is part of the objective of the scheme. It isn't specifically one of the criteria but that is partly because the criteria are things like state aid compliance, or value for money in line with the Treasury Green Book, but there is a specific footnote that makes it clear that—it is probably easier if I read the footnote so I do not get the wording mixed up.

Chair: How big is the footnote?

Alex Wilson: It is very clear, "The Coalition Government is committed to developing a sustainable green economy and it is expected that economic growth should be underpinned by environmentally sound principles". It goes on a little bit further. But it is within the DNA of all Government interventions in this space. It is not specific to the RGF.

Q50 Martin Caton: I think it is implicit in what you said, but that suggests that you take into consideration the possible downsides of this.

Alex Wilson: Yes, of course. As I said, we try and monetise all the costs and benefits. There are lots of subtleties around this. The Treasury Green Book correctly says we should only take into account second-order effects, so it is possible that you can extrapolate further effects both on the cost and benefit sides, which we do not take into account, but ultimately it is a framework for making coherent decisions.

Q51 Martin Caton: Do you think it would be helpful if the application form was adjusted to explicitly seek information about social and environmental impacts?

Alex Wilson: I believe that the application form even from round 1 sought that information. It is not specific—indeed, I do not have it in front of me—but we are looking for all wider benefits, social and economic, anything that can be valued to put the case forward for each individual bid. What I would say about the innovation that we made between rounds 2 and 3 was that we started phoning the applicants during the appraisal period. Where there were things that were not clear in their bid it gave the appraisers, the case officers, the economists who appraise the bids, the opportunity to try and tease that information out.

Q52 Chair: Can I just give a hypothetical example? For example, suppose there was a proposal coming forward for regional growth funding to create X number of jobs, so it ticks all your boxes in terms of job creation and growth that the Treasury wants. If all of that was going to be built on, say, a flood plain how would you take that into account?

Alex Wilson: Ultimately we would start by monetising the employment value. Where there are things that go outside the specific expertise of the team, we bring in expertise from other Government Departments. We would ask economics colleagues in the Department for Environment, Food and Rural Affairs to comment on that particular project or that project where they have an interest. They have always been very supportive of the Regional Growth Fund, partly because they have a Minister who sits on the committee.

Q53 Chair: When you say "supportive", in what sense?

Alex Wilson: They have always supported us with appropriate economic resource in order to be able to provide expert analysis.

Q54 Chair: For example, would that include quantifying what the remedial costs might be of preventing problems further down the line in terms of flooding and so on as a result of having built on a flood plain? Would you do a cost benefit analysis and weigh up all the environmental, social and economic costs involved with that?

Alex Wilson: As you said, it is a hypothetical example. I was not aware that building on a flood plain made flooding more likely.

Chair: I am not saying it necessarily would, but it could.

Janice Munday: Our DEFRA colleagues would point that out to us very quickly and, if not, the DEFRA Minister would pick it up at the ministerial panel that ultimately signs these off.

Q55 Caroline Lucas: How is the decision finally made though? Is it simply looking at two numbers; the benefit of the jobs created versus the costs of the potential flooding? Because it is a trade-off. Everything is ultimately going to be a balance of judgment so how are you going to do it?

Alex Wilson: Ultimately the Regional Growth Fund has two objectives. One of them is around sustainable private sector-led growth, which we capture through—

Q56 Caroline Lucas: This is exactly the point though. It has two objectives that can be in contradiction. I think what the Chair was driving at is what happens when those two objectives appear to be in contradiction?

Alex Wilson: Yes. Sorry, I will try again. We have the two objectives, one of which is sustainable private sector-led growth and one of which is around place, about where the investments will take place. They are somewhat orthogonal. Ministers, on the basis of advice from Lord Heseltine's panel, try and weigh up both what the specific investments are against where they are. There are all sorts of trade-offs that have to be made, such as the delivery time, the type, where it is, what the risks are associated with it. Those risks may involve environmental risks. Ultimately, we try and monetise that as much as we can, describe it where we cannot do that, and provide useful information to allow them to make those trade-offs in a transparent and unbiased way.

Q57 Chair: I will bring Mark in on that but just before I do, can I just ask, the actual programme application form that any would-be applicant fills in, in order to get the regional growth funding, for example, where does that include the environmental consequences of the proposals being put forward?

Alex Wilson: It doesn't specifically ask for applicants to say what environmental damage they think their proposals will cause.

Chair: Why not?

Alex Wilson: However we do ask them to describe the projects or the proposals in sufficient detail to allow all aspects of the project to be appraised.

Q58 Chair: But you are not giving any indicators to the would-be applicant that that is what you are looking for in the application, are you? Might you not want to reconsider your application form?

Alex Wilson: All things can be improved, but I think our application form is pretty good in terms of capturing a wide range of information.

Q59 Chair: It doesn't have any reference to the environmental implications, does it?

Alex Wilson: It makes reference to environmental benefits.

Chair: To environmental benefits. Okay. Sorry, Mark, do come in.

Q60 Mark Lazarowicz: On that point—and I have not looked at the form—is there actually a place where you can highlight environmental benefits when you put in an application for the Regional Growth Fund?

Alex Wilson: Yes.

Mark Lazarowicz: Can you just run through the way—

Q61 Chair: Sorry, can you just tell us which section?

Alex Wilson: I can't remember off the top of my head and I don't have a form with me, but I would be happy to drop you a note pointing out that section.

Q62 Chair: Perhaps the Environment Champion would just like to specify for us where that might come in.

Emma Ward: I can certainly share a form with the Committee.

Q63 Mark Lazarowicz: Taking that further, it is not just a question of the form, it is also how the information is put forward, how the different pros and cons are ranked and how people can then make that trade-off. I am just trying to be clear on the environmental benefits or disbenefits for a particular bid, are they incorporated into the assessment of whether a bid should go ahead? Is it just looking at all the factors in a general sense or is there some kind of ranking process? How is it done?

Alex Wilson: There is no magic in this. We essentially add up all the costs—so that is all the public sector costs but it can also be the environmental costs—all the costs of a particular project on one side.

Q64 Chair: Would that include things like air quality implications and remediation that would have be dealt with if you had a huge number of, say, transport journeys coming in?

Alex Wilson: Let me give you an example. That is probably the easiest way of doing it. The project will deliver £1.9 of quantified benefits for every £1 of public support. That is in terms of what we have appraised. The applicant presents research findings on the potential social and environmental benefits of the project, including estimates using TfL's Pedestrian Environment Review System and DfT's models of carbon reduction, accident reduction and journey times. These benefits approximate to over £20 million over 10 years. The results cannot be verified at this stage but if added to the employment impacts would increase the benefit cost ratio to four.

That was a project that was supported by Ministers on the basis of this additional information that was provided by the applicant, in terms of social and environmental costs and benefits. In terms of where ministerial decisions come in, they then conditionally allocate funding. Then we go out and essentially check the truthfulness of the bid and the claims around that, and then the decisions are finalised. Those numbers are checked during the due diligence stage. I hope that gives you an example, some sense of how we try and factor those in. We don't have the expertise to do absolutely everything but we do try and capture as much as we can.

Q65 Mark Lazarowicz: Finally, when bids were invited for the Regional Growth Fund, how strongly did you highlight environmental benefits as being one of the criteria? How far was it used as a mechanism to actually encourage bids to come forward, which would serve wider environmental and green economy objectives? It wasn't obvious from what I saw from some of the press, but the press only covers a small part so I wonder if you can comment on that.

Alex Wilson: We ran a programme of expression of interest meetings and there were some road shows that were led, primarily by Lord Heseltine, and we fielded technical questions from the floor. We stressed throughout those processes and our normal communications that we would look to capture the full range of costs and benefits of each bid. Ultimately all bidders put their best foot forward with their bids. In the example I just quoted, it was a substantial project but they backed up their bid. It was clear to them that they should back up their bid with additional quantified evidence about what the environmental and other benefits would be. It seemed to be among the community; of course, I am sure we could do better but we certainly received that kind of additional information alongside our bids.

Chair: Caroline, you wanted to come in.

Q66 Caroline Lucas: Yes. Sorry to keep pursuing the famous form, but just to go back to the Chair's example of building on a flood plain. If the applicant hadn't volunteered the information that said houses were on a flood plain at what point would that become clear? Are you confident that that would become clear in your due diligence if no one had said it? There may or may not be something on the form that allows an applicant to raise the environmental benefits from a scheme. But if it has not occurred to the applicant or they just decide not to let you know about building on a flood plain, how is that revealed given all of the pledges that there are about trying to embed sustainability?

Alex Wilson: In the specific case of buildings we will look at the planning consents, so that is part of the process for drawing down. Finalising an award would be the appropriate planning permission to be able to build the building. Primarily though, with the Regional Growth Fund, we are looking at projects that go beyond the construction of buildings. They are looking at supporting companies grow their businesses, so it is a slightly different focus than houses on flood plains.

Q67 Chair: I will turn next to Caroline Nokes, but just before I do, in terms of the environmental disbenefits effectively—which appear not to be taken into the calculation when you do this trade off—is there any ongoing work with the National Audit Office looking at how they may assist in embedding sustainable development, in terms of programme applications of this kind? Either Emma or Mr Wilson.

Alex Wilson: Emma, let me. First of all, I don't think it is quite right to say that we don't quantify the disbenefits of carbon. To the extent possible on the information that we get and then through the due diligence, I think we do try to quantify as many costs and benefits as we can, in line with the Treasury Green Book practice about only looking up to second-order effects. There was a National Audit report on the Regional Growth Fund that was published last May. Again, it is probably easiest if I just quote the relevant sentence. What they said was that the appraisal process was in line with Treasury Green Book practice and, effectively, they had not found any structural weakness in the way that we did the appraisals. If they had seen any sort of structural weakness they would have put it in their report because that is their job.

Q68 Zac Goldsmith: The Natural Capital Committee issued its first report in April this year. This is a broader point, I suppose, on the issue of cost-benefit analysis. Among a lot of other things they recommend, "That Government undertakes a critical look at how cost-benefit analysis is being implemented with respect to natural capital to identify priority areas for improvement". I am just interested to know more broadly how the work of Dieter Helm and Natural Capital Committee has actively, measurably influenced the way policies are assessed or made by BIS. What has been the impact of that work in real terms? Those questions are for Howard Orme, probably.

Howard Orme: I am afraid I cannot answer that. I think it is something we would have to come back and—

Janice Munday: I think this is a matter—

Chair: Sorry, could you just speak up a little bit. The acoustics are very bad.

Janice Munday: I think this is a matter that is being considered by the Treasury to my understanding.

Alex Wilson: That would be my sense. Ultimately, we are bound by the Treasury Green Book.

Janice Munday: We have to follow their rules.

Q69 Zac Goldsmith: That is interesting, but my understanding is that the work that Dieter Helm has been doing in the Natural Capital Committee is supposed to permeate through all Departments of Government, where that is relevant. DEFRA obviously would be in the front line, but it is inconceivable that his work around natural capital would not have a major impact—you would have thought it would have a major impact—on decisions made in BIS. But you do not even—

Janice Munday: I am sorry, I thought you were asking questions about how it was factored into the cost-benefit analysis.

Zac Goldsmith: That was one of the points I spoke of.

Janice Munday: That is a matter for the Treasury.

Chair: I think the natural capital issue is important.

Q70 Zac Goldsmith: The British Government, on paper at least, is in many ways leading the charge in relation to natural capital, trying to incorporate the true value of the nation's natural assets and incorporating that somehow into the books. At the moment it is very much theoretical. The assessment has been made. The papers have been churned out. I am interested in knowing whether or not that work has had any material impact at all on decisions made in your Department, or is it something that is still very much academic, abstract even, and remote?

Janice Munday: The whole question of resource efficiency, which is another way of looking at this issue, is something that we do spend quite a lot of time on. I have within my team, the team who are responsible for the waste regulations and the product regulations. We work very closely with DEFRA—particularly on the waste side of things—looking at the whole question of the resources that we are using, and recycling resources and not using new ones are taken into account. That work sits very much within that particular area of responsibility, who then share that with their colleagues where it is relevant for their work. For example, my construction team are very much onto it and you will know that the Olympics were built in a zero-waste environment. A number of companies are now moving to a zero-waste environment, so that work is taken forward in that context.

Q71 Zac Goldsmith: Could I ask one last question on this issue? I would just interested to know if anyone on the panel has had any kind of formal discussion with Dieter Helm, and also if anyone on the panel has read the first reports issued by his committee in April on natural capital. Is that something which any of you have read?

Janice Munday: No.

Alex Wilson: No.

Howard Orme: No.

Zac Goldsmith: Okay. I probably have to stop on this issue. I don't see where I can go with it. Thank you very much.

Chair: We will move on then to Caroline Nokes.

Q72 Caroline Nokes: I am going back to higher education but this time, Mr Williams, I want to talk about sustainable development and the consideration of inter-generational factors, specifically not forcing future generations to pay for what we are doing today. I wonder how much recognition there has been of that when considering higher education reforms and the increase in student tuition fees.

Paul Williams: The reforms following the Browne review were essentially a debate about the ratio between the contribution made by the taxpayer to higher education, and the contribution made by the individuals who benefited from that. There was a substantial shift in that the individuals who benefit from that will contribute rather more, but only in relation to the benefit that they accrue from that, in measurable terms of their earnings. It is still subsidised provision. We do not expect to get back the full value of the loans that we provide to students. They are discounted at the time we make them technically by the RAB charge, which is the way in which the Treasury advanced them. They are still subsidised broadly by a third. In a sense, at the time of making the loan, we incur a charge on our books then, so the loss is already accounted for at the time of making the loan. It is not passed on to future generations. It is accounted for at the time.

Q73 Caroline Nokes: What I was specifically going to move onto next is how much account was taken of the impact of student debt, when those graduates became employed and were seeking mortgages and other forms of lending and was the sustainability of that considered?

Paul Williams: Yes, it was. There were conversations with the Council of Mortgage Lenders who account for about 95% of lending for residential mortgages. Their view, which I think they have put on record, is that the fact of having a student loan does not affect the student's credit-worthiness, per se, so their ability to get a mortgage is not determined by whether or not they have a student loan. Of course, the student loan potentially requires them to outlay more per month if they are earning above the relevant threshold. That would be taken into account by the mortgage company in assessing the affordability of any mortgage that they would get, just in the way that they want to know about your utility bills and your travel bills and all those kind of things.

We do not share data with mortgage companies. They cannot find out from us even whether a student has a loan, let alone what their repayment history is. Of course they can ask somebody at the time when making the loan but they do not get any information from us.

Q74 Caroline Nokes: But it would be fair to say that student loans can impact upon the size of mortgages?

Paul Williams: That is the view of the Council of Mortgage Lenders, yes.

Q75 Caroline Nokes: Are there any plans to reassess the sustainability in light of the impact that it is having?

Paul Williams: Yes. We plan to look at it again in 2015. Even then, it may well be a little difficult to assess the impact of the new system because no one who has taken out a loan in the new system is due to repay under the new system until April 2016, so in terms of real new data that will be rather limited. But we will still take a look at it on the basis of what we can at the time.

Q76 Caroline Nokes: Have you done any research on the psychological impact on gradates of the levels of debt that they are accruing during their time at university and the length of time it will take them to pay them off?

Paul Williams: We haven't. In the short term, the main issue we were concerned about was, was there going to be an impact of the new system on participation in higher education, particularly of students from backgrounds who have a lower tendency to attend higher education? A lot of work was done in assessing that. If you ask students who come from lower income backgrounds they will be much more likely to say they are debt averse than those from higher income backgrounds. But in practice, we found that the number of applications from students from low income backgrounds has been increasing more rapidly than those from higher income backgrounds. We are not entirely sure what the relationship is between their expressed preference and how they behave.

Again there is a timing issue. We ask students about how they feel when they are at university. There is a national student survey and all kinds of questions asked from time to time, but I suspect we won't get any meaningful real data on how it affects their long-term wellbeing until they are out in the labour market. To get any meaningful data it will probably require a longitudinal study, starting perhaps a few years from now.

Q77 Simon Wright: I have a few questions about the industrial strategies of which 11 have been published. To what extent were the environmental and social pillars of sustainable development actively considered when those strategies were designed?

Janice Munday: The background to industrial strategy was set out in Vince Cable's speech on 11 September 2012. Alongside that, we published an analytical underpinning for the choice of strategies. That is *BIS Economics Paper Number 18, Industrial Strategy: UK Sector Analysis, September 2012*. "We considered a number of sustainability issues in the choice of priority sectors, including the need to help business deliver high quality jobs in the UK, the impacts of a steadily aging population with rising demand for health and social care, an increased Government investment in the green agenda, and the regulatory things that flow with it, which has fostered growth in the low-carbon technologies, renewable energy and environmental goods and services, as well as investment in public services and construction. All of those were part of the analytical underpinning that went into the selection of the 11 sector strategies."

We have then gone through and published alongside each of the 11 strategies the specific analytical underpinning for each of them, and it will obviously vary sector to sector. Looking at the ones that have been published, the clear message from aerospace is that we are looking at quieter, cleaner planes for the future, and that is where the Government's investment in the aerospace technology industry has gone. Agritech, we are about making food healthier, safer, more secure and more affordable. Again, the Government has put investment in helping that going. Automotive, looking at the major change to reduce and eliminate carbon emissions from our driving experience, making motoring more affordable, cleaner and greener. Again, the Government has put money behind the research that needs to be done on that.

Construction is looking at securing the jobs and growth opportunities from the considerable de-carbonisation that needs to take place in the housing and building market, including the question of affordable housing. Information economy, we have looked at the way we can use new technology and new innovations to make our work more efficient, our lives easier, deliver faster growth and more jobs. I can read through all of them but the themes that come out of each of the strategies, where we are aiming them to be, where the UK is aiming to be, have a very strong sustainable element with all of them, including oil and gas, where we are trying to do it in a more sustainable way.

Q78 Simon Wright: To what extent were other Departments involved in the work to put those sustainable development factors into those strategies?

Janice Munday: Industrial strategy is a cross-Government priority. It is not just a BIS priority. Some of the strategies, nuclear, oil and gas, and offshore wind were delivered jointly with the Department of Energy and Climate Change. The strategy for life sciences was delivered jointly with the Department of Health, international education with the Department for Education and the information economy with DCMS. A lot of them were jointly worked on by Departments, but other Departments were involved in the cross-departmental discussions we had, under the chairmanship of the Cabinet Office, making sure that all Government priorities were taken into account in the strategies.

Q79 Simon Wright: You mentioned the three industrial strategies that fit within the energy sector. What process was there to co-ordinate those three, to ensure that it was the best mix of different energy types that were being promoted in sustainable development terms?

Janice Munday: The Department of Energy and Climate Change has a responsibility for the security of our energy supplies and reducing the carbon emissions of our energy supplies. They look at what the overall mix of energy needs to be for our future. From our point of view of looking for the work where Government intervention can make a difference now, in making sure the benefits were shared across society, we went on the basis that nuclear, oil and gas and offshore wind were much further advanced and, therefore, where the work would need to be done now. We looked quite hard at carbon capture and storage but decided that essentially that work—in terms of the innovations that are needed to make that work—was too far off for the medium-term work we were doing with industrial strategy, to give that one as an example.

Q80 Chair: Sorry, you didn't mention renewables in that, did you?

Janice Munday: We looked specifically at offshore wind, which is the one where obviously we have all of the late round 2 and round 3 licences, and the work going on on that. We looked at renewable energy in the form of wind, tidal and wave energy—and again, there is a whole programme of activity that the Department of Energy and Climate

Change does through the offshore renewables deployment office—and concluded that there wasn't anything additional that the Government should do at the moment. We meet quite a lot of these issues in applications for specific support through the Regional Growth Fund, for example. We can give you some examples of where we have supported activities in these areas.

Q81 Mark Lazarowicz: Just briefly to follow up those points, how do the strategies for the different sectors feed into the Department's overall business plan?

Janice Munday: The Department's business plan required us to produce all of these strategies by the summer of this year. I am glad to say we delivered on that one. Howard is even more glad. We are now taking forward in our business plan the implementation of all of those strategies. All of those strategies were published with very clear objectives and success measures. Where they don't have them we are working with the sector councils to do so. We are now looking at implementation plans and operational plans from all of them, and that is all fed into the Department's business plan.

Q82 Mark Lazarowicz: Does that mean a revised business plan? Has that now appeared or it is a rolling process? When can we see the business plan to see how the recommendations from the industry groups, in relation to the environmental points, are incorporated in the plan? At a moment you can see the Green Investment Bank but presumably there will be other ones coming into the plan when it is revised.

Janice Munday: There is a very clear focus in our business plan to implementing all of the industrial strategies. Each of the industrial strategies is published, and you can see in those where there are environmental impacts and I have given you some flavour of the overall objectives, which are very much sustainable. We will be publishing the implementation plans as we develop them more formally. The next significant iteration of where we are on industrial strategy will be the "One year on" conference, which we are holding in Warwick next week. Peter Young of the Aldersgate Group is joining in one of our breakout sessions to make sure that the question of sustainability is adequately discussed at that event.

Q83 Mark Lazarowicz: Have these been published for next week or will they be published in the next few days?

Janice Munday: All of the strategies have been published. They were all published before the summer. Those are all available on the gov.uk website. The analytical paper that I mentioned is available on the gov.uk website. We will be publishing a further analytical paper to support the conference next week. I think it will be helpful perhaps if I sent the Committee a note with where all these particular publications can be found.

Chair: That would be helpful.

Q84 Zac Goldsmith: This is the last question. It is not related to the discussion you have just been having. I want to ask whoever deals with this section whether or not the Department is likely to or has begun to rethink its position in relation to the Export Credits Guarantee Department. As I understand it, it is still theoretically possible for the ECGD to support the development of coal plants overseas that would not meet the standards that we apply here in this country. That is still the policy of the Department and the Secretary of

State, as I understand it, and I wonder, given some of the pressure that has been applied on this issue, whether there has been any movement to reconcile that international policy on coal with our domestic standards.

Janice Munday: I am afraid we will have to send you a note on that. We don't have the appropriate officials here.

Q85 Chair: Or perhaps put it to Emma, as the Sustainability Development Champion on that.

Emma Ward: Yes, but I cannot speak for the Secretary of State on a particular policy issue. My role as Champion is to provide championing, to provide leadership within the Department and visibility. That is a specific question about the direction of travel on ECGD policy.

Q86 Zac Goldsmith: Can I reword it then? Is that still the policy though? Is it still the position?

Janice Munday: I am afraid we don't know. We will have to do you a note on that.

Chair: Well, we will look forward to receiving something from you. At this stage I am going to bring our session to a conclusion. It is always difficult when we have a large committee and six witnesses before us. I would like to thank you for coming along today. I am sure you will be relieved to know that we don't intend just to look at BIS. We will be looking at other Departments as well. We look forward to receiving the further evidence that you have referred to in the written form, and I will bring the session to a close. Thank you.