



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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1. You sought advice from the Advisory Committee on Business Appointments (the Committee) under the Government's Business Appointments Rules for Former Ministers (the Rules) on an appointment you want to take up with SIMEC Group (SIMEC). The material information taken into consideration by the Committee is set out in Annex A.

2. The purpose of the Rules is to protect the integrity of the Government. As the Former Minister for Wales you held the most senior position in the Welsh Government and overarching responsibility for all devolved policy, and you are now seeking to work with a company with a significant interest in the Welsh Government's (and the UK and Scottish Government's) policy in respect to the energy sector.

3. Under the Rules, the Committee's remit is to consider the risks associated with the actions and decisions you made during your time in office, alongside the information and influence you may offer SIMEC, based on the information provided by you and your former department.

4. The Committee has advised that a number of conditions be imposed to mitigate the potential risks to the Government associated with this appointment under the Rules; this does not imply the Committee has taken a view on the appropriateness of this appointment for a former Minister of the Welsh Government in any other respect.

5. The Ministerial Code sets out that you must abide by the Committee's advice. It is your personal responsibility to manage the propriety of this appointment. As a former Minister of the Crown, and a Member of Parliament, it is expected you will uphold the highest standards of propriety and act in accordance with the 7 Principles of Public Life.

The Committee's consideration of the risks presented

6. SIMEC is an international energy and natural resources business focused on resources, sustainable power as well as infrastructure and commodities trading. As part of the global GFG Alliance (GFG), SIMEC has a key focus on developing large scale green energy capacity to support GFG's low-carbon metals and industrial strategy – known as GREENSTEEL. Businesses in the Alliance include amongst others, Liberty Steel and ALVANCE Aluminium Group. GFG's current UK projects include:

- Uskmouth power station conversion (SIMEC) - to convert a coal fired power station to generate electricity through the combustion of waste fuel pellets.
- The development of Glenshero Wind Farm (SIMEC) - a wind farm consisting of up to 39 turbines following an investment programme of up to £158 million. Steel for the wind-tower structures may be provided by Liberty Steel.
- Tidal power projects in Scotland (SIMEC) and agreements for lease for project sites in Northern Ireland and England.

7. The Committee noted that, as First Minister, you would have had access to information that could benefit GFG as you had significant involvement in the steel industry, including meetings with Liberty Steel and its competitors Tata and Celsa. In particular, though it has been some time since you left office in December 2018, the Welsh Government confirmed you have access to potentially highly sensitive commercial information. The Committee gave weight to the Welsh Government's view this applies to the steel industry, and GFG's partner organisations (as opposed to the energy sector). However, the Committee considered it material that the Department confirmed you would have access to sensitive commercial information related to the steel sector from your time in office.

8. The Welsh Government confirmed that as First Minister you will have had some involvement in energy policy but raised no concern about your access to information in this regard. It said that during your time as First Minister, the responsibility for Energy Policy transferred first to Mrs Edwina Hart as the Economy Minister at the time, and then to respective Ministers with the Environment portfolio. No concerns were raised in relation to your access to information on energy policy or SIMEC's competitors in energy. However, the Department did inform the Committee that SIMEC's current plans for development at Uskmouth Power Station would be of significant public interest. Though you were not involved in this matter in office, the Committee agreed that there is a risk you might be perceived to offer an unfair influence with regard to any future decisions the Welsh Government makes in relation to the Uskmouth.

9. The Committee took into account the time that has passed since you left office and that you have confirmed you will work with SIMEC, rather than GFG. However, it agreed there are risks associated with your insight into the steel industry given this is a major focus of GFG's work and is linked to SIMEC's work.

10. More generally, the Committee also agreed with the Welsh Government there may be a risk you will be perceived to have influence within the Welsh Government (and other administrations) that could offer an unfair advantage to SIMEC given its commercial interest in government policy and its allocation of funding in relation to renewable energy.

The Committee's advice

11. The Committee¹ recognised you describe your role, as being limited to providing advice to SIMEC on energy issues. You confirmed to the Committee you will have no involvement in working in the steel industry when advising SIMEC.

12. The Committee was mindful of the 20 months that has passed since you left office, which significantly reduces the possible benefit of any information you had access to as the First Minister, nevertheless it gave weight to the Welsh Government's advice that some of information with respect to GFG (relating to the steel industry) will likely still have relevance.

¹ This application for advice was considered by Sir Alex Allan; Jonathan Baume; Dr Susan Liautaud; The Rt Hon Lord Pickles; Richard Thomas; Mike Weir; Lord Larry Whitty; and John Wood.

13. In keeping with the Welsh Government's advice that it is content for you to take up this narrow role with SIMEC advising in respect of energy matters, the Committee has determined the time that has passed since you left office, alongside the conditions below, appropriately mitigate the risks you may offer an unfair advantage with regard to your insight; and in particular where this might relate to SIMEC's relationship with other GFG companies, and in particular Liberty Steel and the projects it is collaborating with SIMEC on.

14. You confirmed you accept the Committee's advice and that you will abide by the conditions below - as required by the Ministerial Code. Under the Government's Business Appointment Rules, the conditions applied to your appointment are as follows:

- that you should not draw on (disclose or use for the benefit of yourself or the organisation to which this advice refers) any privileged information available to you from Ministerial office;
- for two years from your last day in Ministerial office, you should not become personally involved in lobbying the personally involved in lobbying the Welsh Government on behalf of the SIMEC Group (including parent companies - GFG Alliance and its members; subsidiaries; clients; and partners); nor should you make use, directly or indirectly, of your government/Whitehall contacts to influence policy, secure funding/business or otherwise unfairly benefit the SIMEC Group (including parent companies - GFG Alliance and its members; subsidiaries; clients; and partners);
- for two years from your last day in Ministerial office, you should not provide advice to the SIMEC Group on the terms of, or with regard to the subject matter of, a bid with, or contract relating directly to the work of the the Welsh Governments;
- for two years from your last day in Ministerial office, your role will be limited to providing advice on energy matters to the SIMEC Group. You should not become involved in, or advise SIMEC Group (including parent companies - GFG Alliance and its members; subsidiaries partners; and clients) on matters related to :
 - energy projects in Wales; and
 - the steel industry generally.

14. The Committee also notes that in addition to the conditions imposed on this appointment, there are separate rules in place with regard to your role as a member of the Welsh Government.

15. By 'privileged information' we mean official information to which a Minister or Crown servant has had access as a consequence of his or her office or employment and which has not been made publicly available. Applicants are also reminded that they may be subject to other duties of confidentiality, whether under the Official Secrets Act, the Ministerial Code or otherwise.

16. The Business Appointment Rules explain that the restriction on lobbying means that the former Crown servant/Minister "should not engage in communication with Government (Ministers, civil servants, including special advisers, and other relevant officials/public office holders) – wherever it takes place - with a view to influencing a Government decision, policy or contract award/grant in relation to their own interests or the interests of the organisation by which they are employed, or to whom they are contracted or with which they hold office." This Rule is separate and not a replacement for the Rules in the house

17. You must inform us as soon as you take up employment with this organisation(s), or if it is announced that you will do so. We shall otherwise not be able to deal with any enquiries, since we do not release information about appointments that have not been taken up or announced. This could lead to a false assumption being made about whether you had complied with the Rules and the Ministerial Code.
18. Please also inform us if you propose to extend or otherwise change the nature of your role as, depending on the circumstances, it may be necessary for you to make a fresh application.
19. Once the appointment(s) has been publicly announced or taken up, we will publish this letter on the Committee's website, and where appropriate, refer to it in the relevant annual report.

The Rt Hon Lord Pickles

Carwyn Jones MS

Annex A - the material information

The role

1. You seek to join SIMEC to provide advice on energy matters. A paid, part-time role involving a day of work per month. You informed the Committee you were offered the role informally, having previously had a discussion with a former Ministerial colleague who works for the organisation.
2. The SIMEC Group (SIMEC) is an international energy and natural resources business focused on resources, sustainable power as well as infrastructure and commodities trading. It operates primarily in the UK and Australia and its brands include: SIMEC Energy Australia; SIMEC Atlantic Energy; Fleetsolve and Fuelsolve. As part of the global GFG Alliance (GFG), SIMEC has a key focus on developing large scale green energy capacity to support GFG's low-carbon metals and industrial strategy – known as GREENSTEEL. Its focus is on a low-cost, clean and reliable power supply. The website says SIMEC's priority is to grow its capacity to generate green energy for industry.
3. As part of the global GFG Alliance (GFG), SIMEC has a key focus on developing large scale green energy capacity to support GFG's low-carbon metals and industrial strategy – known as GREENSTEEL. Its focus is on a low-cost, clean and reliable power supply. The website says SIMEC's priority is to grow its capacity to generate green energy for industry. GFG is an international group of businesses associated with businessman Sanjeev Gupta and the British Gupta family with a combined turnover in excess of US\$13bn.
4. Its activities span renewable energy generation, mining, shipping and commodities trading through Europe, the Middle East, Asia and Australia. Businesses in the Alliance include:
 - SIMEC Group (Jay Hambro, Chief Executive of SIMEC Energy is also Chief Investment Officer for GFG)
 - Liberty House Group
 - ALVANCE Aluminium Group
 - Wyelands financial services (Wyelands Bank and Wyelands Capita)²; and
 - JAHAMA Estates

And GFG's current UK projects include:

- Uskmouth power station conversion (SIMEC) - to convert a coal fired power station to generate electricity through the combustion of waste fuel pellets.
- The development of Glenshero Wind Farm (SIMEC) - a wind farm consisting of up to 39 turbines following an investment programme of up to £158 million. Steel for the wind-tower structures may be provided by Liberty, another GFG company.
- Tidal power projects in Scotland (SIMEC) and agreements for lease for project sites in Northern Ireland and England.
- Liberty Steel has made recent substantial investments in its Rotherham steel operations, acquired three years ago from Tata Steel and will expand its GREENSTEEL product range at Rotherham to include the production of 'construction rebar' from September 2020.

² GFG's website notes its financial services sit within a family office structure and are managed separately from its industrial business.

5. You confirmed the role will not involve any contact with government. You said your role would be limited to advising SIMEC on energy issues; and your role will explicitly have no connection with the steel industry. You also provided confirmation from your proposed employer, on behalf of Jay Hambro (CEO SIMEC), that SIMEC *'...are not seeking your involvement in steel matters as part of your advisory role. We can help facilitate this in practice by ensuring that you are fully advised in advance of the topics on the agenda prior to each meeting. Further, there will be opportunity for you to step out / abstain from any steel related discussions in any ongoing meetings. As GFG is an alliance of independent businesses, we intend to keep Liberty and SIMEC issues separate.'*

Your dealings in office

6. In relation to your relevant official dealings and policy involvement you said you informed the Committee you were aware of one meeting you had with SIMEC. You noted this was in July 2018 where the company discussed its plans for the future. You noted this was an official meeting with officials present and no decisions were taken by you as a result of that meeting.
7. You said you were not aware of any formal relationship SIMEC had with the Welsh Government; and you had no access to commercially sensitive information or dealings with competitors but may have met generally with others operating in the sector whilst in office.
8. The Welsh Government provided information relevant to this application which is summarised below:

Meetings:

9. You met with senior managers at SIMEC on 9 July 2018: It confirmed that you and Sanjeev Gupta of SIMEC Atlantis Energy were present and *'Project Beacon and a SIMEC's proposal for the Wye Estuary energy project appeared to be on the agenda.'* At this meeting SIMEC presented an update on its business and capital investment plans and outlined progress made on a revised financial model for the company. SIMEC agreed to share further information with Welsh Government on these once finalised. The Welsh Government agreed officials would continue to engage with SIMEC and consider appropriate support for eligible applications, should any be submitted. The Director of Business and Regions (now retired) accompanied you to the meeting and oversaw the role of Welsh Government officials with regard to engagement with SIMEC. No funding was awarded in relation to this discussion.
10. Natural Resources Wales (NRW) had some contact related to SIMEC's potential conversion of Uskmouth to operate on waste based fuels. However, you were not (nor were any other ministers) involved in this. Rather, waste policy officials were present as observers for this meeting in January 2018. The Welsh Government's records of Ministerial discussions on this with SIMEC post date your time in office. (A was held in June 2019 between the current First Minister, Minister for Environment, Energy and Rural Affairs and Natural Resources Wales staff - but given the timing it noted this is not relevant to your proposed appointment.)

Policy:

11. The Welsh Government noted that as First Minister you would have had some involvement in energy policy decisions. However, it noted you were less involved than

when energy was part of your portfolio (as Environment Minister 2003-2007). It confirmed it was not aware of any knowledge you would have gained in that time that could now compromise your proposed new role). When you became First Minister, the responsibility for Energy Policy transferred first to Mrs Edwina Hart (as Economy Minister) and then to respective Ministers with the Environment portfolio.

12. The Welsh Government suggested there are some risks associated with you taking up this role under the Business Appointment Rules in relation to your access to information regarding GFG; and due to the energy and decarbonisation position in Wales:
- the Welsh Government said there was a potential conflict of interest raised in relation to the access you had to highly sensitive information whilst in office. Having met with Tata and Celsa in office the Welsh Government raised concerns you had access to highly commercially sensitive information on competitor companies to Liberty Steel, part of GFG Alliance. It did not raise any such concerns about your access to information about SIMEC or its competitors specifically.
 - the Welsh Government said there is a proposal from SIMEC Atlantis Energy Limited to convert Uskmouth power station to a waste based fuel from coal. As the power station is not currently operational this project would have an impact on emissions in Wales if it goes ahead. As such, it noted the carbon efficiency of the plant will be an area of focus and the proposed development is likely to generate a lot of public interest.

Overall

13. Notwithstanding the potential risks above, the Welsh Government said it was content for you to take on the limited role of advising SIMEC on energy issues.