



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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George Freeman MP
House of Commons
London
SW1A 0AA

April 2021

Dear Mr Freeman

I am writing to you with reference to your work with Ryse Hydrogen Limited.

The Government's Business Appointment Rules (the Rules)

The Rules apply by virtue of the Ministerial Code, which states (in paragraph 7.25) that Ministers must '*seek advice from the independent Advisory Committee on Business Appointments (ACoBA) about any appointments or employment they wish to take up within two years of leaving office. Former Ministers must ensure that no new appointments are announced, or taken up, before the Committee has been able to provide its advice.*'

The Committee advised you in December 2020 that you were in breach of the government's Rules for failing to seek advice in relation to your work with Aerosol Shield Ltd. The Committee asked you to tell us about any other work you have undertaken without consulting the Committee in advance. You informed us of a number of other roles¹ and have now confirmed you have made the Committee aware of all other roles.

Ryse Hydrogen Limited (Ryse)

¹ You have informed us about work relating to: Ryse Hydrogen Limited, Resume Foundation, Reform for Resilience, Heamcro, The Norfolk Way, The Bridge of Hope and The Big Tent.

Ryse is a manufacturer of hydrogen distribution and dispensing assets as well as renewable-powered electrolyzers. It is currently working on producing hydrogen fuel for buses and has worked in the past to provide hydrogen fuelled buses for London.

You told the Committee you have been campaigning for a more integrated approach to offshore connectivity for 6 years. You said *'...this approach would make it possible to establish a major hydrogen plant on the Suffolk / Essex coast to accelerate UK and East Anglian leadership in Green Energy. For that to be economically feasible, he said there would need to be a local industrial market for hydrogen in East Anglia. This doesn't exist at the moment. [You have] long felt the obvious first markets would be heavy agricultural machinery and haulage'*. As a result of this campaigning you said you were contacted by Rob Dale, Ryse campaign co-ordinator.

You informed the Committee you had been offering strategic advice on the potential to develop a private sector / venture capital / industry consortium to support an East Anglian hydrogen hub to service the agricultural and maritime shipping harbours and had conversations with Ryse in respect. You informed the Committee this was later formalised in December 2020 when you subsequently agreed a contract and a programme of work with Ryse for 2021. You said you have not done any paid work for Ryse. Though you invoiced Ryse for payment in December 2020, you told the Committee you returned this initial payment *'...cancelled the contract and ceased all work for Ryse, with a view to securing ACOBA approval'*. You told the Committee there will be no ongoing work with Ryse at this time.

The Committee recognises from your correspondence that you wanted to apologise to the Committee for not seeking its advice initially. You said you *'didn't think ACOBA approval was required before even discussing and agreeing a commercial role. [You] never at any stage sought to conceal this work from ACOBA: [you] disclosed it in full in the New Year as part of asking for advice about the process for approving offers of work. [You] said [you] now understand and appreciate that ACOBA approval was required prior to agreeing and starting a commercial role'*.

Due to the overlap between this work with Ryse and your role as Minister of State at the Department for Transport (DfT), we contacted the department. DfT told the Committee you met with Ryse at stakeholder events but did not make any contractual or funding decisions relevant to Ryse. It confirmed you were a strong supporter of hydrogen solutions for transport and attempted to drive an increased focus on hydrogen policy development throughout the Department, though it does not believe there were any significant decisions or developments during your time in office that specifically impacted on Ryse alone. It also does not believe you would have any knowledge of unannounced policy that could have given Ryse an unfair advantage in this role.

You were required to seek and await the Committee's advice in advance of accepting a role or taking on work. Failure to seek and await advice in this case was a breach of the Government's Rules and the requirement set out in the Ministerial Code.

The Committee would like to remind you of your ongoing responsibilities as a former minister of the Crown and a Member of Parliament. You are expected to uphold the

highest standards of propriety and act in accordance with the Ministerial Code and the 7 Principles of Public Life.

In line with the Committee's policy of transparency, correspondence on this matter will be published on our website; and this letter will be copied to the Cabinet Office, as the owner of the Rules.

The Rt Hon Lord Pickles

Mr George Freeman MP

Relevant correspondence dated 13th January 2021 from George Freeman

'Norfolk and East Anglian Hydrogen: developing a joint venture project to make East Anglia a Hydrogen Hub for both PRODUCTION (from properly connected offshore grid) and USE (at Felixstowe and Harwich container ports and in agricultural machinery). Initially Pro Bono. Invited at Xmas to invoice RYSE for £10k for 2020. Invoiced Dec 24th'.

Relevant correspondence dated 8th February 2021 from George Freeman

'Norfolk and East Anglian Hydrogen

1. What is the name of the organisation you are working with, the organisation that has paid you?

RYSE HYDROGEN. SINCE CONTACTING AND RECEIVING ADVICE FROM ACOBA, I HAVE WITHDRAWN THE INVOICE AND NO FUNDS HAVE BEEN RECEIVED, PENDING ACOBA CLEARANCE.

It appears from your email this might be Ryse Hydrogen Limited - but you refer to Norfolk and East Anglian Hydrogen?

IN MY ROLE AS A NORFOLK MP, I HAVE BEEN PROMOTING THE POTENTIAL OF EAST ANGLIA TO DEVELOP A MORE INNOVATIVE 'ENERGY INNOVATION ECONOMY'. HYDROGEN EAST IS A SMALL CAMPAIGN GROUP WHO HAVE CONTACTED ME TO ASK FOR MY HELP WITH DEVELOPING A STRONGER BUSINESS CASE FOR HYDROGEN IN THE EAST ANGLIAN ECONOMY. AS A RESULT I HAVE CONTACTED ROB DALE, RYSE CAMPAIGN CO-ORDINATOR AND AGREED IN PRINCIPLE A CONSULTING PROJECT TO HELP RYSE DEVELOP A SERIOUS BUSINESS PLAN FOR DEVELOPING AN ECOSYSTEM OF UK VENTURE CAPITAL AND PRIVATE SECTOR INVESTOR PARTNERS WITH A STRATEGIC INTEREST IN HYDROGEN AS A NET ZERO COMPLIANT FUEL. GIVEN EAST ANGLIA'S AGRICULTURAL MACHINERY MARKET, AND MARITIME TRAFFIC INTO THE EAST COAST PORTS, THERE IS POTENTIAL TO UNLOCK SERIOUS PRIVATE SECTOR INVESTMENT INTO AN EAST ANGLIAN HYDROGEN CLUSTER.

2. What is the nature of business of the organisation?

AS ABOVE

3. Details of your role and responsibilities. Please give as much information as possible. As above if you are not employed in a role, but are doing consulting work a description of what the work involves please.

AS ABOVE

4. Details of the work you have already done on this appointment?

STRATEGIC ADVICE ON THE POTENTIAL TO DEVELOP A PRIVATE SECTOR / VC / INDUSTRY CONSORTIUM TO SUPPORT AN EAST ANGLIAN HYDROGEN HUB TO SERVICE THE AGRICULTURAL AND MARITIME SHIPPING HARBOURS.

5. Did you have any contact or official dealings with the organisation during your time in office, including contact at stakeholder events?

NO. (I WAS INVOLVED IN DISCUSSIONS WITH THE BUS MINISTER AND WRIGHTBUS, BALLYMENA ABOUT A POSSIBLE DFT COMMITMENT TO PURCHASE A NUMBER OF HYDROGEN BUSES AFTER THE COLLAPSE AND ACQUISITION OF WRIGHTBUS BY NEW OWNERS WANTING TO CONVERT WRIGHTBUS TO THE UK'S LEADING HYDROGEN BUS COMPANY)'.
'

Relevant correspondence dated 25th March 2021 from George Freeman

'Ryse and Green Hydrogen Energy

Background

As a constituency MP, I have two of the first batch of controversial sub-stations (each the size of Wembley Stadium) required to bring offshore wind energy from the southern North Sea ashore to connect to the National Grid.

I have been campaigning for a more integrated approach to offshore connectivity for 6 years: campaigning for better co-ordination of the connectivity of North Sea wind energy to avoid the need for multiple sub stations for each of the ten or so wind farms on the way.

One of the strategic benefits for the UK is that such an approach would make possible the establishment of a major hydrogen plant on the Suffolk / Essex coast to accelerate UK and East Anglian leadership in Green Energy.

For that to be an economically feasible argument, there would need to be a local industrial market for hydrogen in East Anglia. That doesn't exist at the moment. I have long felt the obvious first markets would be heavy agricultural machinery and haulage.

As result of this campaigning, I came across Ryse and suggested that work needs to be done to explore the feasibility of East Anglian demand for industrial hydrogen.

Having had a professional career helping establish new industries, I suggested to Ryse that some work needs to be done to assess the commercial feasibility of those commercial industrial markets.

When a Minister at the DfT, I tried unsuccessfully to promote hydrogen as a future fuel for buses. I met with the Minister responsible for buses with Ryse Hydrogen, but was unable to get any traction – meeting significant resistance from officials at the Department towards hydrogen fuel because the Department was very focused on electric vehicles as the key transport decarbonisation technology.

Since leaving the DfT, I have been very focused on:

- My work as a constituency MP – including campaigning with other MPs for better offshore connectivity to avoid the environmental damage to large areas of coastal and inland landscape in Norfolk.*
- Returning to my previous specialist professional career expertise in Bioscience, Biosecurity, Life Science, Agritech and Cleantech.*

Potential role with Ryse

In December, I spoke with Ryse and suggested I could help with some work on the commercial feasibility of industrial demand for hydrogen conversion in East Anglia agriculture (equipment and haulage).

We discussed and agreed a programme of commercial consulting work to Ryse on:

- Building public support for the potential of conversion to hydrogen in domestic home heating and the local economy;*
- The opportunity for hydrogen in the agricultural machinery / agritech sector;*
- Creating industrial demand for green hydrogen in East Anglia through agriculture, haulage and logistics;*
- The opportunity for creating global markets for UK hydrogen technology exports.*

This work was to be entirely internal to Ryse – specialist commercial work on the financial business case for green hydrogen technology conversion.

Pre-ministerial previous career expertise

In my previous professional career prior to being elected in 2010, I was active in agricultural technology, Bioscience and Cleantech consulting – including as:

- Non-executive director of Elsoms seeds*
- Non-executive director of Icen Technology Venture Fund (focused on the Agri-food-nutritionhealth-energy sectors)*
- Founder of 4D Cleantech Consultants, Cambridge*

Contact with previous department/ DfT

As above, my attempts to explore hydrogen as a clean fuel were strongly resisted by the relevant officials on the basis that:

- Hydrogen was not a clean fuel because it uses a lot of electricity*
- The commercial case for hydrogen conversion wasn't feasible*

Going forward, the role discussed specifically didn't require or include any contact with

government. It was commercial business development and market feasibility assessment in the agricultural economy and in my constituency area of Mid Norfolk.

Ryse contract

In December 2020, I suggested to Ryse that it would be sensible to do some commercial market feasibility assessment in the agricultural economy and with businesses in the vanguard of the 'Green Economy' in Norfolk and East Anglia.

I agreed a contract for commercial consultancy for this work in 2021 on the commercial basis of an annual contract for:

- 6 hrs a month*
- £20k for the year*
- Paid in two installments: 50% on commencement and 50% on completion at year end.*

We agreed this contract on Dec 23rd.

As soon as I heard from ACOBA that I would need prior-approval from you, I explained to Ryse, cancelled the contract and repaid the first payment in full.

In the intervening 4 months of ACOBA consideration, there has been a sea change in government commitment to the hydrogen economy, including a number of major announcements, such as a major Hydrogen Hub on the East Anglian coast – and Ryse no longer see the need for my work.

As a result, I have not applied to ACOBA because the offer for work we envisaged in December has now disappeared.

Process

In line with my previous correspondence with ACOBA, my genuine misunderstanding of the ACOBA remit meant that I didn't think ACOBA approval was required before even discussing and agreeing a commercial role.

I never at any stage sought to conceal this work from ACOBA: I disclosed it in full in the New Year as part of asking for advice about the process for approving offers of work.

I now understand and appreciate that ACOBA approval was required prior to agreeing and starting a commercial role.

Given the specific circumstances of this case and my apology - repeated here - for misunderstanding the process, I hope the Committee will understand that whilst I was remiss in not seeking guidance earlier, there is nothing in the actual work which contravenes the ACOBA guidelines, and that given the following circumstances the Committee will agree that the case is now closed:

- 1. My work for Ryse was to be entirely internal / commercial: harnessing my career expertise in new technology financing;*
- 2. The relationship with Ryse has grown out of my public campaigning as a local MP in East Anglia on the major agricultural and green haulage opportunity for the local economy;*

3. Whilst I had brief contact with Ryse as a Minister, my attempts to get hydrogen fuel taken seriously were unsuccessful and I was removed from office soon after – there can be no risk of a perception of undue influence – I was fired!

4. In December 2020, I agreed a £20k engagement for 2021 – in two parts: £10k at commencement and £10k at the year end – for commercial advisory work as above.

5. The contract for the above work is with Regeneration Advisory Ltd: to help generate revenue to support the not-for-profit and pro-bono projects I have been doing on Regeneration – as per my separate ACOBA correspondence.)

6. As soon as I heard from ACOBA and realised that I did need their approval, I returned the initial £10k payment, cancelled the contract and ceased all work for Ryse, with a view to securing ACOBA approval.

7. I haven't since included an application regarding Ryse because it's now dead. As explained, as soon as I heard that it would be a breach of ACOBA guidelines to work without prior permission, I explained to them that I could not proceed with the planned work and returned their first payment and cancelled the contract. Given the pace of developments in the East Anglian adoption of the case for hydrogen, there is now no need for my work. The offer has been withdrawn and there is now no need or plan to pursue it.

GF'