



THE PRINCE OF WALES'S
CORPORATE LEADERS GROUP

The Rt Hon George Osborne MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

14th March 2016

Dear Chancellor,

I am writing to you in the light of the new Paris Agreement, which the UK played a pioneering role in securing. The agreement offers considerable opportunities as we develop a new, low-carbon economy, building on new sustainable technologies and business models that many UK companies are at the forefront of developing.

The UK has shown great leadership to date; its cross-party Climate Change Act and subsequent policy framework, including the Committee on Climate Change, was prescient and is driving significant carbon reduction as we grow our economy. Its diplomacy has helped drive the international debate and secure the landmark agreement we saw in Paris. Its commitment to be the first country to end the use of coal in power generation is world-leading. These endeavours, combined with the UK's great traditions of science, innovation, and a strong, open economy, position the country well to prosper from a well-managed transition to a productive, competitive, low-carbon economy.

On behalf of the members of The Prince of Wales's Corporate Leaders Group I am writing to ask you to be explicit in your budget speech about the UK's ambition to implement the Paris Agreement and the benefits that can be accrued for our economy as business and government work together to drive change. A number of the group's members wrote to you in October 2015, on this subject and they continue to hope you will work to ensure the UK is well positioned to seize the opportunities and deliver the clear, encouraging policy framework that will drive success. A positive lead from government will further inspire business, investors, and the public to be buoyed by the opportunities that the Paris Agreement will bring.

Specifically, there are a number of matters you might touch on. For example, CLG members would welcome further certainty for investors from the extension of the Levy Control Framework (LCF). Resolving the size of the funding pot and setting out clear spending plans until at least 2025 are paramount to securing private sector investment in low-carbon energy infrastructure. Similarly I

Facilitated by:



Head Office: 1 Trumpington Street, Cambridge, CB2 1QA, United Kingdom
Telephone: +44 (0)1223 768850

Brussels Office: The Periclès Building, Rue de la Science 23, B-1040 Brussels, Belgium
Telephone: +32 (0)2 894 93 20

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urge you to continue to work to ensure the UK power sector is exposed to a clear and consistent carbon price signal. CLG members look forward to seeing the reform of the business energy efficiency tax landscape indicate that we are clarifying rather than weakening price signals and not only simplifying but also increasing the scale of disclosure on both carbon and energy across the private sector. Finally, I hope you will give thought to ways to encourage demand for domestic energy efficiency – this should be a priority UK investment.

Whether you are able to move these issues forward within the budget or not, I hope you will understand that they remain an ongoing and important priority for us. The decisions that will determine how efficient, modern, and productive the UK's economy will be in 2030 and whether the country will meet its climate targets, need to be made over the coming months.

The Prince of Wales's Corporate Leaders Group will support government ambition by continuing to relay the leadership messages of its members and to work with broader stakeholders to bring a stronger consensus to the kinds of issues the UK Government will be responding to.

We would welcome the opportunity to further discuss this with you and your team and extend our availability for a private meeting to help facilitate greater engagement on climate change between government and business in the coming months.

Yours sincerely



Eliot Whittington
Deputy Director of The Prince of Wales's Corporate Leaders Group

Cc Rt Hon Amber Rudd MP
Rt Hon Sajid Javid MP

The University of Cambridge Institute for Sustainability Leadership (CISL) is not a member of the Corporate Leaders Group (CLG) but provides the secretariat to it. Decisions of the CLG do not represent the policies or positions of CISL or of the wider University of Cambridge.

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