



Environment and Climate Change Committee

Corrected oral evidence: Mobilising action on climate change and environment: behaviour change

Thursday 9 June 2022

3.25 pm

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Members present: Baroness Parminter (The Chair); Lord Browne of Ladyton; Lord Colgrain; Lord Lilley; Lord Lucas; Baroness Northover; The Duke of Wellington; Lord Whitty; Baroness Young of Old Scone.

Evidence Session No. 14

Hybrid Proceeding

Questions 148 - 159

Witnesses

I: Rt Hon Greg Hands MP, Minister for Energy, Clean Growth and Climate Change, Department for Business, Energy and Industrial Strategy; Chris Thompson, Director of Clean Growth, Department for Business, Energy and Industrial Strategy.

Examination of witnesses

Greg Hands and Chris Thompson.

Q148 **The Chair:** We do not want to detain you longer than is necessary. If you are ready, we will start fairly shortly. Is that okay?

Greg Hands: Absolutely, yes. Thank you so much for giving me an opportunity to appear before your committee. I am joined by Chris Thompson, who is a director at BEIS for net-zero strategy.

We are building on the Prime Minister's landmark *Ten Point Plan for a Green Industrial Revolution*. Our net-zero strategy, accelerated by our British energy security strategy in April, will drive forward our ambition to reach net zero and support up to 190,000 jobs in the mid-2020s and around 480,000 jobs in 2030.

We know that the public are keen to play their part. The BEIS Public Attitudes Tracker shows that 85% of the public are concerned or, indeed, very concerned about climate change. That number has doubled since 2016. They are willing to make green choices to combat it. The Government want to support the public in making green choices in a way that maintains choice and freedoms.

Our goal is to make the act of choosing zero or low-carbon alternatives significantly easier, clearer and cheaper. We recognise that the best way to do this is to go with the grain of existing behaviour and trends, and to work closely with partners, such as local authorities, voluntary sector organisations, social enterprises, regulators and businesses, all of which play an important role in how we use and choose different services. That is why in the net-zero strategy we set out an approach to supporting people to make green choices based not on stopping them doing things but on helping them to do the same things more sustainably.

The Chair: Thank you, Minister, for those opening remarks. For the record, this is the second of the two sessions we have with Ministers in our inquiry on mobilising action for climate and environmental goals. We had our first session yesterday with George Eustice, the Secretary of State at Defra. We are grateful that you can be here this afternoon with your colleague Chris Thompson, who is the director of net-zero strategy. Thank you both.

I have a couple of quick housekeeping points, colleagues. A transcript will be taken and, as ever, copies will be sent to witnesses for them to comment on before it goes live. This session is being webcast. Can members please remember to declare any interests, should they have any, before they ask any questions?

Following on from those remarks, Minister, we have had a lot of evidence, both written and oral, that behaviour change is critical to achieving the net-zero strategy and the Government's climate goals. Indeed, the Climate Change Committee says that over 60% of actions require behaviour change if we are to get to the net-zero targets. Do you accept

that behaviour change is critical for the Government to achieve their net-zero strategy? If so, in what areas are you prioritising behaviour change actions?

Greg Hands: I do believe that behavioural change is vital when it comes to combating climate change. That has been the case for a long time. The public very much agree. As I mentioned earlier, according to our own surveys, 85% of people are either concerned or very concerned about climate change and are willing to do something about it in their own lives and in the areas they interact with.

We have to look at behavioural change. I do not believe we should separate that out from the overall action that is being taken. We have to make sure that behavioural change forms part of our response in each area and becomes part of a coherent whole in our approach. You asked me to highlight particular areas. I would highlight travel, our homes, how we save our money, how we heat our homes, et cetera.

The most important thing, which I laid out in the opening statement, is the importance of going with people on this journey with the grain of human nature. Wherever possible, the approach is more carrot than stick.

I will use the example, if I might, of electric vehicles. In my view, it is not the business of the Government to come along and force people to scrap their internal combustion engine vehicle, but it is the role of the Government to encourage, incentivise and enable a move to a zero-emission or low-emission vehicle as quickly as possible. That aligns with our goal of phasing out internal combustion engine vehicles by the year 2030. During the replacement cycle—the typical time at which you would replace your car, within the next eight years—we want to be incentivising people as far as possible to move into an electric vehicle or another low-carbon alternative.

The same is true with home heating. Here we are not saying that the Government are going to come round and rip out your boiler. We are saying, though, that we want you to move to a low-carbon alternative. We are doing it over a period that matches the natural life of your gas boiler. The natural life of a gas boiler is between 12 and 15 years. Chris can correct me if I am wrong on that. That is why we have set a date of 2035 for the phase-out of gas boilers: to allow people, when their gas boiler naturally comes up for renewal or replacement, to take on instead a low-carbon alternative, eg a heat pump.

We are setting up a regulatory structure that incentivises people. We cannot pay for everything, but we are providing financial support for companies and individuals to make that change as well. We are working with human behaviour written into our policies. That is right at the very core of everything we are doing.

Q149 The Duke of Wellington: Thank you, Minister, for coming here today. On the question of heating homes, for example, you say rightly that you

are giving financial incentives. There is a grant available, is there not, for conversion to a heat pump? We have to recognise that, even with a grant, for low-income households putting up the cost of the pump less the grant will probably be very difficult. We are all very keen, I am sure, that this conversion or behaviour change should be fair. Therefore, we have to take into account how we can make it fair for lower-income households. I just make that point to you.

There is a huge desire to convert to electric vehicles. For rural dwellers and those living properly in the countryside, a vehicle is normally essential, but the charging points are scarce and, if they are private, very expensive to install. I come back to the point that we have to be fair about this. How are we being fair to the lower-income rural dwellers, in order that they can make the conversion that many of us will want to do anyway?

Greg Hands: These are excellent questions. Let me try to deal with each of them in turn. On the home heating transformation, various people have called on us to pay for a complete nationwide heat pump programme. That is neither practical nor necessarily desirable. We have committed a certain amount of government funding to try to move the market forward.

You rightly mentioned our boiler upgrade scheme, which I think is the one you are referring to. It is £450 million with £5,000 grants for heat pumps. That will cover about 90,000 heat pumps. That is not going to be a heat pump for everybody by any stretch of the imagination. It has to be the private sector that delivers here, in our market-based economy. We are trying to get the private sector to move forward in the right direction with a certain amount of government support.

The heat pump question is a really good one. In fact, the very day we announced the heat and buildings strategy last October, I remember very clearly—I am not here to plug any particular energy company—that Octopus Energy said that, thanks to the action taken by the Government, effectively pump-priming that market, by the end of this year it expected to be in a position to produce a heat pump that would be as cost effective as a gas boiler over the life of the installation.

It may not be cheaper to install, although we would hope to get to a position where it is, but, over the life of the installation, moving to a heat pump will already end up being cheaper than a replacement with a traditional gas boiler. That was before the huge rise in gas prices, I might add. There is a lot that the Government can do, without having to nationalise entire sectors, by just encouraging people to move in the right direction.

In terms of the low-income households, you are absolutely right. We have to show people that it need not be expensive, that money can be saved over time and that not taking action could well end up being the more expensive option.

When it comes to electric vehicles, I was a previously a councillor in inner London and have been a Member of Parliament for an inner-city constituency for the last 25-odd years. I have seen this debate move forward quite extensively. Making electric vehicle charging convenient for people is really important. I am very impressed by my local authority, Kensington and Chelsea, which was one of the first to convert street lamps to provide electric charging points. Instead of having to find where your nearest large electric charging point installation is, perhaps three or four streets away, you can just plug in pretty close to where you normally park your car, near your home. That is a major convenience thing as well.

In terms of bringing down the price, again the Government are investing quite a bit of money. We have invested £1.6 billion since 2020 to support charging infrastructure, £500 million to support local charging provision through local authorities and £950 million to support rapid charging on motorways. That is not going to provide an electric vehicle charging point for everybody in every part of the country, but we want to get enough in to move forward the EV charging network across the country, particularly in key motorway service stations and local authority areas where you are going to get a higher demand for electric vehicles.

I see the Government playing a key enabling or supportive role here. We are thinking about how to get maximum impact for the amount of government investment we are going to make. To your key point about making sure that it is affordable, you absolutely have to carry people with you in this, which means keeping it affordable and thinking all the time about how people are being pressed, particularly this year. People are under a lot of pressure on the cost of living. The last thing they would want to see is the Government coming along and adding massively to that cost of living pressure.

A lot of these behavioural changes will cheapen things for them in the medium to long term, and even sometimes in the short term as well. On the energy side, we are all seeing a move to renewable energy. That will cheapen things for people compared to traditional hydrocarbons, for example. There are a lot of roles for the Government here, while always being mindful of those questions of fairness and affordability.

The Duke of Wellington: You mentioned Kensington and Chelsea, which is a relatively prosperous borough. I was trying to point you towards low-income families in rural areas. They need a car. They cannot use the bus or the Underground. We want to make those people feel like they are being treated fairly versus a resident of Kensington and Chelsea.

Greg Hands: That is a very fair point. I was using Kensington and Chelsea as an example of convenience. How do you make things convenient for people? That is also important, along with the affordability question.

Going back to what I said originally about going with the grain of human nature, it is vital that we are not forcing people to scrap something they

have already invested in, but rather asking them to wait until their family car or gas boiler is coming up for replacement. That is a key part of our affordability message. We are working with the grain of human nature in that regard.

Q150 **Lord Whitty:** Minister, thanks very much for your introduction. You gave us a figure of 85% of people being concerned and wanting to do something about it, but time and again our witnesses said that there are too many barriers and it is too difficult. Some of that is a question of knowledge and understanding of the issue, some of it is because the options are not there, but some of it is also because they feel government actions and policy across the board is not actually supportive of that.

I would like to ask about the cross-government approach to this. Behaviour changes come in two different sorts. Some of it is because the zeitgeist changes and people want to do things in line with what they think is important—a cultural thing—but a lot of it is straightforwardly about how they react to government policies. Is there now a coherent approach across government? Are other government policies, such as those on taxation, the approach to regulation generally and procurement, supportive of greener or lower-carbon choices in a way in which the population can actually respond to?

Certainly, a lot of our witnesses said that is not yet the case in many of these key areas. They also said that it was quite important that, where there have been interventions by government, they are properly evaluated and the reasons for their success or failure are established. We were debating earlier during Question Time in the House the retrofit and the green homes grant saga, for example. Two or three attempts at getting able-to-pay households to retrofit their houses have failed.

First, is there coherence across government in your approach to both consumers and businesses? Secondly, have past interventions been properly evaluated?

Greg Hands: Again, those are good questions. Let me deal with evaluations first of all. You mentioned the green homes grant voucher scheme. We do feel that did not deliver at the rate and scale we had originally hoped for. It faced a number of delivery challenges. That is why we closed the scheme, but we are now looking at other ways to deliver that same objective.

Over the course of this Parliament, we are investing, as a Government, £6.6 billion in energy efficiency. Nobody could say that we are not putting the money in. We are constantly reviewing and evaluating the most cost-effective and carbon-effective, for want of a better term, ways of producing that policy. We are expanding our funding commitment for the home upgrade grant scheme, the social housing decarbonisation fund and so on. We are currently looking at other ways of delivering on the same policy objectives.

I evaluate what we are doing in our other schemes on a constant basis. The contracts for difference regime is a key area, which has been a hugely successful government policy over the last seven to 10 years in terms of how we generate our renewable electricity. In BEIS, we do not rest on our laurels. We constantly review things, even things that we think have been a big success.

To your question, Lord Whitty, there is cross-government co-ordination at the highest level. The Prime Minister chairs the Climate Action Strategy Committee, which sets the strategy in these areas. The COP 26 president Alok Sharma then chairs the Climate Action Implementation Committee. These are all Cabinet-level committees that co-ordinate and cross-reference right the way across government policy, including those key areas you mentioned such as taxation and procurement, the Cabinet Office and Treasury. Everybody is around that table setting the policy in a co-ordinated way at the highest level.

Lord Whitty: Thank you for that, but there are examples where this does not seem to be coherent. For example, on taxation, the Chancellor provided, to a limited extent, VAT relief for energy efficiency products but not for retrofit in total. It is still easier to knock down a building, with all the carbon effect of that, and rebuild than it is to retrofit. I know there are other arguments about fuel duty, but the fact we are subsidising petrol and diesel at the moment is not really consistent with the carbon objectives.

We did ask questions of your colleague George Eustice the other day about coherence across government on procurement matters and dealing with businesses. When I was reflecting on it, the example I was using was the food chain. All the Government need to do is to say to the top 20-odd food companies, from wholesalers through to retailers, "You should be changing your practices here in line with the carbon objectives". That has to be a message not just from Defra but from your department, from the Treasury and from any government department that buys from or plans for that sector.

We know we have these Cabinet committees, although we cannot find out much about them, but there does not seem to be a coherent approach either to the key private sector players or to consumers in general.

Greg Hands: I do not agree with that. I have been a Minister in successive Governments over the last 10 years. The focus of the Government at the moment, across Whitehall, on combating climate change and working with people to go for more environmentally friendly choices is the highest I can remember it being. The cross-Whitehall co-ordination is good.

On fuel duty, it is an interesting question. In the Commons during this week's BEIS Question Time, I came under pressure from your party colleagues, Lord Whitty, for fuel duty being too high. You are now telling me that—

Lord Whitty: My colleagues are not always right. I often have remonstrations with them myself on these matters.

Greg Hands: If I might say, perhaps we need better co-ordination here on what the political message should be. On fuel duty, going back to the Duke of Wellington's point about making sure things are affordable, the fact we have had fuel duty freezes for the last 11 years and a 5p cut this year, which is £5 billion on the Treasury scorecard, shows real support for people. We recognise that people are paying a lot in fuel duty, but we are making it lower than would otherwise have been the case.

You are talking about making sure you get the balance right between keeping public support and keeping things affordable. This year we are spending £37 billion as a Government on cost of living measures of different kinds. That is a huge amount of public support going into families to help them deal with the cost of living crisis.

Equally, in a lot of public policy affordability happens to coincide, fortuitously, with taking lower-carbon choices. When it comes, for example, to energy generation, one of the huge successes this country has had is making sure that we have more renewable energy generation. In my view, first, that is better for energy security because it is almost always domestically produced. Secondly, it is better for the climate. Thirdly, given the reductions in prices that we have seen in energy generation, particularly offshore wind but also other technologies such as solar, that how we can deliver for people in a greener and more affordable way at the same time.

The Chair: We could carry on that discussion of how the energy efficiency agenda would enormously help with costs of living, but we will not go there now.

Q151 **Baroness Northover:** Thank you very much for the point you were making about cross-government co-ordination. You mentioned that the Prime Minister chairs the Climate Action Strategy Committee. I wondered whether you could tell me when he last chaired it and how often it meets. If you do not have that right to hand, perhaps you could write to us and tell us. You are absolutely right that this needs to be co-ordinated right across government. It would be really helpful for us to know that.

Greg Hands: Baroness Northover, I do not have the detail on when it last met and who attended. Attendance at Cabinet committees may not be in the public domain, but let me write to you with what I can put in the public domain.

Baroness Northover: I support the case you are making that it is being properly co-ordinated across government, but it would really help. Otherwise people doubt that it is happening. I am sure that any evidence you can provide would be very helpful. It does not reveal what the Cabinet committee has done, but it gives an indication of how frequently it is meeting and how thorough that co-ordination might be.

Greg Hands: I am very happy to pledge to write to the committee via the Chair. At official level, there is a director-general-led cross-government group as well. Whatever we politicians may have been doing, you should not think that, just because we might not have been to a meeting, things are not going on at an official level between directors and directors-general across government.

I am slightly reluctant to bring Chris Thompson in here to comment on the attendance of members of the Cabinet, but he could probably tell us a little more about where the official-level co-ordination is.

Chris Thompson: I would be disappointed if you took an awful lot of comfort from how often a group of people in government meet. It might signal a lot of talking, but you should judge us on our actions.

I have found, as an official working in government, that the Cabinet machinery is very powerful. It is relatively new. It had only been in 18 months or a year before the net-zero strategy was published. I felt a very big sea change, because of the Cabinet structures we had. We were able to produce a document that not only said how we were going to get to net zero but brought together all the policies that we need to get there, or as much as we could set out specifically on that day.

That was driven by that process as well as some of the big bold policies that we announced at that time and since. The proof is in what we have produced rather than necessarily whether a Cabinet committee met every week or every three days.

Baroness Northover: I was just picking up on what the Minister said about it being driven from the top and, therefore, quizzing him on that. It is very interesting to hear that, especially as we have just met a Defra Minister, and we were concerned about the apparent weakness of the environmental principles that will be applied across the Government. I hope it can all be brought together in a strengthened way.

Greg Hands: It is a very strong position.

Baroness Northover: It is good to hear that.

The Chair: Can I just ask for a point of clarification from Chris about the director-level group? If my memory serves me correctly, we had a written submission that said the group was set up in order to produce the net-zero strategy, but it had not met since then, so there was not an ongoing role for that director-general group. Am I correct in that recollection? Does it have an ongoing remit? If so, what is it and how often does it meet?

Chris Thompson: It continues to meet. It has a standing role. It was instrumental in the net-zero strategy, but it has continued.

Q152 **Lord Browne of Ladyton:** I have in my history some ministerial experience.

Greg Hands: I remember Lord Browne holding two Cabinet posts at once.

Lord Browne of Ladyton: It is like having two hip flasks. That is an old joke. We are getting slightly bogged down in this. It is interesting, Chris, that you say you would be disappointed if we made too much of or took too much comfort from the existence of committees and who is on committees. We do that partly because every time we raise the issue of co-ordination, anybody we ask the question of points us to these committees, just as your Minister did. We are directed to that to take comfort. Please do not be disappointed that we are gulled into that.

Chris Thompson: It is very important that these committees exist and you know about them. It was the point about how frequently they meet.

Lord Browne of Ladyton: I understand. We are not interested in how frequently they meet. We are interested in whether they meet, what they do when they meet, what decisions are made and what comes out of them, because there is an issue of accountability and there is an issue of confidence. If we are being asked by Ministers and others to take comfort from the existence of this workhorse, it would be helpful to know what it was doing.

The real disappointment that we, as a committee, or at least I, as a member of this committee, have is that we sent questionnaires to all departments or nearly all departments. We asked them some relatively simple questions about what they were doing to advance the Government's agenda on behaviour change. We have published these replies. They are extremely disappointing. They do not only show a lack of co-ordination. In some departments, they show a lack of interest to the point. Beyond the carbon footprint of the physical presence of the department, they do not do anything.

We do not have that comfort that there is this engine of co-ordination. If there is this engine of co-ordination and if it lies in the committee that you are now telling us about, how can we see the data of what it is doing? That is the simple question we are asking. We get into these very complicated areas. If we are persuaded in our report to say that there is a reluctance to let us see anything of that nature that is going on in government, we are not responsible for that. We do not need just assurances; we need to see action, data and evidence of it. If you could point us to where this co-ordination is being done across government, that would be really helpful.

Greg Hands: If I might, Lord Browne, I will extend my letter to Baroness Northover and lay out in more detail the structures and how this co-ordination is done. Normally it would be the role of the Cabinet Office to co-ordinate a response, where appropriate, across departments. I am happy to look into the responses provided by departments.

Again, the fact that the response, in your view, may not have been adequate or may have been inadequate does not mean government

departments are not responding in the right way. If you will allow me to write to the committee, that would probably be the best way forward.

Lord Browne of Ladyton: Thank you very much. That probably will not be satisfactory to us, but we have to put something in the report about this, so please give us something.

Greg Hands: When are you going to write the report, just so I know what my timescale is?

The Chair: By the end of the month, we will start to have it in good shape.

Greg Hands: Thank you.

Q153 **Lord Lucas:** Minister, we met with students from six schools on the committee's youth engagement programme in advance of this session to discuss the issues that they would raise with Ministers in relation to this inquiry if they were given the opportunity. One of the recurring points raised by the students in all six schools, as well as by many expert witnesses, was the need for the public to be provided with more information about behaviour change for environmental and climate goals, in order to enable individuals to make more informed choices.

What efforts are being made to communicate the scale of change required and the role of the public in reaching climate and environmental goals? To look at a particular aspect of that problem, if we are asked to choose between flying by air and going by train, we are told that flying by air is worse but going by train costs twice as much. There are therefore presumably a lot of embedded environmental consequences at the back of those costs that we are not being told about. All the analysis seems to focus on the fuel immediately consumed.

Similarly, we are told that vegan is better than dairy, but oak milk costs twice the amount of cow's milk. Again, there are a lot of embedded costs in oat milk, whose consequences for the climate we are not being told about. How do we get to a situation where the public has access to a full set of information and not just a limited set that seems to have been chosen to support the argument being made?

Greg Hands: I will perhaps bring in Chris Thompson in just a moment with some detail on evaluating those consumer choices. On the second one about vegan dairy, I assume that might have cropped up at the session with the Defra Secretary yesterday, and air travel will be between us and DfT. I will bring in Chris to comment on the evaluation.

On your general question on communication and engagement, first of all let me commend the committee. If I have understood, you have done a separate and very specific youth engagement programme as part of this inquiry, which I would certainly commend. What do we do? We have several digital tools, for example, on how to engage people and how they can reduce their carbon footprint. BEIS has a very effective Simple Energy Advice service, which over the time of the net-zero strategy had 1.6 million users. There are now 1.8 million users of that service, which

provides homeowners and others with personal tailored advice for improving and decarbonising their homes. Not only that, but it also then links to local accredited traders, which are able to do work for you to make your home reach the required advice.

Over the last decade, the percentage of energy-efficient homes in this country in EPC bands A to C has improved from around 10% in 2010 to 43% today. We have had a quadrupling of energy-efficient homes over the time of this Government, but we are not complacent. We need to go further. That still means that less than half of homes are not energy efficient. We have a lot of work still to do.

We will also have, by the summer, a comprehensive energy advice service on GOV.UK, which has also been flagged in the net-zero strategy. We called it the Simple Energy Advice service then. Chris might know the name, but what we are going to call it does not really matter. It will be a very comprehensive energy advice service to help consumers navigate further the process of improving the energy performance of their homes, with telephone support and specific local area advice.

We also worked together on the very successful Go Ultra Low campaign on electric vehicles, which has made big progress. One in six cars in this country is now an EV. We need to go significantly further than that, which is why the UK Government have set the target of phasing out diesel and petrol vehicles by 2030. We are doing a lot of things to engage with the public, and we will continue to work with consumer groups, industry and other stakeholders to make sure that those positive benefits are known.

I might just bring in Chris, if he wants to add any detail on these questions.

Chris Thompson: We are exploring whether we should provide more information on GOV.UK for individuals about the kinds of questions you have raised, where they might want to make comparisons. There is lots of information and lots of carbon footprint sites that people can already go to. We are looking to see whether it is useful for government to play a role there. If you look at the BEIS tracker, for some aspects of the climate change debate, government information is not the most sought after. It is not where people go for information in some areas, so we want to explore that.

Patrick Vallance, when he gave evidence to you, talked about trusted intermediaries. That is something we need to think about carefully in that space. As the Minister mentioned, where there is a need for absolutely accurate information and government is seen to or can play an important and credible role, we have stepped in. We did that in the early days of information on electric vehicles, as the Minister said. We have done it already on home efficiency, and we are going to go further and extend that advice service.

Lord Lucas: I am encouraged by that. It may shock Chris to know that I would trust the Government more than Greenpeace or Friends of the

Earth to produce accurate information.

Minister, you said you were going with the grain of human nature. Something that appears to be difficult from that point of view is persuading people to consume less. We are going for electric cars, but some of them are electric SUVs. They are not going for smaller cars. People are still not asking for phones that last for longer or fashion that changes less often. People find the concept of dropping the temperature of their homes difficult. When I asked the Cabinet Office what it was doing to review the temperature at which government offices were kept, it said it was not, and had no interest in, doing anything.

How do we tackle these questions where it is slightly against the grain of human nature, but we are asking people to consume less of things that have particularly high impacts on the planet?

Greg Hands: In a general sense, we do not want to be overly prescriptive. We want to lay out the choices and, potentially, the costs of different choices, but we are not in the market of saying, "You must do A and you must do B". We are trying to be an enabling Government, to enable people to have the right information, to be transparent and put that information out there, to give people a low-carbon choice, and to make that low-carbon choice cost effective.

You might have also mentioned the Government's own property network, which we are using to play a leading role in reducing greenhouse gas emissions. On the specifics within your question, Lord Lucas, let me just bring in Chris, if he wants to add any detail.

Chris Thompson: I do not have any more detail to give you on that.

Q154 **The Chair:** Minister, can I come back on the point you made about how, as a Government, we need to lay out the choices? That means there is a role for government to educate. You have highlighted a couple of very welcome examples, including beefing up the GOV.UK website.

The picture is broader than that. When, as Chris said, we had Patrick Vallance here, we were informed that during the Covid-19 pandemic the Government became the biggest advertiser in the country in order to get public education messages across. Equally, if I go on my phone, there is a really rather good NHS app, which the Government have provided, with which you can scan food items and choose lower-calorie products. There are other ways of educating the public that are more amenable, including social media, which is very accessible to young people in particular.

Is there a central budget available, or are you hoping to get one, for more education and communication? To your very valid point that it is the role of government to lay out the choices, unless you have a budget, you cannot do that.

Greg Hands: I would not envisage the Government having a centralised budget for advertising in this area, partly because we are trying to keep the messaging tied to the individual area or the individual policy.

I am not really in the market of trying to crowd out private sector advertising, if the private sector might be able to do the same thing as effectively and certainly more cost effectively. For example, on my social media I have an investment company that is always promoting itself as being very environmentally friendly and environmentally savvy. Promoting that is fine. If somebody is already trying to do, or effectively doing, the job that the Government might want to do, the last thing I would want to do is step in and crowd out the private sector. I could spend the money more usefully on something else, such as providing more heat pump grants.

I do not necessarily see a central role or some kind of centralised government budget for environmental education. It is much more about the relevant departments looking at what is already out there. You do not want to be replicating what is already out there. I mentioned the energy advice service that we are providing. There are other energy advice services out there, but we think that, in that specific case, there is a role for the energy advice service coming from BEIS this year.

Lord Browne of Ladyton: I just want to ask a question of clarification. You said that one in six cars are EVs. Is that all cars or new registrations? I suspect it is the latter.

Greg Hands: I will defer to Chris in a moment, but my brief—you will be familiar with a brief, Lord Browne—says that one in six cars sold in 2021 were EVs.

Lord Browne of Ladyton: I do not think you used the word “sold” the first time round. It is just for the record.

Chris Thompson: Yes, it is “sold”.

Greg Hands: I do not have a car myself. My motor vehicle vocabulary is perhaps not what it should be.

Q155 **Baroness Young of Old Scone:** Minister, I want to talk about leadership. As you rightly say, from the attitude checker we know that people get the climate change thing and know that action is needed urgently. But one of the messages we have had, more consistently than I have seen in any other set of Select Committee evidence right across the piece, is that what they really want is a clear voice from government on the small number of things that individual members of the public need to do or do differently, and for the Government to make those things easier, cheaper and fairer.

The public are also telling us that they are confused by the mixed signals from government, such as investing in oil and gas in the face of energy security issues, cutting the domestic aviation duty and the expansion of airports. Some of the students that you heard about previously told us that they found it a bit strange that the Prime Minister flew to Glasgow for COP 26. Mixed signals are a real worry for them, as are areas where there is a lack of clear and consistent signals in government policy. For example, energy efficiency and retrofitting have suffered from that

particularly.

In the face of this incredibly overpowering evidence that we are getting from the public that they want to see the Government be bolder, clearer and more directive, are you prepared to do that? Would your policies be helped if you were asked by the public to be bolder and more directive?

Greg Hands: I agree with much of what you have to say about the importance of leadership. The UK Government and—let us be frank—the whole country have been leaders when it comes to the global battle against climate change. The easiest thing for us to have done would have been to throw our hands up and say, “The UK is only 1% of global emissions. It ain’t us, gov”.

To be fair, this has been under successive Governments. The first Climate Change Act in the world came in under the last Labour Government. Equally, the succeeding Conservative Government were the first to put net zero into law.

The UK and, if I may say, the present Government are at the forefront of providing global leadership, which is exactly what COP 26 was about. It was about convening the world together, driving forward change and driving forward commitments. It was a massive amount of work right the way across government at every level, at Cabinet level and below, to engage internationally.

I was previously at the Department for International Trade. I was with the Foreign Secretary of Vietnam, for example, early last year, driving the Vietnamese to make a bigger commitment on phasing out coal. That showed the real effect that UK diplomacy can have. We arrived early in the year, and Vietnam had already committed in its latest five-year plan to a big increase in coal-fired power stations. It had an increase in renewables, but also a big increase in coal.

Along with Dominic Raab, then the Foreign Secretary, I said to the Vietnamese Prime Minister, “If you’re going to pitch up to Glasgow with this plan, to put it diplomatically, you’re going to raise eyebrows. To be less diplomatic, you will have a lot of people saying that Vietnam is not in the right place when it comes to where the world is heading”. By the end of the year, by the time Vietnam came to COP, it had a much better position and had signed up to ending the financing of coal-fired power stations. There was a lot of progress over the course of the year. My point is that the UK is showing leadership here internationally.

Domestically, the best thing for us to do is, again, to go with the grain of human nature. It is to make things possible and make things cheaper. It is to make the greener choice the more logical, cheaper and more convenient choice for people. The best thing for us to do, rather than prescriptively trying to order people to do one thing but not the other, is to incentivise people down the right path. That is what we have done, and that is what the role of the Government should be.

The Government should use their enormous power of influence to move people and their behaviour, rather than be a body that says, "That is wrong. You must not do that. You can only do this". We are saying, "If you did do this, you would find that the product here will save you money over time, be more friendly to your local community and be more friendly to the climate". That is the better way forward: using our leadership position to persuade people rather than dragooning them one way or the other.

Baroness Young of Old Scone: So you are not worried that, from what we have heard, the Great British nation has not spotted what your strategy is. People have not understood that going with the grain of human nature and doing good by stealth is what the Government are adopting as a way forward. They are very definitely calling for a much more upfront position from government and much clearer leadership rather than simply offering the choices.

Greg Hands: The best way to judge that is to ask, "What is the success of the people making those changes? How are we decarbonising as a country?" That is always going to be the success parameter. "What are your results?" Generally, our results are good.

Baroness Young of Old Scone: Could I just take that a little further? The clarity the Government gave about decarbonising energy and electric vehicle adoption has been effective. Taking that forward into energy efficiency and retrofit, perhaps you can expand on how successful that strategy has been and what, indeed, the current strategy is. People do not understand it and, as a result, that programme is very far behind.

Greg Hands: I do not agree with that, but I would refer you to our comprehensive heat and buildings strategy, which was published just before COP back in late October. Lord Callanan led on that for us. That is very much his policy area, and I am sure he would be delighted to have a meeting with the committee to talk about aspects of the heat and buildings strategy.

I would point out that the actual results on energy efficiency of homes in this country, as I said, are still not satisfactory. More than half of our homes are not energy efficient. None the less, the percentage that are energy efficient has gone from 10% to 43% over the last decade—a quadrupling. That is a real tangible success. Of course we need to go further. That is why we are spending £6.6 billion over the course of this Parliament, making sure that the technologies are in place.

Again, this is not the Government coming round and providing everybody with a heat pump; it is the Government trying to push industry to move into areas of lower-carbon technology. We are incentivising companies to produce heat pumps and incentivising people to purchase heat pumps; we are incentivising people to make that change. I am afraid to say that I have to disagree with you when you say this has not been an area of success. It has been an area of good success, but we need to go much further, which is why we are putting more resource in and why we

mapped out our comprehensive strategy in the heat and buildings strategy late last year.

The Chair: Minister, can I press you a bit on one point that you rightly made? You were saying that the Government will be seeking to incentivise people so you can work with the grain of consumer choice. What about those areas where there are no clean technologies to enable you to incentivise people? Specifically, the example I would choose is flying less internationally. The Climate Change Committee has said that we have to address that to reduce greenhouse gas emissions, but at the moment there is no clean technological solution. Therefore, the Government will have to fall back on regulation, taxation or education.

What is the Government's strategy to get people to fly less, given that there are no clean incentives? Do you have any views on some of the examples we have been given such as frequent flyer levies?

Greg Hands: We do not have a policy of introducing some kind of cap on aviation. If you will allow me, your party's policy to do that was rather unpopular at the last election.

The Chair: I am not always in politics to be popular. As a Liberal Democrat, I know that to my cost.

Greg Hands: I will not go too far off on a tangent, but, in the Extinction Rebellion hustings in my constituency, even Extinction Rebellion was not very happy with the flight cap policy that was presented. I do not think that is not the right solution.

I disagree somewhat with the premise of your question that we are not doing things there. We are doing things to decarbonise aviation. I am sure you could get in a DfT Minister, the Aviation Minister or Grant Shapps, the Secretary of State, to give you evidence. There is quite a lot going on in the area of hydrogen, which does concern me a great deal. I am a massive proponent of hydrogen as a zero-carbon fuel of the future. Hydrogen-powered aviation is moving forward. We are already in a position—at least the United States is, and the UK is also quite advanced in this technology—to produce hydrogen-powered commuter planes. I was told that you could get a hydrogen-powered commuter plane that could go from Boston to New York. There are ways forward.

We have launched our own Jet Zero Council in order to accelerate action to deliver zero-emission transatlantic flight within a generation. We are working quite heavily on this. In last year's transport decarbonisation plan, the Department for Transport outlined various ways in which we are decarbonising the aviation industry. A lot of it will be through the use of hydrogen or alternative fuels or by providing alternatives to aviation, such as HS2.

Baroness Young of Old Scone: I am returning to this whole business of leadership and communications. The Government Communication Service gave us evidence. They said that, as far as they could remember, the last public information campaign on climate change as a whole was almost 10

years ago and perhaps even longer. I am working from imperfect memory here.

Bearing in mind what our witnesses have been saying to us about people wanting to know what government is leading on, is there now a case for a co-ordinated, integrated communications campaign backing up the on-the-ground measures you are taking in order to take forward government's message?

Greg Hands: Yes, it is a good question. I will bring in Chris on the specifics of government information campaigns that have been done. I would need to be convinced that this is a good expenditure of government money.

I am taking you back to the original statement that I made. The number of people in this country who are convinced by the core message, who are concerned or very concerned about climate change and willing to take action, is 85%. That figure has doubled since 2016. The core realisation out there is very strong. If I were to spend additional government revenue on advertising, it would probably be on product adaptations and product choices, rather than on the core message. From the data I have just given you, the core message has been enormously successful in making people aware of and bought into the agenda of doing something about it.

I might just ask Chris to talk about specific advertising campaigns.

Chris Thompson: We had a series of activities leading up to COP 26. That was probably the last time we made very significant efforts to promulgate key messages. We used green ambassadors and some of the social media that the Chair referenced to get the messages across in a very general way. You have seen the evidence from the head of the Government Communication Service. We want to continue to use that approach and use case studies to get across, as simply as possible, some of the activities and things that can make a difference.

However, it is worth putting it into the context that the Minister was just talking about. Research in this area shows that some of the most powerful changes that government can bring forward are through upstream signals, particularly to businesses. Ultimately, they are interacting with some of the end users that we are talking about. Through their supply chains and their marketing, not government marketing, they can bring across some of the changes that we are talking about. That is very often one of the more powerful routes when we talk about behaviour change.

I would also emphasise targeting. Patrick Vallance said a lot about this when he gave evidence. It is absolutely key that the messages we give are to the right person at the right time. The Minister talked about replacement rates. There would be a lot of waste, if we were to have a very general message, when in fact someone needs to know the

information about their car, their boiler or an efficiency measure at the right time for them and in their own circumstances.

Even within the home, for example, there is no point in someone thinking that a heat pump is a really good idea, if they have not thought about double glazing or loft insulation. It has to be very tailored. That is what we are doing. The approach we are taking on energy efficiency is very tailored, because individual households need very specific advice.

The Chair: I want to reassure Baroness Young that her memory is not in any way compromised. The clerk has informed me that the date we were given by Tim Lord was 2007. That was the last significant climate campaign.

Q156 **Lord Lilley:** The question I have been given has probably been flogged to death already: "What plans do you have to improve co-ordination of the message about behaviour change?" Could I ask you to narrow that? The phrase "behaviour change" is ambiguous and confusing, in that it merges two things. The first is behaviour change induced by regulation, such as saying that people have to replace their car with an electric one by 2030, and the second is voluntary behaviour change.

I am interested only in the latter. The most interesting thing to come up in this meeting in that respect is whether there is somewhere on the government website where I can find out how much carbon I can save if I do X. Is there somewhere I can look to ask, "How much carbon would I save if I turned vegetarian?" I am not going to do that, but some people might want to.

Greg Hands: You are already vegan, Peter, I know.

Lord Lilley: It might be how much you could save if you travelled less by plane or if you did not replace your frock every three weeks.

Greg Hands: I might bring in Chris on the specifics of what is on the Simple Energy Advice site at the moment and what is coming.

Chris Thompson: Yes, that is the point I was going to make. For energy efficiency, we have Simple Energy Advice, which we are extending. That will give you very specific advice about the alternatives, the costs and the options for you. As I said earlier, there is lots of information generally that addresses the questions you have asked. The Government do not have a central site for that. We are exploring whether we should.

Lord Lilley: On government-induced behaviour change, could I go back to something you said, Minister, about the cost of heat pumps coming down over their lifetime to that of gas-fired boilers? Does that include the cost, to which you have just referred, of insulation and changing your radiators, which you will also need to do?

Greg Hands: To be fair to myself, I quoted Octopus Energy, which is not the only energy company in that space. They stated around the time of the launch of the net-zero strategy that the cost would be equivalent over

the life of the installation. I would have to check with them or ask them perhaps to write to the committee about whether they meant all the ancillary changes to optimise the use of the heat pump. Chris, I am not sure that you would have that information.

Chris Thompson: No. The Government's wider commitment is in relation to both the upfront and running costs of gas versus a non-fossil fuel heating system. I would make the argument that the other changes you might make, such as loft intuition, you should at some stage be thinking about in any case, because those will help towards reducing bills for the individual.

Lord Lilley: It would be helpful for you to give us the answer to my question in writing. In future, if it turns out it does not cover the cost of changing radiators and so on, Ministers should not give misleading information, even if they attribute it to Octopus.

People constantly come to me and say, "I've just had a quote". Well, I did it myself. I wanted to introduce heat pumps, but I was told by my architect that it would be mad. People find that the real costs are much greater than what they have been told to expect. When they are told that something is going to be cheaper but it turns out to be more expensive, it undermines faith and confidence in government and in the whole message you are trying to get over. Everything else you said was wonderful, I must admit, but that was a point of criticism.

Greg Hands: I am happy, Chair, through you, to write to the committee to explain the Government's thinking in this space. I will perhaps invite Octopus or, indeed, other energy companies to write to the committee as well. They would probably welcome the opportunity to state to you, particularly in advance of the report being written, how optimistic they are about the new technologies being able to deliver affordable change. A lot of them are very bought into the agenda. I think they would welcome the opportunity, Lord Lilley. I will write to you as well.

Q157 **The Chair:** Chris mentioned the BEIS tracker, which I find fascinating, but it does not track how the behaviour of people in the country changes with regard to climate issues. The Scottish Government are proposing, as part of their behaviour change strategy for climate, to do some regular—I am not quite sure how frequent—monitoring of public attitudes and views on climate issues, their propensity to change behaviour and how they have got there.

Are there any plans to develop the BEIS tracker so that in future it does embrace those issues and we get a better understanding of the public's propensity to change towards more climate-friendly and environmentally less damaging options?

Chris Thompson: Maybe we can correspond outside of the committee on what behaviours or aspects you were interested in pursuing. The BEIS tracker covers, as you probably know, an awful lot of attitudes to many aspects, from the primary sources of energy and our approach to renewables, right down to detail on whether someone would be willing to

insert double glazing in their homes or install loft insulation. It covers an awful lot of interventions.

The Chair: Indeed, but my point is that we were very struck by the Scottish Government's approach, which is about having clear markers and knowing how public attitudes are changing in particular areas. That is the point. Perhaps that is something we should take offline.

Greg Hands: Chair, are you meaning how much the public are actually delivering on their concern? When the public say that they are more concerned, how many of them are actually going out and buying a heat pump or an electric vehicle? Is it about having that sort of thing within the same tracker?

The Chair: Yes, it is about the gap between willingness to act and acting, but also what has moved them from their willingness to act to a propensity to actually do it so there is clarity about what the successful vehicles are. As you know, unlike the English Government, the Scottish Government have a net-zero behaviour change strategy and the Welsh are producing one.

Greg Hands: We do not have an English Government, Baroness Parminter.

The Chair: You do not have a net-zero behaviour change strategy.

Greg Hands: You mean the UK Government.

The Chair: Indeed, but the Scottish Government have one for themselves.

Greg Hands: We are happy to write to you. A lot of those delivery mechanisms will be available through commercial data. How many people are actually buying a heat pump or an electric vehicle? I would not want us to be in the market of replicating through a government survey data that is already out there. I feel I could more properly spend that money somewhere else, if the data is already there. I take your point.

The Chair: We would agree with you. We would not wish the Government to duplicate unnecessarily.

Q158 **Lord Colgrain:** I do not want to labour too specific a point but, on the question of EPCs, you have mentioned that 40% of properties have reached the level of B or C, or whatever it may be. The 40% that you have achieved so far has basically been due to taking advantage of the low-hanging fruit.

Of the remaining 60%, you are going to find major significant buildings—I would suggest that a lot of commercial buildings, like a lot of government buildings, will be in that figure—that you will not be able to get to EPC band B or C. Some of them are going to be major listed buildings. I am thinking about cathedrals and things of that sort, which clearly cannot. There are also a lot of jerry-built buildings, built between

the 1930s and 1940s, that even with double glazing, roof insulation and heat pumps will never get up to those figures.

It is rather misleading to implied that there is another 60% that can be achieved, because realistically it cannot. I would think that you would be very lucky to get more than 10%. Using the blunt instrument of telling landlords, "You have to spend another £10,000 to try to get up to that level", knowing that they cannot possibly do that, will do one of two things. It means that a lot of those properties are going to either come out of the tenanted market altogether, which is going to cause issues for the housing stock, or go into the private sector. Once they are in the private sector, there is really no compulsion for those standards to be raised.

Lastly, the individuals who write out EPC certificates are using a great deal of latitude in how they apply the various bandings. My personal experience has shown me that, if you have two identical properties, one will be given a banding of D and one will be given a banding of B. That is misleading and unhelpful, and, as far as your statistics are concerned, it does not move any of us in the direction of travel in which we want to move. Maybe I could ask you to give a little bit of thought to all of that.

Greg Hands: Thank you, Lord Colgrain. There were some very good points there. First, I was not trying to imply that we will get to 100% in bands A to C, but, when 57% are not, we do have a long way further to go, recognising the progress we have made over the last 10 years.

On your important comments on EPC certification, I am just going to ask Chris whether the actual certification process sits with BEIS or DLUHC. Where is the best place to take any comments about the practice of producing the certificates? Do you know?

Chris Thompson: I am afraid I would need to write to the committee on that.

Greg Hands: We will have to write to you on who owns that bit about producing the certificates. They had their origin about 15 years ago in the European Union regulations on energy performance in what was then the home information packs. It probably sits with DLUHC. I will write to you and pass on that information. I will get, I would imagine, the Housing Minister to write to the committee or write to you, Lord Colgrain, with some information about how satisfied or maybe not satisfied we are with how the EPC certification system works.

The Government have made a lot of progress on their own stock of buildings. As a whole, its emissions have been reduced by 50% compared to 2010, and we aim to reduce direct emissions from public-sector buildings by 75% by the end of carbon budget six. As ever with these things, there is always further you can go. The heat and buildings strategy lays out a lot of our objectives for how government policy moves in this space.

Q159 **The Chair:** Baroness Boycott, who could not stay for the meeting this

afternoon, asked us to touch on the issue of fashion, which Lord Lucas did mention. It is not embraced in the net-zero strategy as a particular area. The Government's strategy seems to very much revolve around voluntary agreements with the industry. Is that sufficient to—

Greg Hands: I am sorry, Chair. Did you say "fashion"?

The Chair: Yes, fast fashion. Lord Lucas made the point about trying to get people to not change their frocks every three weeks.

Baroness Young of Old Scone: It was Lord Lilley who was not going to change his frock several times.

The Chair: We are now digressing, and I apologise.

Lord Lilley: I have entirely given up.

The Chair: That will be on the front page of the *Telegraph* tomorrow, Peter. Mark my words.

Apologies for making my point in a way that has allowed this digression, but could you say a few words about how significant a role fashion can play in reducing greenhouse gas emissions? It is not mentioned in the net-zero strategy, and yet the Climate Change Committee made it quite clear that the amount of greenhouse gas emissions from the industry is extremely large and needs to be tackled, if we are to get to our climate change objectives.

Greg Hands: I must say I have never been the Minister for fashion. Perhaps you might say that is obvious.

The Chair: You look very sartorially elegant this afternoon, if I might say so.

Greg Hands: At the Department for International Trade, I helped promote the UK fashion industry abroad, but I am not very au fait with the emissions of our fashion industry.

Baroness Northover: "Love Island" has now changed its strategy. Instead of being supported by particular fashion houses, it is being supported by eBay, I believe. The people who are clothed or unclothed on "Love Island" will have sourced their clothes from eBay. That is a reflection of the pressure in relation to fast fashion and that area of consumption.

Greg Hands: That is a real sign of the times. I watch "Made in Chelsea", so I will perhaps take it up with the producers of "Made in Chelsea". I might just bring in Chris, if he has any information here.

Chris Thompson: I would say two things. All sectors in industry have a role to play. Some sectors may be producing less emissions than very energy-intensive or very heavy industrial sectors, but nevertheless I expect that they will need to play their part. The British Retail Consortium has done a lot of work in this area and has got sector action in place.

More generally, we are thinking about looking at repairability, durability and labelling, if not standards that we would set. We will want to think about the scope of that, but we will also want to look at our priorities. Which products and services are the ones that are most important to target?

Baroness Young of Old Scone: The nub of this for me is whether the Government believe, as many of the public believe, that we need to buy less stuff in the future. Is net zero heavily dependent on buying less stuff? If so, what are the Government going to do to get that message out there?

Greg Hands: The Government do not have a view on how much stuff people should buy, to be frank. The Government have a view on trying to make the things people do buy more sustainable, more environmentally and, I hope, more cost-effective.

Lord Whitty: In fashion, much of the emissions happen abroad in production, transport and a lot of other areas. Does the department have figures on the amount of emissions caused by the various sectors from the final consumption in Britain when those other emissions happen abroad?

Greg Hands: I do not know whether we do, but this is a very active part of international debate about carbon border adjustment mechanisms and the implicit carbon involved in trading goods and services. I might recommend that the Department for International Trade come before your committee, Baroness Parminter, to give evidence on that.

It would almost be an inquiry in its own right on the emissions from goods and services moved around the world and whether we should be particularly concerned about that or whether the free trade arguments will have a stronger benefit for us compared to the disbenefits of moving stuff around. If I might, that sounds like a good inquiry in its own right.

The Chair: Thank you for that reflection and for your frank responses, Minister. We have also appreciated the comments from Mr Thompson. It has been very helpful. We look forward to receiving the written replies that you have both committed to proffer to us. Thank you so much for that.