HOUSE OF COMMONS

Business, Energy and Industrial Strategy Committee

Oral evidence: Net zero and UN climate summits, HC 144

Thursday 2 July 2020

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Watch the meeting

Members present: Darren Jones (Chair); Alan Brown; Judith Cummins; Ms Nusrat Ghani; Paul Howell; Mark Jenkinson; Ruth Jones; Mark Pawsey; Alexander Stafford.

Environmental Audit Committee member present: Philip Dunne, Chair.

Questions 1 - 68

Witnesses

I: Jim Watson, Expert Lead, Climate Assembly UK, and Professor of Energy Policy, University College London; Sarah Allan, Head of Engagement, Involve.

II: Lord Deben, Chair, Committee on Climate Change; Baroness Brown, Deputy Chair, Committee on Climate Change; Mike Thompson, Director of Analysis, Committee on Climate Change.

III: James Diggle, Head of Energy and Climate Change, Confederation of British Industry; Eliot Whittington, Director, Prince of Wales Corporate Leaders Group; Andrew Large, Chair, Energy Intensive Users Group; Jim Skea, Chair, Just Transition Commission.

Examination of witnesses

Witnesses: Jim Watson and Sarah Allan.

Q1 **Chair:** Welcome to this morning's session of the Business, Energy and Industrial Strategy Committee for the first hearing of our net zero and COP 26 inquiry. We have an awful amount of business to get through this morning, with lots of fantastic experts on our panel. I encourage colleagues on the Committee to direct questions to those they wish to answer them, and our witnesses to keep answers as on point as possible, so we can try to get through everything we want to in the time we have.

I would like to make a special welcome to our colleague, Philip Dunne, chair of the Environmental Audit Committee, who is guesting with us today. Before we begin, I should declare my interest. My wife is the head of external affairs at the Association for Decentralised Energy. I encourage other colleagues and witnesses, if they have declarations to make, to do so at the point that they start to speak in today's hearing.

Moving to the first panel, we will discuss the topic of the Climate Assembly, which is the citizens' assembly on climate change that this Committee was the leader sponsor of, alongside five other Committees across the House of Commons and with many partners outside the House. We are very pleased to welcome Jim Watson, who is the expert lead for the Climate Assembly and a professor of energy policy at University College London, and Sarah Allan, who is the head of engagement at Involve, which has been a partner in the delivery of the Climate Assembly. Welcome to you both, Jim and Sarah.

Sarah, perhaps I can come to you first. Citizens' assemblies are something increasingly discussed in the UK but are still quite new for many people in terms of our democratic processes. I wonder if you could set out for the Committee to what extent a citizens' assembly model, in this case the Climate Assembly, has been able to represent the views of the entire UK population.

Sarah Allan: It represents the views of the population very well. First, assembly members are selected to be representative of the wider population in terms of demographics, so in this case age, gender, ethnicity and educational level; geography, so where in the UK they live, in terms of nations and regions, and whether they live in an urban or rural area; and lastly in attitudes, so to what extent, if at all, they are concerned about climate change. That was the attitudinal question we used for this assembly.

Q2 **Chair:** That is a very interesting point about their view. You want that diversity of views on a citizens' assembly. Could you talk through how those views developed in the process of the assembly and how you allowed members of the assembly to independently come to their own views based on the evidence that was being presented?

Sarah Allan: It is very important to say that, while the assembly hears balanced, accurate and comprehensive information on the topic while they are at the assembly, they do not leave their values and experiences at the door. In fact, they apply those values and experiences to the evidence they hear, which is why you end up with a considered and informed view that is also representative of the UK population. In terms of how they have space to reach their own views at the assembly, they are able to question all speakers extensively. They do not just hear information. They are able to interact with and challenge it and ask for more information. They have considerable time to discuss what they hear among themselves, to hear each other's views and experiences, before they reach their decisions.

Q3 **Chair:** Presumably, therefore, you had members of the assembly come in at the beginning with one particular view and you maybe saw that change in the process.

Sarah Allan: It is quite hard to say. The assembly has an external evaluation taking place. It is being led by academics, including Professor David Farrell from University College Dublin and Dr Stephen Elstub from Newcastle University. It is one of the issues they are looking at. They are due to report in January next year, so I do not want to pre-empt that. Anecdotally, I have observed assembly members commenting a lot on the fact that their views have deepened during the course of the assembly.

It is important to recognise that the question the assembly is addressing, how to get to net zero, is a very detailed one. While some assembly members will have had clear views on parts or all of that coming into the assembly, a lot of people will not have had detailed views, for example, on how surface transport should change to get to net zero or what greenhouse gas removal methods are most appropriate. We have seen their views expand and flesh out during the assembly.

Q4 **Chair:** Presumably it was a useful process in translating some of the Westminster buzzwords into plain English. Surface transport is not something I had ever heard until I was part of these discussions on energy policy, so I am sure that was a useful process for all of us. Professor Watson, I wonder if I could come to you briefly on what contribution you feel the assembly will have to the broader debate. The intention is to take the view of different people with different views across the country, but we do not really want that to just be at one particular point in time, and then we pat ourselves on the back and get back to business as usual. What is your view on how this process has helped us broaden and deepen the debate on this issue?

Jim Watson: Good morning, everybody. I think it has in a number of ways. First, it is probably important to emphasise that it is quite a unique process to have this representative sample of the UK population, as Sarah has described, and then to be taken through a whole set of evidence sessions, presentations and loads of space to deliberate, discuss with each other and reach considered conclusions. It goes well beyond something like an opinion poll. That is one contribution: it is that considered view, having deliberated over a period of months.

Another thing is that, partly because Parliament requested it, you are getting particular intelligence on what people think about the aspects of net zero that are going to affect their daily lives, whether it be about how they get around, in terms of transport, how they heat their homes, the food they eat, et cetera, so the things that are most immediate to them.

The third thing to emphasise is that we have been asked all the way through by the assembly members themselves what is going to happen to this. I think they are very keen that this Committee, the other Committees, Government and other stakeholders really pay attention to what they are saying, because it collaborates and gives extra evidence alongside all the other things you have out there to provide information about what they think and how this target should be met.

Chair: I can formally put on record today that this Committee and our partner Committees are all taking the findings of the assembly very seriously and building it into our work as evidence of public perception on these issues for the work we want to do for the future. I hope that the advantages we have gained by going through this process will be something that we learn for broader democratic engagement on a whole host of issues in the future and not just this particular topic.

Q5 **Mark Pawsey:** I wondered if I might ask some questions about the interim report that has just been brought forward by the assembly. To start with Professor Watson, was it always the intention that there should be an interim report of this nature?

Jim Watson: No, it was not. The interim report is very much in response to the Covid-19 crisis and the impact it has had on everybody's lives, and how that links to any discussion about how we meet net zero. The trigger for having the interim report and having discussions at the assembly about this issue came from a number of places. Importantly, it came from the assembly members themselves, because of course they were very directly affected, like the rest of us, so they were already thinking about some of the things we had discussed, such as travel or heating the home, and how they might be affected.

It came also from me and the other expert leads. We were very interested to understand how their views might be changing as a result of what they are experiencing. It came from some of the stakeholders who advised us as well, so a number of places.

Q6 **Mark Pawsey:** In the absence of the Covid-19 pandemic, would there not have been such an interim briefing?

Jim Watson: I do not think there was a plan to have such a briefing. Sarah may correct me. She is shaking her head so I am taking that as a cue that there was not, no. Clearly, it has changed the whole structure of the assembly partway through. Instead of having the fourth and final weekend—we were going to have four face to face—the fourth one went online. That has prolonged the period over which the assembly deliberated.

Sarah Allan: The assembly members were very keen for their views around how Covid-19 affected the path to net zero to be available now. They were aware that Government and Parliament were looking at these issues now. That is the impetus behind the interim briefing. If the situation had not arisen, the same impetus would not have been there.

Q7 **Mark Pawsey:** There would have been more of a detailed report done at a later stage. Is that right?

Sarah Allan: If coronavirus had not happened, the assembly would have concluded earlier and in fact our full report would be available now. As coronavirus happened and the final weekend of the assembly was moved online and split across three further weekends, the full report will now be published in September.

Q8 **Mark Pawsey:** You have answered my question. In terms of the issues that are brought out in the interim briefing, how did the assembly members come to lifestyle and economic recovery as being issues that they really wanted to make some representation on immediately?

Jim Watson: They had some briefing on this in an extra session we put into the schedule. In terms of where those two issues came from, I guess it was the two lenses through which a lot of the conversation across society was being had about the implications. First, many of us have changed our lifestyles very abruptly because of coronavirus and the lockdown. What does that mean? Of course, there is a lot of discussion about economic recovery and whether it might be linked to action on climate change.

That is kind of where the issues came from, but they were very keen and happy to engage on those issues. They were briefed on them by the expert leads. They were given opportunity, like on all the issues they considered, to discuss them, and then there was a series of votes, with all the commentary as well, which is all reported in that interim briefing.

Q9 **Mark Pawsey:** Sarah, how did the members of the assembly come to form an agreement about the recommendations and what ought to be done?

Sarah Allan: It was very much as Jim said really. They started off by hearing a presentation that was put together by the expert leads. They then had some considerable time to discuss what they thought about the think points that had been presented to them, and to bring their own values and experiences in additional areas into those discussions. Those discussions, while polite and respectful, as they always were at the assembly, were robust as well. Assembly members were not afraid to share different opinions. In fact, they valued the chance to hear opinions and experiences that were very different from their own and those of the people in their immediate social bubble. There was a robust and polite discussion.

Then the final decisions were made by secret ballot, so that there was no interference with how assembly members voted. In that sense, assembly members were not encouraged to reach a consensus about this topic. It is just that, as they voted, it turned out that a lot of assembly members agreed with each other.

Q10 **Mark Pawsey:** Was there any conflict between the members? Some people are very bothered about economic recovery, given where we are right now. Were there people who were concerned that dealing with the issue of climate change might slow down our rate of economic recovery? Was that a view expressed? If so, how hard was it pushed?

Sarah Allan: The interim briefing sets out the views of the assembly in some detail. You will see that, at the end of each section on each of the two areas it looked at, economy and lifestyle, the views of the assembly members who disagreed or were unsure about the topics the assembly looked at were expressed. Some of them raised issues about needing to put the economy first and so on.

What is striking is that, given this is a representative sample of the population with such diverse experiences, there was such a high level of agreement. If anything, the interim briefing gives a stronger emphasis to the counterarguments that appeared at the assembly. Because they were a minority view, we were able to report the views of those assembly members in full. There was such a huge volume of views from those who agreed with each other that their views take up less space in the briefing.

Q11 **Mark Pawsey:** Jim, were the recommendations that have been brought forward an understanding by people that they were lifestyle changes that they personally would need to make? Was there a sense that, "We can do this report and everybody else can make those changes, but I will carry on as I am"?

Jim Watson: There was very much a sense of them connecting those to their everyday lives. You can see that not necessarily in the votes, which are very stark, but in all the commentary that has been published, which Sarah referred to, in the interim briefing. We have a lot of quotes in the assembly members' own words, talking about their ability to continue working from home if they can or the extent to which they might travel more or less.

Yes, they were commenting on others, of course, but I saw a clear thread of commenting on their own situation or reflecting on the situations of other members of the assembly they were speaking to.

Q12 **Mark Pawsey:** Finally, Jim, how has the work that the assembly has done been put into the work of the Committee on Climate Change? What connections and relationships have you had with the CCC?

Jim Watson: We have had a very good and constructive relationship with the CCC all the way through. There is a clear link because Chris Stark, the chief executive of the CCC, is one of my counterpart expert leads. He is one of the others in the four. Some of the staff who work at the Committee on Climate Change secretariat have acted as presenters of expert information. I must add that they did not have an inside track to do that. They had to go through all the same checks and balances with our advisory group as any other speaker, and were subject to the same ground rules in terms of balance and providing fair information.

We are really pleased that we were able to provide the CCC with a little bit of advance notice of the interim briefing. That meant that they could feature it, as it happened quite prominently, in their progress report last week, which I think the Committee is about to discuss with them a bit later on.

Q13 **Mark Pawsey:** You have referred to many of the climate change establishment. How satisfied are you that the members of the assembly got to hear a contrary view?

Jim Watson: There are two important things. First, we were constrained by the question we were asked by Parliament, which is how we get to net zero, not whether net zero is the right target or 2050 is the right year. We were constrained by that statutory target. Within that, we were very keen to make sure we had different views from people. You will see that when the final report comes out. You can also see on the website where we had different views on particular topics like transport.

We were clear about distinguishing between those people presenting to them who were giving unbiased information, which we call informants, and those we called advocates, where we explicitly tried to get different views on how to do something, such as reducing emissions from flying, for example. We specifically labelled them as advocates to make it clear to assembly members that they had a particular view they wanted to put in front of them.

Q14 **Mark Pawsey:** Sarah, was it easy to find advocates of a contrary view?

Sarah Allan: Yes, it was. It is about different ways of getting to net zero and there are a whole range of views out there about different ways in which that could happen, so there was not a problem finding people with different views.

To add to what Jim said, a huge amount of effort went into ensuring the evidence that the assembly heard was balanced, accurate and comprehensive. While initial drafts of who might speak and what they might cover were put forward by the expert leads, there was then a very rigorous process to ensure that a wider set of people agreed that that was balanced, accurate and comprehensive. We had an advisory panel and an academic panel. Everything was checked and ultimately signed off by officials within Parliament, who are very used to putting together balanced evidence sessions and written briefings for Parliament. They were able to advise to make sure everything was as good as possible.

Chair: Thank you to Jim Watson and Sarah Allan for your evidence. We are all very much looking forward to engaging with the formal final report in September, after the summer recess. No doubt we will speak to you again soon. Thank you for your evidence this morning.

Examination of witnesses

Witnesses: Lord Deben, Baroness Brown and Mike Thompson.

Q15 **Chair:** We are now moving on to the second panel of this morning's session, with an illustrious array of witnesses from the Committee on Climate Change. We are very pleased to welcome Lord Deben, who is the chair of the Committee on Climate Change, Lady Brown, who is the deputy chair of the Committee on Climate Change, and Mike Thompson, who is the director of analysis on the Committee on Climate Change. If I might begin with you, Lord Deben, as you know, Parliament set a legislative target back in June last year to reach net zero. What is the Committee's assessment on whether we are making sufficiently quick progress in meeting that new legislative target?

Lord Deben: We are clearly not. In almost every sector, we are failing. That has been covered up by the fact that we have done relatively well on the decarbonisation of energy, but in most other areas we are not reaching anything like the levels that we have to. The Government are not on track to meet the fourth and fifth carbon budget, both of which of course are statutorily required.

Q16 **Chair:** Why do you think we are not on track? Why is that not happening?

Lord Deben: We have not taken the measures quickly enough. Until very recently, I do not think there has been sufficient concern outside the Departments of BEIS and Defra to do what they need to do. There is a significant change now, but we have simply not done the radical things that need to be done.

Q17 **Chair:** Mike Thompson, I wonder if I can come to you on that point about the Departments in Whitehall. Your progress report to Parliament included a very helpful departmental breakdown for the first time. BEIS is the co-ordinating Department for every Department in Government. I wonder if you can give us a view and a summary of your findings about how the different Government Departments are performing.

Mike Thompson: With this, we tried to recognise both a bit more the need for cross-Government action, the value of the Cabinet committee and the Treasury's cross-cutting review of the costs of net zero, and that you have to get the detailed sectoral policy right. We have these 14 tables, covering pretty much all the Whitehall Departments. We have recommendations for all of them, from BEIS through to DCMS and the Department for Work and Pensions. There is a lot in there for BEIS. A lot of the energy policies are a core part of this. There is a lot in there for Defra, the Treasury, MHCLG and the Department for Transport.

The only way we will get there is by all of these delivering on their individual bits and by being properly joined up. Housing is an obvious example of this. You need BEIS to have the basic energy policy in place. It is driving the heat and buildings strategy. You need MHCLG to be setting the right standards and driving the compliance parts. You need the Treasury to provide the right levels of funding and the right tax and subsidy instruments. You need the Department for Education to be involved to make sure we have the right trained labour available to install the measures. All those bits have to fit together and interlock to drive delivery in a way that is vastly higher than we have seen to date.

Q18 **Chair:** One question that continues to come up is how we, in the UK, can control our consumption emissions. To go to your point, that is a cross-departmental issue. How do you advise that we take control of our consumption emissions? Does a particular Department lead that or should it be embedded in every Department?

Mike Thompson: It needs to be embedded in all policy. The only way we will do this is, when we design policy, all of it, by thinking not just about our territorial emissions but about or wider carbon footprint. At the moment, Defra is responsible for the statistics. BEIS has the clearest responsibility to think about this across the piece. Unless it becomes a kind of automatic test for all the policy, we will not really be tackling it sufficiently.

We break down the data a lot more in this report. The point we are really making in there is that the most important way to do this, first, is to drive down your territorial emissions. You have to cut emissions from your own homes, cars and electricity supply. Alongside that, make sure you are doing things that tackle emissions coming in from overseas.

Q19 **Chair:** If we are not making sufficient progress in meeting our net zero target, understanding the wider context of the Covid pandemic, Brexit happening and other issues, how difficult is it for us to get on track to meet that target?

Baroness Brown: The one good thing that can come out of this terrible experience people have had with the pandemic is that we really focus the rebuilding of our economy on the message of "build back better", the message that this is the opportunity for a brave Government to make this a green and sustainable recovery. They are going to have to inject money into the economy, bring forward investments and bring forward those investments that will enable us to give people homes that are fit for the future.

We have had a very positive announcement of an increase to £5.2 billion for the money for the Environment Agency over the next five years to address flood resilience. Let us bring forward those flood resilience investments. Let us bring forward the retraining that Mike Thompson has mentioned, so that all those new apprenticeships are focused on things like the skills people will need to do the refurbishment for zero-carbon and well-adapted homes for the future. This is potentially an opportunity and we need to take it.

Q20 **Chair:** That is an important point to make. This is still achievable, but we have to have the will to do it. Lastly, I will come back to you, Lord Deben. Do you think BEIS is performing its function well enough in co-ordinating net zero across Government Departments?

Lord Deben: I am never satisfied, but it is doing well and it certainly is determined. The real issue is that it has to galvanise people to recognise that, just as this is a wonderful opportunity, it is also an opportunity that, if it is missed, leads to disaster. That is why we have emphasised very simple things, like the reforming of homes, to retrofit homes so that they can be warm without huge emissions and vast energy costs, because these are things you can do immediately.

I think BEIS understands that, but it does not, as Mike Thompson rightly said, have the mechanisms for doing that. It has to get MHCLG to recognise that it has to set standards. It has to make sure that the future homes standards are really enforced, that they start this year, that we do not miss the dates and indeed that we bring them forward. That can only really be done through the Cabinet committee, if it meets on a regular basis, as we have recommended.

Q21 **Chair:** Your point there, Lord Deben, and from Lady Brown and Mike Thompson, is that there are obvious things we can do and be getting on with now to make the progress that we are able to make. It would be remiss of me not to note that the report this year seemed to strike a stronger tone than perhaps the report last year. Does that reflect a concern from the committee about the importance being given to this issue by the current Administration?

Lord Deben: It reflected a recognition of the urgency of the matter. It reflected the fact that you could not just excuse a year in which little had been done that had been hoped for because of Covid. You had to say that Covid had to be a springboard to do the things we had not done last year. The committee is very concerned that, if we miss this opportunity, we really will have no chance of our meeting our net-zero target. If we do not do that, the world will be afflicted by a pandemic that is significantly more long-lasting and damaging than Covid-19.

Q22 **Ms Ghani:** We heard from the witnesses earlier that, potentially, having a target of 2050 may not be achievable. One could assume that rash decisions could be made to meet a target that is no longer achievable because of Covid. If that is the case, Mike Thompson, who will be brave enough to call that out?

Mike Thompson: We are very clear that it is achievable. We published scenarios for our net zero work that set that out in a good level of detail. We are currently working up more analysis to look at how you can achieve it. We will publish that alongside our advice in December. We are updating that to reflect the new circumstances we find ourselves in with Covid. We have not seen anything in that new data to suggest that we cannot get to net zero. If anything, it is slightly easier than we had thought before. The more we have looked at this, the more confident we are that 2050 is absolutely achievable as a date and is achievable in various ways.

Q23 **Ms Ghani:** It is achievable even though we would have had a big hit to our economy and there are no global acceptances of alternative fuels, if we look at transport in particular. I am a little concerned that people will stick to a date, regardless of whether it is achievable, because no one is prepared to say we need to either delay it or do something else. I wondered what you thought about that, Baroness Brown.

Baroness Brown: I can reiterate what Mike has said. We think it is achievable. We develop a number of scenarios in looking at how it can be achieved. As Mike said, our thinking is developing further as we do the work for the sixth carbon budget. We think there are more ways of achieving it than we looked at when we did the net zero report.

One of the things that Covid has shown us is how rapidly we can change our behaviours and how rapidly societal norms can change. We have always been hugely cautious in assuming behavioural change in our reports, because it is something we feel there is uncertainty about. We have seen some developments that might encourage us that those behavioural changes that will enable us to achieve things more cheaply may well be things we can be a bit more ambitious about in the future.

Q24 **Ms Ghani:** Covid has meant a huge amount of social and behavioural change. I do not doubt there is modelling in place that looks at lots of different scenarios if they could come into place. What confidence do you have that every scenario has been mapped out, considering what a huge impact Covid has had on countries and obviously countries that are connected through supply chains? I wonder if I could go to Lord Deben first. He is smiling the most.

Lord Deben: You asked the first question, which was who would have the courage to call it out. I will tell you: I would. If I did not believe that this were true, that it is quite possible to reach net zero in 2050, I would say so. That is my job. That is the job of the committee. All the evidence shows that, even if you play into the scenarios all the concerns that we have—of course there are uncertainties, because we have not been through such a thing before—we come to the same conclusion.

Indeed, without raising people's hopes, we think that, in a number of areas, we can do things more quickly than we had thought. If we found the opposite, I can assure you that I would be the first to say, "We cannot achieve this".

Q25 **Ms Ghani:** Fair enough. If I could finish on climate resilience here in the UK, do you think enough work has been done to date? Do you think enough work will be done over the next decade or so, in contrast to all the financial implications that Covid will have? I will come to Mike Thompson.

Mike Thompson: It is probably best for Baroness Brown to come in on that, as chair of our adaptation committee.

Baroness Brown: Not enough has been done. Nothing like enough has been done, but let us start with some positives. I have already mentioned the announcement of the £5.2 billion over the next five years for improving our flood defences. That is a real positive. We have seen Ofwat and the Environment Agency starting to take action on water scarcity, with Ofwat allowing the water supply industry to spend considerably more money, an additional £2.6 billion being allowable for spend on protecting customers and assets from drought and floods. We have adaptation mentioned in the Environment Bill. We have seen very significant progress in the finance sector, with the Bank of England, Financial Reporting Council and the FCA all making reviews of reporting on climate risk a key part of their work.

We have a real challenge. We are going to see higher temperatures. We had the Met Office telling us yesterday that we have to be prepared for 40°C by the end of the century. We know that the 2018 summer will be a typical summer. There will be a 50% chance of a summer like that by 2050. Unless we do more, that will significantly increase the number of heat-related fatalities. We want to see MHCLG changing the building regulations so that we are building and refurbishing homes to be fit for the future—zero carbon, but also well ventilated and shaded to cope with these higher temperatures.

We are going to see water shortages. If we do not do any more adaptation, we could have somewhere between a 1.1 billion and 1.3 billion litre deficit by 2050. That is a rather difficult number to visualise. One of the implications of that would be for our agricultural land. At the moment, 2% of it is classified as being in poor condition in England and Wales. If we do nothing more about adaptation to water shortages, that rises to somewhere between 25% and 43% of agricultural land in England and Wales being in poor condition. The implications of that on food production and the tree planting and restoration we need to do in order to meet net zero are very significant.

If we do not take further action, the number of people at significant flood risk—today it is about 1.4 million—could rise to somewhere between 2.1 million and 2.8 million by 2050. As I say, that £5.2 billion is enormously welcome, but it still does not address the issue of surface water flooding, which is going to become more prevalent in our cities. We are still losing urban green space, which is one of the important ways of absorbing those short periods of very intense rainfall that are going to be becoming more common.

I could go on with a list of the impacts and where, if we do not take more action, we are going to have problems. We really need a much better understanding across the public and private sectors that they need to be planning for both 2° and 4° of warming and the impacts that brings. When we looked at that across 33 priority areas in our last report, in 12 of those priority areas we found that there were no plans at all for even the risks of 2° of warming. I wonder why we continue to call that a risk. We know we are going to see between 1.5° and 2° of warming in the best case. That is not a risk; that is what the future looks like in the best case. We could see something much worse than that. Therefore, we should have plans in place for that across the economy.

Q26 **Ms Ghani:** Baroness Brown, who is responsible for those 12 points that have not been delivered?

Baroness Brown: They are quite broad, some of them across Government and some of them across business and industry. We would like to see Defra using the adaptation reporting power, which it has in the Climate Change Act, as a requirement to get key business and industry sectors to report on the plans it is making for dealing with climate change. Defra has quite a lot of power. It is not using all its power at the moment because it has not made that reporting mandatory for the next round. There is also a requirement to get information out there to people, particularly to small businesses that will not be covered by the TCFD approach of the Bank of England, on things they can and should be doing to prepare for the future.

Q27 **Alexander Stafford:** I am sorry for missing the first bit of the meeting, but hopefully I will catch up well enough. My questions are looking at the priorities of investment. Why should the UK prioritise investment against long-term future risks of climate change, when businesses and communities are facing the financial hardships of a major recession today? Will this come at a cost of a slower or less successful economic recovery, as some businesses are trying to imply, or is there a benefit to prioritising climate change now? Will that help our economy in the short term?

Lord Deben: It certainly will. We are proposing things that can be done immediately, provide jobs and are able to be done all over the country, therefore providing stimulus in parts of the country where some levelling up is really necessary. For example, if you go in for an energy efficiency programme, which is what we believe to be absolutely central, you can do that all over the country. You can train for it, so that we can do it more quickly, and you can address the problems of the poorest in particular, who suffer from their very high cost of energy in houses that have not been properly insulated. You can do all that and those are the aims of the present Government.

It is also true that these are the most effective way of kickstarting the economy. They also lead to sustainable kickstarting of the economy and not going back to things that we are going to have to give up in any case.

Q28 **Alexander Stafford:** Has the CCC done any cost impact of making this recovery green and the likely cost impact on business and consumers? When I speak to people about this, I often hear that there has been a huge reduction in carbon emissions since the lockdown, and in some ways people are delighted at that fact. My concern is that it is going to rise in order to get business going again. Is there any way we can cushion that increase in carbon? What would that cost business and consumers?

Lord Deben: We have looked in very great detail at the costs and the alternatives. That is in our programme. We have only put this forward on the basis of the facts. I agree with people who talk to you about the problem that we have reduced emissions in a kind of artificial way. Can we save any of that? Yes, we can. That is one of the reasons why we have said to the Government, "Build on the things that are already happening".

If people are willing to work at home for three days a week rather than five, and can do that, make that easier by spending some of the money that you were otherwise going to spend on road building on improving our interconnection as far as the internet is concerned, so that everybody has access to that. When you want people to shift to electric vehicles, get a move on with the connections you need to have for that. Bring it forward to 2032 instead of 2035. Have a system whereby, every year, companies have to sell a higher proportion of their sales from electric cars. Do all those things and provide the jobs through that, because they will be a more cost-effective way of delivery than any alternative.

Mike Thompson: I am chief economist at CCC. We brought together an economics advisory group for this, including academics and leaders from business and industry. The rough economics of this is that we are expecting and we have a shortage of economic activity. We have a shortage of spending. In the measures here, you are looking for things that stimulate that, and you have to stimulate it in the UK. It is pretty clear to see. Bringing in oil and gas imports is not a good way to stimulate the local economy. Spending money on UK houses that requires UK labourers to install materials, and spending money on the UK energy network that has to be done in the UK, are very good ways to stimulate the economy.

Ideally, from an economics point of view, you are looking for things that stimulate the economy now and better prepare you for the challenges that you and the economy face in the long run. One of those challenges, of course, is the transition to net zero. It is also the transition to a future world with non-fossil-fuel-based energy, with more efficient, more comfortable homes. The things in the green recovery package we have proposed—the housing, infrastructure and training investments—all tick what we need in the short term, the economic imperative. They also tick the long-term economic imperative, because they help us to position for that transition.

Chair: I hope the reporting that the Government were considering backtracking on the energy efficiency programme is untrue and that they hear your evidence today that it seems to be a blindingly obvious thing to be getting on with.

Q29 **Paul Howell:** I would like to come back to something that Baroness Brown touched on a second ago. Lord Deben, in your net zero report you said there was little potential to change consumer behaviour. We have had some quite remarkable changes in consumer behaviour because of what has gone on this year. It is almost a two-part question. How did you get to that conclusion in the first place and has it changed?

Lord Deben: One of the jobs we have to do is to produce a programme for reaching net zero that is, with a small "c", and I emphasise that, conservative, in the sense that it does not promise either some very major breakthrough as far as technology is concerned, or some very major change in behaviour. If you do either of those things, you have a programme that is very questionable. I decided, and the committee was unanimous on this, that we should not assume behavioural change of an extreme kind and major technological advances of which we have no knowledge today. We had to do that. Otherwise our report on net zero would have been much less credible. The fact that it has been accepted, I think universally and worldwide, shows that was the right step.

We have put in a number of changes that we expect, for example a reduction in meat eating by some 20% and people probably eating better meat, but less of it. We have put in behavioural change of that kind, but it is behavioural change that one can genuinely see as an extension of where we are now. Covid-19 has shown that you can have significant change very much more quickly. Pandemics do that. They do not change the world. They increase the speed with which changes that were beginning anyway are completed.

We would certainly have a view that we can benefit from more people working at home for less travel. Many financial directors will be saying, "You seem to have managed perfectly well with Zoom. You do not need to go to the United States once a month. You can go once every three or four months because we know how much more you can do this". The pandemic has given permission, in a sense, to do your business in a way that people were not prepared to do in the past. There are behavioural changes that we have got started in this and we are encouraging the Government to build on that.

One of my disappointments is that, so far, industry and commerce seem to have taken that on board more quickly than Government Departments. I do not see the evidence that we are really moving to using virtual and distant work in our state system as we are in our business system. I hope that we can change that pretty quickly.

Q30 **Paul Howell:** A number of the outcomes from the report were basically saying that a huge number of the assembly members came up with a belief that the Government should encourage more action. There was an acceptance of the direction of change, which I am sure you have been encouraging anyway. Does that make you believe you should possibly be more optimistic? Is there a different emphasis in any way because of the way these things are? How do you react to an assembly? Do you think that adds value and delivers you some more data support or a more qualitative assessment in what you are doing?

Lord Deben: It gives us two things. First, it gives us the very important view that, when the public are exposed to the realities of the situation, they want the changes that we have been seeking that the Government should make. Secondly, they have insights, which we find extremely helpful. The people who make it up are from a cross-section of the population and have very different interests. The way in which they look at these things is very important. We are looking forward to seeing the full report when it comes. We shall certainly take it into consideration in the way in which we assess how much and what a Government can do.

Q31 **Paul Howell:** That leads on to my final question in this session in terms of what a Government can do. Listening to Baroness Brown earlier, she rattled off a whole series of numbers, which were just like telephone numbers. How do the Government get people to actually engage and understand what is meant by those numbers? The scale of them is just mind blowing. How do Government get an understanding by the public of the reality of what is meant in this process that we need to go through?

Mike Thompson: That is partly the value of the citizens' assembly. That is why we have really made an effort to support this process, to listen to it and to try to learn from it. There are some fairly obvious and basic things. The Government can take steps to make sure low-carbon options are more preferable for people than high-carbon options. That is not the case, for example, in heating at the moment, but it will need to be. The Government can do things to help make things easy for people.

They can also take a step in terms of leadership. That is something we have really emphasised with the Covid crisis. By the Government adopting remote working practices in the NHS, for example, and more widely, these can become much more embedded as social norms. Those are the sorts of things we are looking at already. We are looking to learn more from the citizens' assembly as the results come in.

Lord Deben: It would also help if the Government took it seriously and made sure that all their procurement was based upon the principles that they adhere to publicly. The procurement opportunities are enormous and set an example throughout the economy. The fact that the Government do not do this properly almost anywhere is a serious matter. We want to see that change as rapidly as it can.

Baroness Brown: With my adaptation hat on, could we have a similar activity focused on how we address climate risk? That would include the steps people have to take to prepare themselves for that and, indeed, the things they should be expecting to see their Governments and other organisations doing, to make sure we are well adapted and resilient to what the future will bring.

Q32 **Paul Howell:** Can I come back on the messaging side of things from Government? We can all see through Covid that it was very easy to give a simple message of shutdown. Now we have a complicated message of opening up. The message that is coming out of climate change at the moment is complicated. How do we get that to be a simple message that people can just buy into very quickly and take the micro actions that add up to a macro situation?

Baroness Brown: We need much better communication about this. For example, people can do an enormous amount about water consumption. While we have seen really good things during the pandemic in terms of reduction in emissions, we have seen huge increases in water consumption. The implications for future drought if we go on like that are unfortunately very significant. We need much better information for people about the simple things they can do. We need more water meters. We need product standards and product labelling for water efficiency. It has been hugely effective in getting people to buy very energy efficient products. We now need them to be thinking about very water efficient products as well. We also need much better information for small businesses. We used to have an advice service called Climate Ready. Unfortunately the funding for that was discontinued. We need things like that as well.

Q33 **Philip Dunne:** Lord Deben, as you know more than most, the environment and climate change is no respecter of departmental boundaries or, indeed, national boundaries. One very encouraging thing about your report last week is that you have sought to break down responsibilities by Department for delivering on Government commitments. Significantly for this inquiry, we have focused on the BEIS commitments. In which areas has BEIS made most progress in achieving steps towards net zero? Are there any areas where you think it has moved backwards as a Department?

Lord Deben: The overall issue of energy, for which it is responsible, is a major achievement and we should not underestimate what that has meant. I am very pleased that BEIS turned back the mistakes that had been made before to allow, where people wanted, onshore wind and solar. That was almost excluded by previous Governments, I think entirely wrongly. We have been pressing that for some time.

There is an area where I am concerned. I do not think it has gone backwards. Indeed, in general terms, BEIS has set very good examples. I am very concerned about the question of how we move from largely fossil-driven heating in people's homes. There are those who are purists and say you have to move from where you are to a totally non-fossil fuel answer. I am very much an incrementalist on this. I do not believe you can do that.

I am very concerned that the changes we are to have now in the RHI, the renewable heat incentive, should encourage the installation of hybrid boilers, so that you reduce the amount of energy you use from fossil fuels very considerably, but you do not ask the impossible of people who are in houses where you cannot have underfloor heating and all the rest of the changes you need to have a purely ground-source or air-source heat pump system. I really want that to happen very quickly and I am a bit concerned that there are those in BEIS who are not as happy about the incremental system. If we do not do it incrementally, we will not do it at all, and that is an important lesson.

Q34 **Philip Dunne:** Do you see the Cabinet committee as being in a position to provide credibility in driving cross-departmental work here? As you may know, I chair the Environmental Audit Committee. Frequently, when we have been addressing individual issues, we have had representation from multiple Departments because there is no one responsible across the piece. The Prime Minister is going to be chairing this Cabinet committee, which I believe met for the first time earlier this week. Are you hopeful that this might provide cross-departmental action?

Lord Deben: I am hopeful. We suggested the thing in the first place. We have drawn the attention that it does not work unless it meets on a monthly basis and the Prime Minister actually runs it. There are sad signs at the moment. We have just had a re-announcement of hospital and school building. Central to that should be that these are all zero-carbon buildings. Everything we talk about should have that in the centre of it. It is not clearly enough at the forefront of either the Department of Health or the Department for Education. One is very keen to encourage that. That is what the Cabinet committee would be able to do.

Q35 **Philip Dunne:** Turning back to the BEIS Committee's responsibilities, you have highlighted the enormous number of policies BEIS needs to move on this year, ahead of COP 26 and in the path towards net zero, including the energy White Paper, the heat in buildings strategy you have just referenced, a replacement for the renewable heat incentive, the industrial carbonisation strategy and the net zero strategy. Are you concerned that this is not going to get done in time for COP 26, where we can show real international leadership?

Lord Deben: I am given every assurance that it is going to be. I am a believer that it can be. There is a willingness, from both the Secretary of State and the Minister of State responsible for energy, to make sure it is delivered. I have been reassured about the imminent arrival, at least in the next few months, of the energy White Paper and I am very determined that that should happen. The means are there. The willingness is there. We now have to insist and keep the feet to the fire there.

Q36 **Philip Dunne:** This may be a question for Baroness Brown. The report refers to a piecemeal approach towards industrial decarbonisation in the Department's policy announcements. What risk do you think there is that, by regulating more than other countries, we may see UK sectors, and in particular manufacturing, seek to export their activities to other countries, where they are not subject to such regulation? Do you think the Government need to do more to support industry in its transition to net zero?

Baroness Brown: I certainly would like to see the Government doing more to support industry. We have seen some very good things. We have seen the funding for the steel industry to transition to zero-carbon steel making. We have seen quite a large number of separate announcements that do not, as yet, look like a very co-ordinated strategy, for example in the industry area and the hydrogen area. I do not think we have yet seen enough co-ordination in the carbon capture and storage area, where we need to see the approach that is going to make carbon capture and storage infrastructure an investible proposition, in the same way perhaps as we made offshore wind into an investible proposition for a very wide range of investors. We need to see that kind of co-ordination across the policy agenda in BEIS.

Historically, we have seen the Government recognising that the carbon price in the UK was a potential competitiveness impact for industry and so introducing a compensation mechanism for that. Going forward, as we do trade deals, I would like to see us thinking about putting climate change into our trade deals to make sure we are not importing products that will undercut us because they have been done in high-carbon ways. As the world gradually decarbonises, it will be a real opportunity for UK industry to supply the products the rest of the world needs.

Q37 **Philip Dunne:** I have a final question, again to Lord Deben. In your earlier remarks, you mentioned the importance of retrofitting homes to achieve energy efficiency. I was interested in the comment you were just making about doing it in a gradual rather than a revolutionary approach. The Conservative party made a commitment in its manifesto for £9.2 billion to be invested in social housing and public buildings to improve energy efficiency. There was little reference to it in the Budget in March and then some doubt being cast now by commentators as to whether that is the priority for this money or whether it will be redirected towards new homes. We have 29 million existing homes in this country and less than half of them meet the current energy performance certificate rating. How do we persuade the Government that this is an area where they really need to provide the money they have pledged?

Lord Deben: We are very clear that what you say is right. That money is necessary. It is the very best way of stimulating the economy. As Mike Thompson pointed out, it is British jobs, in Britain, working all over the country. It meets the Prime Minister's concern about levelling up. It helps the poorest, who need to be helped if we are going to have a just transition. It is not instead of doing something about new houses. I am deeply opposed to the concept that we should be subsidising new houses from this sum of money.

With new houses, we should be recognising that, since the Committee on Climate Change first asked the Government to improve our building regulations and the standards to which houses should be built, we have built a million more houses, all of which will have to be retrofitted. I am afraid I rudely referred to them as "crap houses". The reason I did that was that the mechanism of building a bad house in these circumstances is that the builder passes the cost of energy on to the people who buy the house. If he builds the house properly in the first place, the energy costs—leave alone the emissions—are reduced enormously.

It does not mean that the house is going to be any more expensive. The price of houses is not fixed in normal ways. It is fixed on the basis of what the builder believes he can get for the house and he buys his land on that basis. It would not cost him much more because these would therefore become mass-produced mechanisms and the price would drop very considerably. If it cost him a bit more, he would just pay less for the land. As the gap between agricultural price and building price of land is so very large, it is not going to dry up the provision of land.

I am suggesting that the Government have a very simple mechanism of not having to retrofit houses that are new houses. They simply do what they were going to do back in 2017. They set proper standards and builders are bound to meet those standards. They will of course complain, but they have complained about any improvement in standards ever since I was the Secretary of State, which is 20 years or more ago. I do not take those complaints. We do it and they will meet it, as they were ready to meet it in 2017.

Chair: We are falling behind, so if I could encourage colleagues to pick up the pace a bit I would be grateful.

Q38 **Alan Brown:** Lord Deben, can I press you quickly on the assurances you feel you have had from the Energy Minister? In a written parliamentary answer I got yesterday, the Government commit to having the future homes standard introduced by 2025. You are looking for it to actually come out this year. It says BEIS will publish a heat in buildings strategy in due course. No time is given. In the Committee on Climate Change's report, I counted 11 policy recommendations for BEIS alone that it is suggested need to be delivered in the year 2020. We are a year late with the energy White Paper. It is over two years since the National Infrastructure Commission published its report. We are still waiting for the national infrastructure strategy to be developed. How can you be assured now that these assurances can be delivered on in the last few months of 2020?

Lord Deben: I cannot be assured that they will be delivered on. I can be assured that they could be delivered on. We believe they can be delivered. We believe the capability of BEIS is there to do it. We cannot, of course, read the minds of Ministers as to whether they are going to do it. It is my job to keep those feet to the fire, as I say, and, as far as I have any power to do so, make sure they do it. One is assured that they are attempting to do it. I hope they will prove themselves right.

Q39 **Alan Brown:** When is a red flag date for net zero and COP 26 on these particular flagships of the national infrastructure strategy and the energy White Paper? Is there a red flag deadline on some of these headline policies you are asking for, in terms of meeting net zero and the implications for COP 26?

Lord Deben: We have suggested some very much earlier deadlines on a lot of these issues. It is for the Government now to put those deadlines themselves. It is an unhappy situation, for example, that we still do not have a date for the energy White Paper. We only have hints as to when that might be and hints that they will not be too long.

Q40 **Alan Brown:** Could I quickly move on to the carbon budget? Already, it has been reported that we are not on track to meet the fourth and fifth carbon budgets. Obviously they were set before the net zero target of 2050. How realistic is it to realign the fourth and fifth carbon budgets to put them on track on the net zero 2050 pathway? How realistic would it be to change policies to also achieve meeting these requirements?

Lord Deben: This autumn, we will produce the sixth carbon budget. In preparing that, we will have to take into account the performance of the Government and the likely meeting of targets. We will be building that sixth carbon budget on that basis. When we gave evidence earlier on, when we were asked for that evidence, we said that, if the Government kept to the fourth and fifth carbon budgets, it would be possible for that trajectory to lead to the net zero aim, which is now our statutory requirement. That is because, when you have a budget of that kind, there is a range. If you keep to the top of that range, you reach a situation in which it is a sensible basis for the sixth carbon budget.

The real truth is that the Government, by law, have to change their policies sufficiently strongly to meet the fourth and fifth carbon budgets. You cannot make up for that in the sixth carbon budget. You have to go on saying that, although we are likely to meet the third carbon budget, as we have met the first and second, we are not going to meet the fourth and fifth unless there are dramatic changes in Government policy, which are changes that we have outlined.

Q41 **Alan Brown:** The sixth carbon budget is going to come just before the UK is supposed to publish its own nationally determined contributions in advance of COP 26. Is there advance work going on behind the scenes to allow the UK Government to process what is likely to be in the sixth carbon budget and then use that to quickly process the nationally determined contributions.

Lord Deben: We are doing the work that would make that possible. It is for the Government to ask us to give them advice on that, although we are in the position of also being able to offer that advice. I think we will discover which of those they would like in the forthcoming month or so.

Mike Thompson: At an official level, we are sharing all our numbers with the BEIS teams and wider Government as they require it, to enable them to have as much of a head start as they can.

Lord Deben: There is an argument as to when they should make that statement. The important thing is that, if you are chair of COP 26, part of the statement's desire is not just a statement about yourselves. It is part of your campaigning to get other people to lift their figures, to increase their willingness to make a contribution. The Government have a political as well as a scientific point to make here. It will be quite an important decision for Government as to when best to do this, in order to win the battle, which is to get a lot more people on board with a very much more ambitious target.

Q42 **Alan Brown:** Does that reinforce the fact that it has to be done early enough to allow that engagement with other countries, for the UK to be making that statement on leadership?

Lord Deben: It certainly has to be a fundamental part of the negotiation tactics. It will be quite a difficult decision as to what moment that would be best. We are seeking, as you say, Mr Brown, to give the Government full knowledge of the parameters they need to take into account and the facts that are there, but also to encourage the Government to concentrate on this as an important diplomatic decision. Winning this battle will be crucial for a successful COP 26. If Britain wants to make "global Britain" meaningful, this is an absolutely important first step. This is the first really big opportunity this country has to show there is some meaning in this phrase "global Britain". Therefore, we have to make sure the Government play this extremely carefully, well and successfully.

Q43 **Judith Cummins:** This is quite a lengthy set of questions to Lord Deben and Baroness Brown. On COP 26, you say that the UK's international credibility is on the line. What are the implications for our international standing, and international action on climate more broadly, if the UK does not deliver on these domestic policies to achieve net zero and a green recovery ahead of the conference?

I am trying to clarify the structures here as well. I have seen the new machinery of government arrangements announced by the Prime Minister in written questions this Monday, which establish the climate action strategy and the climate action implementation committee. Does that sit as well as the Cabinet committee on climate change? Does it replace it?

Does it supplement it? Also, how would you assess the relative roles of BEIS, the Cabinet committee on climate change and the Treasury in co-ordinating action on net zero across Government? From my understanding, the Cabinet committee on climate change has just met the once.

Lord Deben: The Cabinet committee seems absolutely crucial to us. As you have pointed out, there is a whole group of Departments that have to be working together to deliver what we need to deliver to make COP 26 a success. I do not resile from my view that the climate change committee of the Cabinet is a crucial part of this. If it is not the driving force, I do not believe there is going to be a successful driving force. It is not clear yet, from the written answer, exactly how the Government see these other bits fitting in. We are looking at that. I think you can take at least one good thing from it. The Government are seeking to set in motion a mechanism that will deliver.

The truth is that BEIS has an important role to play of itself, and that is the most important role. It ought to be recognising how other Departments have to play their part if it can deliver the role that it has. It should be able to do that through the Cabinet committee and do it also by the bilateral arrangements it has. They do not look to me as if they are working very well at the moment, to be truthful. I do not see enough examples of the learning from each other. Otherwise, each Department will be learning from itself, so to speak. It will be reinventing the wheel.

It is not just the Cabinet committee. It is also building relationships that mean that Departments are willing to work closely together. This is no new problem. During my 16 years as a Minister, it was a huge problem then, and it has not improved, in my view. We really have to break that down. The leadership of the Government, and the Prime Minister in particular, through that Cabinet committee is crucial.

Q44 **Judith Cummins:** To clarify, has the Cabinet committee on climate change just met the once?

Lord Deben: It has met once and we have said it ought to meet monthly. It ought to be a regular and clear driver of this whole programme. It becomes more important when you take into account the fact that we have to deliver COP 26. We asked for COP 26. The Prime Minister enthusiastically supported that asking. We got COP 26. We now have to deliver it, not just for our sake but for the sake of the whole world.

Q45 **Judith Cummins:** Obviously we have the Cabinet committee on climate change. We now have the new action strategy, which is again chaired by the Prime Minister, and the climate action implementation committee, chaired by the Secretary of State for BEIS. If they are additional committees, given that the Cabinet committee on climate change has only met the once, are you optimistic that these will be driving change as well?

Lord Deben: I realise that we need institutional mechanisms to drive this change, but, until you see them working, I do not think they are a substitute for action. What I would say to you is very simple. It is a perfectly sensible structure to have a Cabinet committee, but it must meet regularly. It is a perfectly sensible structure to have an organisation chaired by the Prime Minister that is supposed to deliver this and a specific one that is run by the Secretary of State for BEIS. It is a perfectly sensible structure, but it does not mean anything until it actually works.

I cannot tell whether it is going to work any more than you can. I am just saying that it has to be made to work if we are going to deliver what we need for COP 26, what we need for net zero and what we need as a country that has said that we want to lead the world in this. This has been our promise. This is part of the global Britain claim.

Mike Thompson: For clarity, our understanding is that there are now the two committees, a strategy committee and an implementation committee. Those are the Cabinet committees. You can take our recommendations for the Cabinet committee to apply across both of those together. It is a pretty similar structure to what was set up for Brexit, so an implementation committee and a strategy committee. That seems broadly suitable. As Lord Deben has said, the detail will be in the implementation.

Q46 **Judith Cummins:** Does that mean that the Cabinet committee on climate change is being scrapped and replaced by these?

Lord Deben: The certainty of precisely what has been done is still to be understood.

Mike Thompson: As I understand it, these are the two committees. That was what was published on Monday.

Lord Deben: That is what we think, but I do not think it is for me to define. We understand that there will be these two committees, one of which will be chaired by the Prime Minister and will deal with strategy, and the other, which will deal with implementation, will be chaired by the Secretary of State for BEIS. That is a perfectly sensible thing to do, but it is not sensible until it does it.

Judith Cummins: Yes, fair enough.

Chair: No doubt we will want to raise those questions to try to find some clarity for all of us involved in this debate.

Q47 **Ruth Jones:** My first question is to Baroness Brown. What is the number one message that you would like Parliament to take away from your report?

Baroness Brown: My message would be that it is both essential and hugely beneficial that we have a recovery that is green and resilient. By green and resilient, I mean one that covers reducing our emissions, the mitigation side, but also preparing the country for the changes in climate that we have ahead, so the adaptation part. We can do both; we must do both. That can deliver for us economically and in terms of quality of life.

Q48 **Ruth Jones:** That seems really clear. If I could move on to Lord Deben, you mentioned earlier that we have not done what needed to be done. You talk about the incremental steps. Given that the longest journey starts with the smallest steps, what do you think about the current situation where you recommended that banning peatland burning should happen and this has not happened yet? The current situation is one where we are not taking the first steps, so how do you think we need to overcome that to take these baby steps, if you like?

Lord Deben: You are perfectly right to emphasise this. There are many steps that we could take and we are not taking. The peatland one is a very good example. There is a little coda to it that we have to get right. That is that you do not want to allow peatland, or any other land, to get into a situation where you can have wildfires. You have to think very carefully through that issue.

Take a simple example: why on earth are we spending money recovering peatland when we have not banned horticultural peat? That is a very simple issue. We should not be having horticultural peat. It should be banned. As a gardener, I am particularly angry that it is pretty difficult, if you want to buy any compost, to read the thing clearly enough to understand whether it has peat. It seems a small thing, but the public must think we look potty. We are spending money at one end recovering something and at the other end we are not stopping people making it worse. It is that kind of change that we ought to be very much quicker at doing.

Chair: Thank you to Lord Deben, Baroness Brown and Mike Thompson for your evidence today. We very much appreciate your time.

Examination of witnesses

Witnesses: James Diggle, Eliot Whittington, Andrew Large and Jim Skea.

Chair: Moving on now to the final panel, we are pleased to welcome James Diggle, head of energy and climate change at the CBI, Eliot Whittington, who is the director of the Prince of Wales Corporate Leaders Group, Andrew Large, who is chair of the Energy Intensive Users Group, and Jim Skea, who is professor of sustainable energy at Imperial College London. I repeat the same message as before: we are very tight on time. To the witnesses, please do not feel the need for all of you to answer each question or indeed to repeat what has been said before, so we can try to get through the questions.

Q49 **Paul Howell:** This follows on from the last part of the last discussion. Do you agree with the Committee on Climate Change that now is the time for a green recovery? Which particular Government policy announcements would you like to see?

James Diggle: The CBI is absolutely agreed on the importance of a green recovery as we emerge from this pandemic. We have explained that in letters to the Prime Minister, to the Chancellor and in a report and paper specifically on the green recovery that we published last week. We see this as a true moment of renewal and an opportunity to pivot towards the net zero destination that we have set ourselves and know we need to get to. I will not speak too much, because it has been done already, but we definitely agree that energy efficiency is absolutely essential here. That is both for the jobs impact and because it is absolutely necessary to reach net zero and achieve our progress towards low-carbon heat as well. There is a lot of unanimity from across the business community.

We are really interested to see what comes next from Government. We heard some positive messages from the Prime Minister regarding building back greener and doing so at pace, but we need to see those decisions come forward. We are looking forward to the Chancellor's upcoming statement on this.

Q50 **Paul Howell:** To expedite things, Andrew or Eliot, is there anything that James has said there that you disagree with, or are we all on the same page with this one?

Andrew Large: From the point of view of EIUG, we are all on the same page. We need to bring four things together. We need the policies themselves, an appropriate level of finance, an understanding of what the just transition would look like and, as I think the last panel talked very eloquently about, to mainstream across all of economic policy to ensure we hardwire climate change resilience into everything we do.

Eliot Whittington: I can only agree with my two colleagues. To underline that last point, as I speak to the business members of the Corporate Leaders Group, there is this very strong sense that it would be foolish to contribute to a longer-term problem in the service of resolving a shorter-term issue. What is required is not to treat green issues or the clean economy as a subset of the overall piece but to look at the overall challenge as part of the wider context of economic recovery. That comes through very strongly.

Jim Skea: I am also here as chair of the Scottish Just Transition Commission. I would like to flag that the Cabinet Secretary for Environment in Scotland has invited the commission to produce a report by the end of July, effectively putting the Committee on Climate Change's recommendations through a just transition lens. We are working very actively on that at the moment, but we have decided to focus on four specific areas, which are oil and gas, transport, the rural economy and the role of younger people, in relation to education, skills acquisition and their participation in the labour market. We are in the middle of that. It is a piece of work in progress at the moment.

Q51 **Alexander Stafford:** I have a couple of questions about this green recovery. Eliot, would your members support recovery plans that required business to improve their environmental performance? I know in France bailouts have been linked to the green recovery. Would members support that? To everyone, I have a counterfactual. I am never normally a fan of counterfactuals. If the Government decided not to prioritise the green recovery and just have a "normal recovery", in inverted commas, how would that affect the businesses you work with, if the Government did not do anything green?

Eliot Whittington: It is a really good question. I should not overstate the level of business consensus around this. You could probably find different views in the business community. I am privileged to work with both large companies and companies with a strong leadership credibility on these issues. They are actually quite supportive of the idea that, in the instance of business support being required, there should be clear conditionality attached to it, in terms of business strategy.

That is supported on two strands of logic. First, there is a set of basic good governance. The companies I work with believe that they manage and disclose their risks. They are looking at the broader context. They are setting strategies informed by science and think all businesses should be encouraged to do this.

Secondly, companies, particularly in sectors like aviation, are clearly seeing that those sectors have very serious actions to take as part of the transition towards a zero-carbon economy. There is a feeling that, if they are going to take public funds, there needs to be a credible signal of their commitment to that broader public goal. They see it as a useful way of evidencing that. They believe they have that commitment anyway, but it is underlining that and helping them tell the story to their customer base, their investors and the public, by making that explicit and clear.

Q52 **Alexander Stafford:** James, maybe you could answer the question I asked about the counterfactual. What happens if we do not have a green recovery?

James Diggle: I think there would be a great disappointment, to be honest, from our members. It was notable very early, even as the pandemic was taking hold and we were going into lockdown, that we, across the CBI, were working with businesses to help them get through the day to day. That continues for many sectors. Even during that period, we had a lot of positive conversations with members around what the green recovery should look like. It would be a missed opportunity.

To add on the question around conditionality, we have a slightly more nuanced approach and would suggest that we do not have a one-size-fits-all for this. Some sectors—aviation was just mentioned, but automotive as well—are in a life support stage at the moment. We need to help those sectors through this period, the coming weeks and months, as they look to restart. We know that those sectors will be critical to that long-term pathway to net zero. If we can support them and keep them going through this period, they will be in a better shape to make those commitments that we need them to do and they have already committed to do over the coming decades.

There may well be options for conditionality in perhaps broader measures that are developed in the coming months to support the whole economy in moving forward. There will be a lot of concern around the indebtedness of all types of businesses following the variety of loan schemes and debt that has been taken on. Whatever mechanisms come forward, say from the Treasury or Bank of England, to support new Government-backed equity, there will potentially be opportunities for conditionality in there, again supporting good governance and ESG, but also potentially the TCFD framework. There are several ways to look at this, for the really hard-impacted sectors that are still getting by and a broader approach as well.

Q53 **Alexander Stafford:** You mentioned the potential disappointment if it was not a green recovery. Specifically, if energy efficiency measures are not included in a stimulus package, what would the business approach of your members be?

James Diggle: The issue would impact us in many ways. I said at the start that energy efficiency is key to reaching net zero. This whole shared endeavour will be made much harder if we do not make the progress that we need to do on that now. On the sector itself, we would be missing out on a huge potential jobs effort. There are varying estimates of the potential job increases that we would see based on a national energy efficiency infrastructure programme. They range between 80,000 and over 100,000 between now and 2030 from various reports published in recent weeks. We would be missing out on that opportunity.

Also, the energy efficiency sector is dominated by SMEs. As we know, across the economy right now SMEs are struggling. They need the help to get through this current period. If there is the signal of a new investment programme in energy efficiency, it might be enough to help a lot of those companies keep going. It is a mix of that long-term action and, again, keeping companies in business and people in jobs in the short term too.

Eliot Whittington: To support that point, there is a tangible sense that, if we do not progress the energy efficiency and water efficiency points, general efficiency within the domestic environment, it is a massive missed opportunity. It has the job creation credentials we have just heard about. It also helps with lower bills. It means there is more money in the pocket that people could spend in the other parts of the economy.

Also, from the point of view of the climate transition, if I speak to the power and water utilities, there is a tangible sense that, if we are not making significant inroads on domestic demand and making sure the efficiency in the home is set up, we are making it harder to deliver on our carbon and resilience targets. We are failing to spend money that could support the economic recovery and we are going to make our job of the overall journey towards net zero and a more resilient economy more expensive. To many of the companies I speak to, it feels like a bit of a no-brainer in terms of value for money.

Andrew Large: From the point of view of the energy intensive industries, in the absence of a green recovery plan we have some serious concerns around international competitiveness issues. We need to make sure that we have the right policy mix between the carrots and the sticks, as it were. At the moment, UK policy is really quite focused on the stick of making carbon emitting in the UK more expensive. I welcome what the CCC report has said about offshoring industry. It notes that offshoring industry as a result of UK carbon policies would be a failure. It would be a policy failure.

We want to see the green recovery plan also providing the investment incentives on the same sort of scale as the EU green new deal investment incentives, so we become a location that pulls investment in and is internationally competitive for the next generation of manufacturing and industrial investment. If we just decarbonise by deindustrialising, we will lose all the opportunities the foundation industries have to contribute to the next generation of UK economic activity, which needs to be zero carbon.

Jim Skea: On energy efficiency, I would emphasise that it is not just a question of counting jobs. The deep retrofits that would be needed for net zero also require an upskilling of jobs in SMEs and the supply chain for energy efficiency. I might flag that we have also been concerned about the oil and gas sector, which is a global industry. Lower prices will mean job losses. Investment in projects in, say, carbon capture and storage and hydrogen will help to take up some of the skills that are available in that sector.

Q54 **Ruth Jones:** Andrew, you specifically mentioned this already about the competitiveness issue. My question is to you and Jim. We all want a green recovery post-Covid. What do we need to do to make sure we safeguard UK competitiveness in the global market? I am wondering which specific industries may require additional support to prevent them crashing.

Andrew Large: To answer your latter question first in terms of the industries, it is all the energy intensive industries that are trade exposed. That would include the likes of steel, chemicals, fertilisers, ceramics and paper, which is the particular sector that I am most closely involved with. All of those potentially have competitiveness challenges.

In terms of what we would like to see, the most important thing from Government is that they will the means as well as the ends. There is a lot of very useful motivational language: "We must have net zero 2050. We need a roadmap, some paths and so on". If you look at the scale of investment challenge and what is required over the 30-year period, when we hear words about focus on CCS investment, we hear about hydrogen strategy, we understand we have challenges about the success of fuel from natural gas in the UK economy, we need to see the means willed as well.

The European Union has just announced €1.1 trillion of investment, split 70/30 public/private as I understand it. That is an enormous amount of money that it is committing to this activity. I look at the scale of the things that are being announced in the UK, so things like the industrial energy transformation fund. That has a funding of £315 million over a five-year period. You can understand that there is a difference here in orders of magnitude.

The UK is competing for investment capital globally. The boards of directors of these global companies will ask, "Where can I make the best return?" In a context of a drive towards net zero, they will be asking, "Do I go to a location that is prepared to invest in supporting the decarbonisation of industry, or do I go to one that is relying upon making carbon more expensive?" Of course, they will go to the former location. We need to make sure, therefore, that we have the right mix of policy in the UK, so that the UK is competitive in that context.

Jim Skea: One of the big concerns we have is around the oil and gas sector and chemicals in Scotland, that being an absolutely critical issue. To repeat my answer to the previous question, we need projects that can take up some of the skills in these sectors. I would specifically mention hydrogen and carbon capture and storage as helpful areas. Some of the skills in offshore renewables would be transferable as well.

One point I would like to flag that comes up from our committee discussions is to be very aware that green investment does not necessarily mean green jobs that flow directly from it. One concern of some of our members is that investment in green projects has resulted in a lot of importing of materials and skills into the sector. For example, with offshore renewables, we do not have people who can build new blades effectively in the UK, so we are importing things in. The question of not only coming out with a chequebook and getting things going but making sure the procurement conditions are right and in some ways can value local content is also quite important.

Q55 **Ruth Jones:** That is helpful. James, are there any other measures you think the Government should be implementing to ensure the trade policy is consistent with both the green recovery post-Covid and achieving net zero?

James Diggle: It is an area where more work and thinking with business needs to take place. It is clear that we need to reduce the tariff and non-tariff barriers to environmental products to help enhance goods and services. That would accelerate the greening of our own economy. There is also a clear role for FTAs and other multilateral types of co-operation to support robust sustainability standards. We are at this critical moment of the UK hosting both COP 26 and the G7 next year. It is a real opportunity to use the new trade policies that are being developed but also that international leadership to showcase what we are doing and bring in other countries. As we know, this is going to be a global effort, but that trade piece is going to be really important.

Q56 **Mark Jenkinson:** This is relevant to each of you. To what extent does a potential green recovery provide opportunities to deliver on the just transition and levelling-up agendas?

Jim Skea: The very short answer is that it is a huge opportunity. As the Committee on Climate Change witnesses were saying in the previous session, it is possible to align the short-term benefits that will arise from investment to deal with the current very difficult situation and long-term strategies for getting to net zero. With the Scottish just transition, as well as the impact on jobs, we are also looking at just transition through the lens of impacts on consumers, for example access to digital infrastructure and transport infrastructure in rural areas. We have also emphasised the need to take a very place-based approach. There are particular communities, cities and regions that will be affected.

We would come up with many of the same things that the CCC has come up with. Energy efficiency is a major opportunity that ticks all the boxes. We need to underline that, but we need a wider range of approaches as well. As I said, we have picked out transportation, rural economy and young people as priority areas for which policies should be screened to make sure they are delivering all the available benefits when steps forward are taken.

Q57 **Mark Jenkinson:** While we are there on the differences across communities, what risks are there that accelerating a net zero transition through a green recovery could worsen inequality, particularly in communities that rely heavily on carbon intensive industries? What do those communities require us to do to protect and support them?

Jim Skea: One of our messages is that, if you are managing a just transition, you have to accept the inevitable. The oil and gas industry is global and will have to deal with lower prices. The question there is what it means in terms of transferring the skills available in these sectors into new areas that are compatible with a green recovery. In the Scottish context, the north-east, around Aberdeen, with the oil and gas industry and the Grangemouth Refinery petrochemical complex, is probably the area of biggest concern.

To take a wider view on it, we have issues, for example, of whether loss of trust in public transport could adversely affect rural areas. We need to think about that carefully. We are also very concerned that, for example, the benefits of the move towards electric vehicles are not only seen in urban areas but we think carefully about the implications for rural economies and other people as well. We have an enormous amount of work in this area, but that is just to pick out a couple of areas that might be relevant.

Eliot Whittington: We did some research around the context for future employment in the UK and across Europe at the beginning of this year. It is important to contextualise the low-carbon transition alongside some of the other changes that are taking place in the economy. We looked at it alongside technological change and digital transition, alongside demographics and the ageing workforce, and alongside trade and globalisation, to look at how all these patterns interconnected.

Two key findings came out of that. First, relatively speaking, the action to decarbonise the economy has a smaller-scale impact compared to technological change in destroying, creating and changing jobs. It is important to see it in context in that sense, although the points about particular communities are really important.

Secondly, because it is policy driven and operating independently of some of those other changes, there are real opportunities for the carbon and climate type of transition to improve the resilience of the economy in terms of employment. Whether it is about renovation and retrofitting, the circular economy, creating local jobs, investment in adaptation—that is very much about local employment—or the broader innovation challenge supporting long-term competitiveness and the economic potential of the economy, there was a real opportunity there.

That fits with some of the points being made earlier about trade. The way businesses are looking at things is about where they can find the workforces and investment opportunities for the new business opportunities of the future. As you see more and more markets move towards low carbon, businesses are going, "Where can we link that story up?" Andrew mentioned the level of investment the European Union is contemplating in terms of economic change. The other conversation happening at the European level is very much around things like carbon border adjustments and product standards, which are all designed to create new markets for low-carbon products. There is a real business opportunity story that we risk missing out on if we move too slowly.

Andrew Large: Many of the regions that are likely to be affected by this transition process currently have a significant dependence on natural gas. Part of this process needs to be a long-term managed transition away from that dependence on natural gas towards other zero or much lower-carbon fuels.

Unfortunately as well, one thing we are seeing is that the joined-up Government approach that we need here seems to be going through some difficulties. We are aware, for example, of the Teesside cluster. The Teesside cluster includes two key hydrogen producers and a potential carbon capture and storage cluster. That is currently being affected by

Ofgem having pushed through a change to gas transmission charges during the pandemic period, which is only a partial change. It significantly increases the cost for this Teesside cluster and makes it, in a sense, more likely that they will outsource away from the national grid entirely.

As part of the problem of making sure we have a just transition that really is a just transition, we need to make sure all the arms of Government are lined up, so we do not have one arm of Government promoting investment just as another arm of Government ends up making something harder. That just ends up being self-defeating.

Q58 **Mark Jenkinson:** James, did you have anything to add to that?

James Diggle: No, not much. I would echo the points, to come back to the original question, about the green recovery having a key role to play in the levelling-up agenda. Part of the work we published in recent weeks included a growing list of shovel-ready projects that could be supported as part of the green recovery process. That demonstrates the breadth of opportunity here around the country.

We have talked about various technologies, obviously CCS and hydrogen, being key for some of our industrial areas and their long-term transition. Let us not forget the great progress we have made in the renewables sector and the need for future auction rounds for CFDs, to build on that progress there. We know it has been an area of great success so far, but we need to make more gains over the coming years.

Q59 **Alan Brown:** I have a couple more questions for Jim. You have touched on the just transition. Can you outline the commonalities and differences between the just transition as defined by the Scottish Government and the work you are doing in the commission, and the UK Government's agenda for this levelling up?

Jim Skea: Thank you for that question. I feel like I am in an undergraduate class again on this one, being examined by a professor. I have to say I cannot recall in the just transition the phrase "levelling up" ever being used at one of our meetings. The reason we have a Just Transition Commission in Scotland is that the concept and the phrase has quite a long pedigree internationally. It is written into the Paris agreement. Civil society in Scotland had been pressing the Scottish Government for a just transition for about five or six years prior to the start-up, so the term is well embedded.

I have had to look to the Centre for Policy Studies paper to fully understand the analysis of what levelling up might actually mean. There are echoes in terms of addressing regional disparities and looking at the question of the importance of place. There are important echoes also in terms of upskilling the labour force. We will note the resonances in our commission, but we will carry on with that kind of conceptualisation of it.

Q60 **Alan Brown:** You are engaging with the Scottish Government in looking at delivering a recovery package. You have already outlined that you are providing a response to the Committee on Climate Change progress report. Are there any particular risks or opportunities that you have identified in terms of the recovery package?

Jim Skea: This is going to echo some of the things that were said early on. Energy efficiency and the housing stock is a major opportunity that needs to be addressed. We would also pick up the Committee on Climate Change's recommendations. Scotland has a more ambitious target than the UK as a whole because of extra opportunities in the land use area, for example peatland restoration and afforestation. That is a quick win, potentially, in terms of job creation.

The particular area in which we will be focusing a lot of intention in the next few weeks before we produce our next report will be the oil and gas sector, which has been incredibly important for the north-east region of Scotland, in and around Aberdeen. I have said several times already what the opportunities are to soak up the huge skill base available in that sector.

Q61 **Alan Brown:** On that, you mentioned carbon capture and storage and hydrogen production as an opportunity for a just transition for the oil and gas industry. The financial decisions on carbon capture and storage and where that money will go rest with the UK Government. You mentioned procurement earlier on. Procurement via the CFD process lies with the UK Government. Does that cause a difficulty when you see these opportunities and you report direct to the Scottish Government? Is there any way to feed that to the UK Government? Is there an opportunity here for the UK Government to do a just transition commission as well?

Jim Skea: We are very clear that there is a division of responsibilities between Westminster and Holyrood, in terms of what can be delivered. We are very clear in our reports that some of the things we recommend can only be delivered if there is a supportive policy environment at the UK level as well. Fiscal policy has come up. The question of energy regulation has already been mentioned with respect to Teesside. That would also apply in the way Ofgem applies its rules in relation to Scotland.

One advantage that Scotland has is having created the Scottish National Investment Bank, which has quite a wide range of powers, including taking equity stakes and ownership as part of its activities. There is almost an immediate lever there in the Scottish context that can help to move us in the green recovery direction. On your initial point, absolutely, under the current constitutional settlement, it needs a combination of Holyrood and Westminster action to move the agenda forwards.

Q62 **Alan Brown:** On the recovery package, in Scotland the Higgins report has been published. That suggests that Scotland needs its own borrowing powers and additional financial levers. Is that something that you would concur with as well?

Jim Skea: We are discussing a lot of these issues at the moment. We will be producing a full report at the start of 2021 and that will be in there. I note that, for example, going back to the levelling-up agenda, one of the recommendations coming out of the think tanks there is that you can only address regional disparities if more fiscal powers are devolved to a lower level of Government. That would apply to, say, English city regions as well as Scotland. There is a lot of thinking about that and the commission is indeed thinking about it.

Q63 **Alan Brown:** Very quickly, to James first and then Andrew, do you think an independent commission for the UK Government would be helpful to business?

James Diggle: It is something we need to think about and probably not rush into, to see the outcome of the Scottish Just Transition Commission and its experiences first. There is also potentially a case to think about regional just transition commissions as well, so we have that real community and place-based focus, given the diversity of low-carbon opportunities around the UK. There is no clear answer yet, but it is a discussion that needs to keep happening, particularly as part of the recovery process.

Q64 **Mark Pawsey:** Our witnesses I think will have heard the previous session, when Lord Deben spoke about changes that had started during the response to the pandemic, which had accelerated and were beneficial in terms of climate change. There was an example of people working from home. James, what is business's view of encouraging more working from home? Are there any other trends that have just recently started that would be beneficial to business and to achieve our climate change goals?

James Diggle: All businesses are going to be looking again at their use of space, for example, the role of offices and the need for travel. The embracing of digital technology, as you said, is a trend that has already been happening. That has clearly increased. Particularly as we approach COP 26, all businesses are going to be looking at how to accelerate their own plans for net zero in their sustainability strategies. There is going to be a set of new tools that will help them accelerate here.

When we are looking at the benefits, we still have to think about the fact that so many businesses are going to be struggling. We need to help them through this period, so we cannot look to all the policies at this stage, but progress is going to come from it.

Q65 **Mark Pawsey:** Andrew spoke about reshoring. One of the pressures coming from the Covid pandemic has been that we need to look at sources of supply of products. We had a real problem on PPE because there were no domestic suppliers. If we manufacture more to meet our own demand, Andrew, is there not a grave danger that we simply start to increase our CO_2 emissions? We know that they fell 30% during the early stages of the pandemic. How do we reshore and get more domestic manufacture, which I think many of us would like to see, without harming our emissions?

Andrew Large: To set a bit of context around answering that question, we all need to recall that the UK is 1% of global carbon emissions. While that is an important number, that means that what the UK does is neither a necessary nor a sufficient condition for global net zero and meeting the requirements of the Paris agreement. To our mind, it is most important to focus on global emissions. I do not think, in principle, there is anything inconsistent if UK industry increases in size and scale and that leads to a short-term increase in UK emissions, but that is offset by a significant greater drop in emissions in other energy infrastructures. That helps to meet overall planetary targets when it comes to moving the entire planet towards net zero.

I worry on occasions that there is a certain amount of naivety in the UK in the way that we engage with the rest of the world on these carbon issues. Leadership implies followership and the UK has only 1% of global carbon emissions. We can get to net zero and everybody in this room wants to make their absolute best efforts to get to net zero. Ultimately, that is not going to be the determinant of whether planetary warming continues or does not continue. It is going to need to be a global effort. If the UK cannot solve this problem on our own, we need to absolutely engage with everybody to make sure that everybody has a similar set of stringent commitments as we have and the policies and investment plans behind them to make sure that they happen.

Q66 **Mark Pawsey:** Eliot, on the point of engagement, do you think business's needs and priorities are being heard sufficiently loudly by Government in setting climate change objectives?

Eliot Whittington: Through the Corporate Leaders Group, we worked to co-ordinate the letter that went out about a month ago to the Prime Minister, with over 200 signatories in support of a green recovery. We pulled that together within the space of two or three weeks. It is a signal of the level of interest, enthusiasm and concern around the fact that many businesses see the climate context as a core piece of business context. Some big mainstream businesses, in the finance sector, the consumer goods sector, retail, industry, power and so on, worry that, if this risk goes unaddressed, it has real economic impacts on their future business prospects. Obviously they are well known, but the head of Unilever will quite clearly talk about climate as an existential threat to future business if it goes unaddressed. They feel that there is a need to see a plan from Government that delivers on the level of ambition.

Q67 **Mark Pawsey:** That was not my question. My question to you was if business thinks that Government get it. We know business has a view. Do Government understand the business view?

Eliot Whittington: We are still in a gap. We have some great targets in the UK and there is a very strong consensus from the Committee on

Climate Change, shared by the businesses I work with, that we do not yet have the policies, plans and vision in place to deliver on the targets that are needed. We are hearing from Government that they are in the process of delivering those plans.

Q68 **Mark Pawsey:** Does that need more engagement, or is there enough engagement done and we just need Government to deliver?

Eliot Whittington: There are many details that business would be really keen to engage on. For example, we have heard a lot about industry, industrial innovation and decarbonising industry, rather than deindustrialising. It is a huge topic. I think lots of businesses would be very keen to bring their solutions and ideas to the table. At the moment, we hear that the national infrastructure plan and the energy White Paper will be coming out. We hear that there will be more detail in the Environment Bill. There is a lot of promised detail and promised delivery on things like energy efficiency and other measures that could do with just being delivered.

Mark Pawsey: Chair, we could go on for the rest of the afternoon, so I am going to conclude there.

Chair: Thank you to James Diggle, Eliot Whittington, Andrew Large and Jim Skea for your evidence in our final panel this afternoon. It has been great to have the evidence today.

There is a clear plan presented by the Committee on Climate Change, with an ambition that we can meet our net zero target, with public buy-in on the basis of the Climate Assembly's reports and the impetus, as we co-preside over COP 26, to provide some international leadership on these issues. It has been useful to hear evidence today where we need to tighten up cross-governmental delivery and understand how the Prime Minister's committee, the Secretary of State's committee and all the others work together to ensure we deliver on our policy proposals.

It is also important to ensuring that spending through fiscal stimulus is connected with policy and regulation in a coherent way, so that we can deliver, especially quickly in the economic circumstances, on win-win policies such as energy efficiency and others that have been mentioned today. The pandemic has now presented an opportunity, because of the need for the Government to stimulate our recovery and growth in the economy, to make sure this is a green recovery. I think everyone has been agreed on that issue today.

This Committee will continue to engage with industry partners and others to ensure we get this right and to present evidence to Government, so that we can try to get to that position where policy, regulation and money are delivered in a coherent way. Thank you for your time this morning. Thank you to colleagues.