

Environmental Audit Committee

Oral evidence: One-off session with the Secretary of State for BEIS, HC 755

Thursday 10 September 2020

Ordered by the House of Commons to be published on 10 September 2020.

[Watch the meeting](#)

Members present: Philip Dunne (Chair); Duncan Baker; Barry Gardiner; Marco Longhi; Caroline Lucas; John McNally; Jerome Mayhew; Dr Matthew Offord; Claudia Webbe.

Questions 1 - 50

Witnesses

I: Rt Hon Alok Sharma MP, Secretary of State; Julian Critchlow, Director General, Energy Transformation and Clean Growth; and Peter Hill, Chair of the 26th UN Climate Change Conference of the Parties (COP26).

Examination of Witnesses

Witnesses: Rt Hon Alok Sharma MP, Julian Critchlow and Peter Hill.

Q1 Chair: Good morning, this is the Environmental Audit Committee and I would like to warmly welcome our guests for today's session: the Rt Hon Alok Sharma, the Secretary of State for BEIS; Julian Critchlow, the Director General for Energy Transformation and Clean Growth; and Peter Hill, Chair of the 26th COP, the Conference of the Parties, from BEIS.

We have an hour and a half with the Secretary of State. We are very grateful to you for joining us today, and I would be grateful if you could introduce yourself for the camera with your colleagues.

Alok Sharma: Thank you very much. It is a pleasure to be here. As you said, I am Secretary of State for BEIS, and I am also COP26 president designate. The UK holds the presidency of COP, and we are doing an enormous amount of work, which I hope we will be able to talk about, in the lead up to COP in Glasgow next November.

I have Julian Critchlow here. He is the Director General in BEIS who is focused on energy transformation and clean growth, and there will be an opportunity, I am sure, for him to set out some of the things we are doing in BEIS. Also here is Peter Hill who is a director general but who also has the incredibly important role of being CEO of COP26.

I came into this role in February and, of course, we have been doing an enormous amount of work in relation to COP. A lot of it is business as usual but, as you will appreciate, the Covid pandemic has meant a lot of the focus in the last few months has also been on the immediate emergency of supporting businesses. I look forward to having a discussion on any points you wish to raise today.

Q2 Chair: Thank you. We are going to focus on preparations for COP, and then on some of our existing inquiries as they relate to the work that you do through your Department. That will cover Green England, the Covid recovery and the path to net zero.

You and I have just been on the Climate Assembly UK launch webinar. I was very pleased to see you there and hear the comments you made in supporting that work. This Committee was one of the sponsoring Committees, as you know.

In relation to COP26, you made a comment about publishing our national determined contribution ahead of the COP26 meeting. Can you provide some opening remarks about how ambitious you intend to be with that and some indication of timeframe?

Alok Sharma: I did make reference to that, but I preface it by saying that in all the conversations I have had with ministerial counterparts—I have now spoken to Ministers in 35 countries on a bilateral basis, and the wider team, senior officials, Peter Hill's team, Ministers in other Departments have interacted with over 100 Governments—our message



HOUSE OF COMMONS

has been very clear, which is that we are looking for two things. The first is an ambitious, NDC and the second is ambitious long-term strategies as well.

I am very well aware, as I said this morning, that at the same time as we are calling for others to be ambitious, we also need to see what we can do. Around timing, I understand that people will be looking to see when the UK comes forward, that we want to try to put our best foot forward. The only other thing I would say is that a significant number of countries are going to come forward with NDCs this year—that is the feedback from the UNFCCC—but it is also the case that there is a range of countries that, because of the Covid pandemic, may well come later than the end of this year.

Probably the best way of answering is to say that I know there is a need for us to be ambitious and, secondly, from a timing point of view people are looking to see when the UK comes forward. If you would like, I am very happy to talk about the process of how we are coming up with our NDC.

Chair: That would be helpful.

Alok Sharma: As you know, the Prime Minister set up two climate action committees some months ago. The first is a strategy committee that he chairs, and the other is an implementation committee that I chair. Membership includes Cabinet and ministerial colleagues representing a whole range of Departments, but specifically those responsible for parts of the economy where emissions are an issue and where we need to be targeted in our approach.

We have had a number of meetings of the implementation committee, trying to do this in a very strategic way, looking at policies that can help deliver on CB4 and CB5. The Treasury also has representation on these committees. There is a lot of joined-up thinking in terms of how we get to achieve our carbon budgets and leading into what our level of NDC should be.

As well as demonstrating ambition, we also need to have a plan.

Q3 **Chair:** Can you give any indication of when you expect to make that announcement? Should we be expecting something this year in order to provide stimulus to other countries to come forward ahead of next year?

Alok Sharma: I am sorry that I am failing to be as direct as I think you would like. Probably the best way I can answer that is to say that I am certainly determined that we put our best foot forward. We are asking others to come forward on a particular timeline, and it is important that we show a certain level of ambition ourselves.

Q4 **Chair:** I was not expecting you to give me a date. You have indicated in your opening remarks that you have engaged with many other countries internationally in your role as president designate. Can you give us a



sense of the commitment? Obviously the Covid pandemic has overwhelmed most Governments, including ours, for much of this year, but it was very clear from the Paris conference that the French Government put in two years of solid diplomacy in the run-up to the meeting in Paris in 2015. What equivalent work is being done by you and by colleagues in the Foreign Office to successfully encourage countries to announce ambitious NDCs?

Alok Sharma: You are absolutely right, and Paris obviously had longer. We got this conference in autumn 2019 and then we have been through this pandemic phase. Maybe I can address first the work that we are doing in engaging with countries. At the time I was appointed, the expectation was that COP would be held in November this year. When we were in the pandemic period, the most severe part of it, we had some very detailed discussions with the UNFCCC—I speak very regularly to Patricia Espinosa—and are very pleased that we were able to move it by a year. It was the general consensus of all our international partners that that was the right thing to do.

We have not stopped engaging with other countries. I have had bilateral meetings with 35 countries. I have taken part in a significant number of online conferences: Placencia, the Petersberg Dialogue, a whole range of them. I am certainly determined that I will keep up that regular bilateral discussion. I will, as will Peter Hill—with your permission, Chair, he may want to come in on this—be deploying our diplomatic network. We have climate envoys who are focusing on this work as well, and we have already engaged with over 100 countries.

What level of ambition have we seen? We know that over 110 countries have committed to come forward with enhanced NDCs. A small number, about 12, have come forward so far, with some of them obviously showing a higher level of ambition than previously, but we also know that about 100 countries have pledged to reach net zero. As part of that engagement process, I am very clear that while we have the presidency, any success that we have ultimately belongs to all of us and that is something that does resonate with individual countries. As well as talking bilaterally to individual countries, we are having discussions in different groupings—for instance, I had a conference with the small island developing states last week. Obviously the big emitters are going to be a key part of this discussion as well. There is a lot of joined-up thinking going on but, with your permission, if I could ask Peter Hill to come in if he wants to talk a little bit more about the diplomatic effort.

Q5 **Chair:** Indeed. Could Peter, when he responds, also indicate what he regards as a successful outcome? What would success look like in negotiating with these countries and blocs around the world?

Peter Hill: First, you mentioned the Foreign Office. The Foreign Secretary has written to all ambassadors about the priority that he attaches to COP26, and all ambassadors have a personal objective on it. It is a part of every embassy's country plan. We probably have the



HOUSE OF COMMONS

largest network of climate and environment attachés of any country. It is a regular topic of the Foreign Secretary's calls, the Prime Minister's calls and other Secretaries of State's calls. There is a lot going on, there is a lot of diplomacy. We are engaging daily with a number of countries.

Understandably, some countries are having to deal with the immediate crisis of the Covid pandemic, but none the less we are still finding people who are willing to engage, even if not at quite the intensity they were before.

We are talking about NDCs but, just in terms of our diplomacy, I would highlight the negotiations and the specific areas that we are trying to make particular progress on as areas on which we are engaging the membership. The negotiations can be rather technical and complicated, but they are important. These are the leftover, uncompleted elements of the Paris Agreement, and a number of mandates going forward, which we are talking to countries about.

The third area is the specific areas, which I am sure you are aware of, where we think there is scope to make particular progress. We can talk about those if that would be useful, but that is clean transport, clean energy, finance, adaptation, resilience and nature-based solutions. We are also engaging on those specific areas where we think particular coalitions of countries are able to move the dial.

What does success look like? I defer to the Secretary of State, but I would broadly say that we need to make progress in all the areas I have talked about. We need a balanced and credible outcome on the areas of the negotiations. We need to make very significant, material progress towards the Paris Agreement objectives on mitigation. That is charting a pathway to well below 2 degrees and aiming at 1.5 degrees. As you know, the gap to that is very significant at the moment. Moving the major emitters is, I think, the major challenge for the coming months.

We must move the dial on adaptation. It is a very serious and growing problem for many countries, and it does not currently receive the attention and funding that ideally it would.

We would also like to make progress on the other campaigns, which I have talked about. Broadly, beyond that, we want to mobilise the whole of the economy and the whole of society. We can talk, if that would be useful, about some of the work we are doing on the race to zero with the private sector, with the high level champion, Nigel Topping, and his Chilean counterpart. On each of those blocks, we think we will need to make significant progress up to and including the COP.

Q6 Chair: Secretary of State, you referred to the engagement by the Prime Minister, and Peter touched on the focus on the major emitters as being the priority. To what extent is the Prime Minister engaged in discussions with leaders of the major emitting countries? I am thinking in particular about the United States, China and India.



HOUSE OF COMMONS

Alok Sharma: As you know, the Prime Minister has wider bilateral discussions with the leaders of all of those countries. He has spoken to President Xi of China and Prime Minister Modi of India. The Chinese were going to have their CBD COP, the nature COP, in October this year but that has now been moved forward until May next year. That is an area where there is an opportunity for us to work together with them.

From the Prime Minister's perspective, he is hugely committed to the green agenda. I was with him at the UN last year when he announced the doubling of our ICF commitment to £11.6 billion. That was incredibly well received. He is taking a very personal interest in this, and as we go forward we will, of course, look at the UK's domestic campaign to generate interest and momentum in the UK itself when it comes to COP26.

From the point of view of China, for example, I spoke some weeks ago to Mr Huang, who is the Ecology Minister. We have agreed that senior officials will set up a grouping where they will have a discussion on how we can work more closely together when it comes to our COP and their nature event. That is going to be quite important. There is obviously a lot of discussion around China, and I believe that climate action is an area where we very much have a shared agenda. As for India, I have spoken to Mr Javadekar as well.

We are doing a lot of pushing in our discussions with major emitters.

Q7 **Chair:** Building on what you have just said about China, obviously relations are quite strained in a number of areas at the moment. Do you see the need for mutual support to each other over our respective COPs being held next year, the biological diversity in Kunming next May and our COP26 in Glasgow? Are you able to encourage them to support our COP with efforts that we are making to support theirs? Is there some deal of co-operation here that perhaps helps with wider relationships?

Alok Sharma: Absolutely. I think that has always been the intention. In the discussions I have had with Mr Huang, we have agreed that we are going to be setting up a senior-level official dialogue on climate and environment to see what we can do in terms of mutually supporting each other in our two conferences.

For me, this is a key pillar of our relationship with China at this time in terms of tackling climate change. One of the frustrations with the Covid pandemic is that, at this stage, we are not able to have bilateral meetings face to face. That is always the best way forward. Certainly in the discussions I have had online, there has been a desire from both parties to work on these campaigns.

Chair: We are now going to open up to questions from other members of the Committee. Continuing on COP26, it is appropriate, as this is happening in Glasgow, that John McNally, who is our Scottish member of the Committee, is going to ask you some questions about that.



Q8 John McNally: Good morning, Secretary of State. I am very pleased to hear that the summit is going ahead in Glasgow next year, COP26. My questions will be around logistics, delivery and public engagement. Could you give us a brief outline of what impact Covid has had on planning for the delivery of the summit on the ground, such as the conference centre, maybe the police force liaison, conversations you have had with Glasgow City itself and maybe other partner organisations?

Alok Sharma: I was in Glasgow on 5 August to meet key delivery partners: Police Scotland, the city council, the leadership of the SEC and Science Centre. We had a very productive discussion. There is an enormous amount of enthusiasm from Glasgow, from the city council, about hosting this event. They certainly see this as an opportunity to further enhance Glasgow on the international map. I think I am right in saying that this will be the biggest international event of this nature that the UK has ever organised. There is a lot to do, but there is a lot of enthusiasm.

As for how we are approaching this, we have a team—about nine or 10 people—permanently based in Glasgow. There is a very regular dialogue going on with our key partners in terms of logistics. There was another discussion visit last week with the team up from London.

With organising any big event like this, there are going to be particular challenges, particular challenges around security. We want to ensure this is an event that highlights the UK as a champion for climate action, but it also highlights Glasgow. We want to make sure this is safe and done in a responsible way for the people of Glasgow. That is why there is a lot of work going on in terms of looking at security aspects, obviously travel. What we don't know is where we will be in terms of the pandemic next November. That is the one big uncertainty in all of this.

We are very much working on the basis that this is going to be a physical conference. The reason for that is that when I have talked to people in civil society, when I have talked to ministerial colleagues around the world, there is a real desire to come together in one place. Particularly when it comes to negotiations, those need to happen face to face. We want this COP to be as inclusive as possible, and that is why I have asked the team to also have a look to see how we could get further participation from individuals in a virtual sense. There is a lot of work going on on that as well.

You mentioned budgets. Obviously, I can't go into the details on that, but I am certainly very keen to get value for money for the taxpayer. These events, security and so on, do cost money, but I want to get best value for the taxpayer. As you will know, we are also looking at sponsorship options as well.

Q9 John McNally: It is very reassuring to hear that you are very mindful of the problems that might occur during the actual event itself and how you are tackling that.



HOUSE OF COMMONS

That takes me on nicely to my next question. Have you identified exactly what are the key risks to the delivery of a successful summit? What kind of plans are you putting in place to address these problems, obviously being very mindful of the fact that Covid will probably still be with us?

Alok Sharma: Peter is the CEO of COP, but he also chairs the delivery board, so I will ask him if he wants to come in to talk a little bit about what sits below the delivery board. There is a range of other structures as well.

Among the associated risks there are physical risks, and security is a key one. We are going to have very large numbers of world leaders coming to this event. Just the fact that we are talking about tens of thousands of extra people in Glasgow means that we have to get the security right. I was quite reassured in my discussions with Police Scotland, because the senior officers who are dealing with this have quite a lot of experience in this area. Obviously they have not organised an event of this size, but certainly that is very comforting.

There are issues around logistics, ferrying people around. How do we do that without unnecessarily disrupting the lives of the people of Glasgow? Frankly, many of them will want to come to the public parts of this conference as well. There are issues around what we do in terms of contingency for weather. Then, of course, the biggest unknown in all of this is Covid-19.

With your permission, Chair, I will ask Peter Hill to come in, because I know he is very much into the detail of the operational delivery of this conference.

Peter Hill: The Secretary of State has identified some of the risks. I would say the latest, biggest one is Covid. As you would expect, we are starting the contingency work on that, recognising that there is a high degree of uncertainty and the event is still 15 months away. We continue to plan for an in-person event. I am sure the Committee is well aware, but it is just worth underlining, that this is an event that we are hosting on behalf of the world, on behalf of the United Nations, so we work very closely in partnership with the UNFCCC and the representatives of the various regions on how the conference is going to work.

It is very much a partnership, and how the conference is designed and any changes to it are things that, as the host of the world's conference, we must do in partnership. Obviously Covid is a very significant risk. The Secretary of State has mentioned others: security, the potential for disruption due to protests, there is going to be a lot of loading on travel, and of course weather in November is unpredictable. I could go through a long list of the risks. It may be more useful if I say how we are managing them.

As the Secretary of State said, we have a delivery board that brings together the key organisations—for example, the Chief Constable of



HOUSE OF COMMONS

Police Scotland, Transport Scotland, the Chief Executive of Glasgow City Council and so on—and that oversees a number of groups who are responsible for specific areas, such as safety and security, how the venue is going to work, our overall level of readiness, transport and finance. The delivery board brings together all the parties that you would expect.

The major plans, for example the policing plan and the transport plan, will be subject to peer review and scrutiny to ensure they are robust and value for money. The programme overall will be assessed by the IPA, the projects authority, to ensure that we are doing what we should be doing in terms of preparedness.

I hope that the processes we have in place are exactly the sorts of things that you would expect from a significant undertaking of this sort, bearing in mind this is unlike other events in the sense that we are doing this in partnership and in close collaboration with the United Nations.

Q10 John McNally: You mentioned transport in your reply, Secretary of State, and Peter did as well. How are the COP team working to ensure the summit itself runs as greenly as possible? The COP26 website states that Glasgow and surrounding areas are well served by public transport. With that in mind, Secretary of State, you have mentioned the Climate Assembly this morning. It is talking about the 4,000 promised ZEB buses, the low-emission buses. You are probably aware that the Alexander Dennis headquarters are in my constituency of Falkirk. Would it not be a great message to send out that these buses are part of the whole COP26 scheme? Maybe with a little bit of a nudge you could get these buses on the road slightly more quickly than anticipated?

Alok Sharma: John, thank you for that suggestion. I promise we will look into it.

We are putting together a carbon management plan for COP26 and, of course, we want if at all possible for this to be a carbon-neutral event. There is a lot of work going on with suppliers to make sure there is a sustainable supply chain. I talked about sponsors. The corporate sponsorship we would want for this event has to be from organisations and people who are absolutely committed to science-based targets when it comes to delivery on net zero.

The SEC itself, as I understand, is very focused on delivering sustainable events, and it very much has in mind the environmental impacts of its operations. That is a pretty good starting point.

We are very aware of the fact that, in holding such an event on climate action, we need to demonstrate through the event management itself that we are effectively living and breathing what we are asking other people to do. The key point here is that we will have a carbon management plan, and I have taken note of your suggestion on green buses.



Q11 John McNally: Thank you very much, Secretary of State. My last question is about how we plan to use COP as a platform to drive climate action in the UK. I have spoken to you, Philip, about the possibility of getting schoolchildren or colleges involved in the event as much as we possibly can. I note that the Italian Government have held a youth conference and event. What plans do you have for our schoolchildren and colleges to be involved in this event?

Alok Sharma: We are, of course, working very closely with our Italian partners. In fact, I had a meeting with Mr Sergio Costa in London last week. We were able to have a physical meeting, which was very good. We talked about a range of these issues when it comes to youth participation.

As I said earlier, we are going to have a domestic campaign. This is about engaging communities, engaging all generations, young and old, in what the UK can do to take action. Businesses have to be at the fore of this as well. In my view, we are at an interesting inflection point where we have a significant number of people from the business community who want to see a green recovery. The Prime Minister received a letter from 200 large UK businesses some months ago talking very much about the green recovery and the need for it.

I am also setting up a range of groupings—business groupings, UK Mayors and regions—and an international civil society and youth group that I will talk with on a regular basis to get their views, their ideas, their inputs. I am absolutely determined that this is something that resonates with the whole of society.

The one physical trip that I have been able to do as part of the presidency was just before we went into lockdown in March. I went to the UN and met a very large number of the permanent representatives. I spoke with the UN Secretary General and to the council. As part of that trip, I had an opportunity to meet a range of people from civil society, and also young people, and I think we have to take our inspiration from youth. That is certainly something I will be doing as part of the groupings on civil society and youth that we are setting up.

John McNally: Thank you very much, Secretary of State. That is very reassuring to hear.

Chair: Secretary of State, John raises a very interesting point about how we engage the public and various community groups with COP26. We have this unique opportunity for global leadership. John's focus is on ensuring that the youth have a say, and if you can think about ways of engaging communities across the country to put forward ideas and to participate, that would be very helpful.

Q12 Barry Gardiner: Mr Hill, on the key issues you were talking about in terms of the objectives of COP, what increase from the \$100 billion per annum of new additional funding that Paris set out are you looking to achieve, and what negotiations have you had with other countries about



HOUSE OF COMMONS

that? Where do they stand on Article 6 and the use of credits? What negotiations have you been able to have on the WIM mechanism—the Warsaw International Mechanism—which has been seen as one of the key enabling political roadblocks on loss and damage? What progress has there been on those three as we move towards Glasgow?

Peter Hill: On finance, the first measure will be whether we have met the \$100 billion target by 2020. That is the commitment from 2009, which is to mobilise \$100 billion-worth of climate finance by 2020. We know where we were in 2017. I think the OECD will report in the autumn on where we were in 2018, and we may know by the time of Glasgow where we were for 2020, but that is not clear. We are playing our part in terms of the finance that we have mobilised. Encouraging donors to come forward—although it is obviously quite late in the programme for that—and encouraging the multilateral development banks as they mobilise finance for the post-Covid recovery to ensure that that is sustainable has been one element of our diplomacy.

Q13 **Barry Gardiner:** Sorry, are we not also supposed to be setting a new target for 2025, and is there progress on that?

Peter Hill: We need to start the process for setting the target for post-2020, but I don't think we see that Glasgow is the moment at which you set that target. Our responsibility is to set the process in train by which those financing needs are met. The post-2020 financing, yes, is part of the discussions. At the moment, as in the other areas, I would characterise them as in the discussion phase because we have not been able to meet as negotiators. We were not able to hold the Bonn intersessional in June, and we are not able to hold it in October. We are meeting the countries in bilateral and plurilateral forums, but I would not characterise them at this stage as negotiations.

Article 6 is a range of bilateral rather than negotiating discussions, so I would not want to say hand on heart that I can see there has been substantive progress, but the feedback we have had, based on the fact that we did not succeed collectively at Madrid, is a commitment from all parties that they do want to find a resolution to this by or at COP. The mood music is positive but, until you put that to the test of the negotiating room, it is hard to be sure.

On loss and damage, I think you are right that it is a growing concern for many countries. The Warsaw International Mechanism provides a format and a forum. It has, as you know, been an extremely contentious issue in the negotiations, but I think the Warsaw International Mechanism provides a means to answer some of those questions and concerns. Others have to be answered outside the negotiations because they are about disaster preparedness, they are about broader issues that I think a number of developing countries feel that, collectively, we have not given due attention to. As presidency, we are very aware of that, both that this is a very contentious issue but also that it is one which we must be seen to give, and actually give, more attention to than we have collectively.



Q14 **Barry Gardiner:** Could a generous move on the part of the presidency perhaps unlock the roadblock there has been here in the way of other issues?

Peter Hill: When people say a “generous move” that usually means finance. We have committed to doubling our ICF from £5.5 billion to £11.6 billion. We have—

Q15 **Barry Gardiner:** Yes, but on loss and damage they are looking for something very separate. They do not want it blurred together, do they?

Peter Hill: Yes, that is correct, but at the moment there is no support among the parties for compensation or payments specifically relating to loss and damage. I am not sure whether that is a roadblock, in and of itself, that we will be able to resolve. I think the positions are fairly entrenched on that issue, but we are showing how we are seeking to address this issue, not simply through the negotiations but through the wider activity of development agencies, international organisations and disaster relief, and getting away from the headline towards what we actually mean, what issues we are trying to address, who is best placed to do them and what instruments are most appropriate. We really do need to move on this issue beyond what I think has been quite a dug-in, confrontational position to something that is a bit more focused on how we answer the actual problems.

Q16 **Chair:** To that end, could I just ask for a quick update on the work that Mark Carney is doing to develop a strategy for energising private finance supporting the COP26 goals? I am not sure who is best placed to answer that. Secretary of State?

Alok Sharma: Yes, I can briefly answer that. I am working closely with Mark Carney and Lord Stern on a lot of these issues. We had a finance launch event earlier this year, and there is a lot of work going on in terms of GCFDs. There is work going on in terms of voluntary emissions trading schemes. Mark is doing and leading on a lot of things, and of course he is co-ordinating with BEIS and the Treasury as well. I hope you will see more coming out of that work later this year.

Given that we have extra time between now and COP26 next year, we have been discussing with the UNFCCC a roadmap of events leading up to it. As part of that, there will be finance events that come up where we will set out in a bit more detail the work that is being done and led by Mark.

Q17 **Caroline Lucas:** In the latest progress report, the Committee on Climate Change shows that the UK is not on track to achieve the net zero target. Of 31 policy milestones from last year, around half made no progress. It says in particular that little progress has been made in reducing emissions from transport, agriculture, industry and buildings. What plans do you have to remedy that? Maybe a quickfire yes/no round of questions. On transport, for example, the highest-emitting sector, two proposals came out from the citizens’ assembly. You spoke at the launch



HOUSE OF COMMONS

this morning, of course. They were proposing a frequent flyer levy on aviation and cheaper or even free buses, is that something you would support?

Alok Sharma: On taxation, you will forgive me, but those are ultimately matters for the Treasury. If I may address your point slightly more widely, there is no doubt that we need to show more ambition. We will set this out in due course, but we are approaching this systematically through the Cabinet committees that I talked about earlier. Transport is clearly a big emitter, and you will know that the biggest issue is that move to electric vehicles. You will also know that we have had a consultation on bringing forward the end of the sale of new petrol, diesel and indeed hybrid from 2040 to 2035. As I said this morning, if it is possible and feasible, we will look to see whether it may be possible to do that earlier.

The action we take on that particular issue of transport will probably make the biggest impact on what happens with emissions from vehicles on the roads.

Q18 Caroline Lucas: I appreciate those issues are ultimately for the Treasury but, none the less, as the chair of that Implementation Committee and also the Minister with responsibility for the climate change summit, I would have hoped that you would be able to reassure us that that is something you are pushing for.

On aviation in particular, do you support the Committee on Climate Change recommendation that emissions from aviation and shipping be incorporated into the sixth carbon budget?

Alok Sharma: We have to wait and see what the CCC comes forward with when it comes to their thoughts on what our sixth carbon budget should be.

Q19 Caroline Lucas: They said very clearly that aviation and shipping should be part of it. Do you support that?

Alok Sharma: If I can answer it like this, we are doing a lot of work when it comes to CB4 and CB5 and we will, of course, set out plans that we have in those areas. You will forgive me, Chair, but I am not able to sit here and give a commentary on the detail of those discussions. When it comes to aviation, for me the key issue is whether we have a plan. There is a lot of work on sustainable fuels being led by DfT. You will know that we have set up the Jet Zero Council to look at flights becoming carbon neutral. We are undertaking a lot of practical work right now, but what I do not want to do—forgive me, Caroline, for not answering as directly as you would like—is pre-empt any of the discussions that we are currently having in Government.

Q20 Caroline Lucas: You may well use that same answer to my next question because you will, I am sure, tell me it is to do with DEFRA, and maybe it is not something you can say. Agriculture, as we know from the



HOUSE OF COMMONS

Committee on Climate Change, is a sector where there has been no emissions reduction for over a decade. In particular, I want to ask you about peat. The peat strategy is two years late. Do you know if it will be published this year?

Alok Sharma: I do not have that answer specifically. I will turn to Julian, if he is able to give a detailed answer on that. Again, what I can tell you about, and what I talked about this morning at the Climate Assembly, is the work that is going on in terms of forestry and tree planting. You will have seen the ambitions that we set out on that. Again, DEFRA is very much part of the discussions that we are having in terms of our Climate Action Implementation Committee—

Q21 **Caroline Lucas:** Can I just stop you there? I know you will talk about the tree planting, and I am really glad that we are doing lots of tree planting. It is important, but peat is even more important in terms of its carbon sequestration potential. The peat burning season is about to start on 1 October. Do you know if the Government will follow the lead of people like Zac Goldsmith, who is saying there should be a ban on the burning of peat?

Alok Sharma: Zac is obviously a Government Minister who is a great champion for climate action. Julian, do you want to answer that, if you have the detail?

Julian Critchlow: This goes to the process that is under way in terms of the Climate Action Implementation Committee that you mentioned, Secretary of State. We are looking at it sector by sector, and obviously the England Tree Strategy is due by the end of the year, the England Peat Strategy was similarly intended by the end of the year, and there is a nature strategy coming next year.

Q22 **Caroline Lucas:** Does that mean both those things will appear by the end of the year? Can we be reassured that we will see the peat strategy and the tree strategy before the end of December.

Julian Critchlow: Those were the timetables that were laid out. I can't provide any update for DEFRA on the status of those.

Alok Sharma: Chair, why don't we write to you on this particular point? It is probably not usual for Ministers to volunteer to come back to Select Committees, but I am very happy to come back when we have set out some more of the detail of the discussions and the policies that we are looking at. I can understand Caroline's frustration on the need for action, and I share that, but obviously what I can't do and Julian can't do is go into the detailed discussions that we are having currently.

Chair: We will definitely take you up on that offer.

Q23 **Caroline Lucas:** We will, thank you. Let me take you to something that has already been announced. Looking at buildings, which is the fourth area that the Committee on Climate Change identified. Obviously, a few



HOUSE OF COMMONS

months back, the Government introduced an energy efficiency scheme that has been criticised for being too weak and too time limited. People have suggested a voucher scheme on its own is not going to lead to the level of take up of home insulation that is needed. What extra plans are there to make sure that we get that reduction in emissions from our buildings?

Alok Sharma: In our Conservative party manifesto we talked about a figure of over £9 billion when it comes to decarbonisation in buildings. Already, less than a year in, we have announced £3 billion and, as you have said, Caroline, £2 billion is for the Green Homes Grant. You could argue that there are lots of different ways to stimulate demand. Having read some of the transcripts of your Committee sessions in recent weeks and months, I think there was an acknowledgment that this is actually a good scheme. Yes, it is ambitious. We want to get this money—

Q24 **Caroline Lucas:** It is not ambitious, that is my point. My point is that it is not ambitious enough, and we know a voucher scheme on its own, a voluntary scheme with vouchers, is not going to get people to go through all the hassle of getting their lofts cleared to put in insulation. We found that out from the Green Deal a few years ago. What we need is some kind of regulatory stick so that people will take up the carrot of a voucher.

Alok Sharma: Yes, perhaps I could focus on the carrot because I think a lot of people quite like that.

Caroline Lucas: Not enough.

Alok Sharma: If I may explain to you, Caroline, what we are doing to get people to take this stuff up. Yes, we are very ambitious. We want to get £2 billion out of the door by the end of March. We are doing this in a systematic way. There are two bits of this. One, of course, is making people aware of these schemes. We have set up a website, which we launched the week before last, Simple Energy Advice, and I can tell you that the website has had in the last week alone 1.2 million unique page views. We have had 200,000 new visitors to the website, and we are working with MoneySavingExpert and others to make consumers aware of the schemes that are out there. I think they are generous schemes.

Caroline Lucas: How many have been taken up so far?

Chair: Can I just stop you for a second? We have a whole set of questions on the Green Homes Grant later.

Q25 **Caroline Lucas:** Let me move on to the Climate Action Implementation Committee, which obviously you chair, Secretary of State. How is it co-ordinating with Treasury to ensure that recovery packages in the autumn Budget are aligned with net zero ambitions?

Alok Sharma: Yes, both on the Strategy Committee, on which the Chancellor also sits, and on the Committee I chair, on which there is ministerial representation, there is proper co-ordination. One of the



HOUSE OF COMMONS

themes that come up when I have discussions with international counterparts, particularly those Ministers focused on the environment, is that they themselves will say that where it works best is where there is co-ordination with the finance ministry in their Government. This is all pretty joined up. Obviously we are going to have a Budget and a spending review, so we are going to make sure that, at the end of the day, the policies we come up with are something that the whole Government, but particularly the Treasury, are supportive of and stand behind.

Caroline, you are saying £3 billion is not ambitious enough. Well, we can have a discussion around that, but I hope it has shown you that the Chancellor and the Prime Minister are both committed to reducing emissions and to this green recovery. We will talk more about the Green Homes Grant, I suspect, but we are talking about 140,000 jobs.

Q26 Caroline Lucas: You ask if I am reassured that the Prime Minister is taking this seriously. What would reassure me that he is would be if he cancelled the £27 billion road-building programme, because I simply cannot see how one could possibly say that the biggest road-building programme in British history, English history certainly, is going to be compatible with net zero. It is going to be locking us in to high carbon for the future.

In that process of aligning the Treasury, BEIS and climate, can you tell me how spending £27 billion on road building can possibly be climate compatible?

Alok Sharma: What is really interesting is the response that has come from the Climate Assembly, which you, I and other colleagues attended this morning. What was also very interesting was the feedback and the conclusions that the Assembly reached. The Assembly reached the conclusion, which is the same as the CCC's, that you need to be ambitious but 2050 is the moment. It also reflected on how individuals should behave. What I would say is that, as we go forward on tackling climate change, we have to take the public with us.

Q27 Caroline Lucas: You are not answering the question, Secretary of State. With respect, you really are not. I asked you about a road-building plan, and instead you have been misinterpreting, I would say, what the Climate Assembly actually said about transport. They said that they did not want to see more cars. Yes, they said they wanted to see electrification, but they wanted to see public transport and so on. How does that fit with the commitment to a £27 billion road-building plan?

Alok Sharma: I think you have seen the commitment and the funding that has been announced for public transport. Wait and see what comes in the spending review. As I was saying, what is important is that when we set our ambitions they also have to be practical and deliverable, and that is what we are doing—

Q28 Caroline Lucas: You are not answering the question. How does that



HOUSE OF COMMONS

relate to the £27 billion road-building plan?

Alok Sharma: Caroline, with respect, if you would just let me answer. I told you that the key issue here is about the sorts of vehicles we are driving. There was a consultation, and we will come forward on that. That will be the biggest driver in terms of cutting emissions from road transport. Please wait and see—

Q29 **Caroline Lucas:** Not if you are going to build £27 billion-worth of new roads. It does not matter what you put on them. The destruction of nature and the impact on climate change from building that many miles of road is going to be really, really problematic. You are not addressing that.

Chair: Caroline, you have made your point. I am afraid you have one minute left.

Caroline Lucas: All right, let me ask about the alignment you assure me is going to take place. WWF have suggested some practical tools to make that happen. They have talked about a net zero test to be applied to all stimulus spending to make sure that it delivers the co-benefits associated with decarbonisation, and they have talked about a fiscal resilience rule to ensure it does not exacerbate vulnerability to climate change and other environmental risks. Are those two tools ones that will be used by Government to ensure this alignment takes place?

Alok Sharma: Could I just ask for clarification? When you talk about this, are you talking about funding mechanisms from Government?

Caroline Lucas: I am talking about the recovery package that we are expecting in the autumn Budget. Will the different measures in that package be tested with a tool like a net zero test so that each proposal in the Budget is screened, triaged, against the idea of how much carbon they emit? Some will therefore hopefully be weeded out before they ever see the light of day because they would not help our climate impacts.

Alok Sharma: Obviously, in terms of looking at policies that will help deliver our carbon budgets, we look to see what the impact is going to be in terms of—

Q30 **Caroline Lucas:** In a systematic way? Can you just reassure me that you have tools that you are using in a systematic way to do that?

Alok Sharma: I can tell you that we are looking at everything in a systematic way.

Chair: I am afraid that we have only 30 minutes left of the Secretary of State's time. We have six sets of questions, so I am going to be quite aggressive in calling questioners to a halt. Barry Gardiner, you have five minutes.

Q31 **Barry Gardiner:** Secretary of State, first let us do the congratulations. Back in July, in your written statement about Project Birch, you announced that, as part of the loan to Celsa Steel, you had imposed



HOUSE OF COMMONS

climate conditions. Congratulations for that. Can you specify what those were and whether there are any other loans under Project Birch, or indeed under the Covid Corporate Financing Facility, that have now incorporated other similar climate or environmental conditions so that these bailouts actually support a transition to a net zero economy?

Alok Sharma: Thank you for that, Barry. In the case of Celsa, I should just say that there is commercial confidentiality around the arrangements, so I am not going to be able to set out—

Barry Gardiner: Tell us what you can. We need to be quick.

Alok Sharma: Fine, I will tell you what I can. As set out in my WMS, there are legally binding contractual conditions when it comes to employment, climate change, tax—

Q32 **Barry Gardiner:** Specifically on climate change, can you tell us what they were?

Alok Sharma: No, unfortunately I can't, but I completely understand why it is important that we look at that area, and that is why—

Q33 **Barry Gardiner:** Well, so that we can see exactly how progressive they are. If we are to build back better, it seems positively perverse and short-sighted of Andrew Bailey, the Governor of the Bank of England, to say, back on 1 July, that it was a deliberate choice not to include any climate requirements in the CCFF and that the Bank would get back to focusing on climate matters afterwards. Do you accept that if the recovery is not a green recovery, it is not going to be a recovery at all? Sustainability has to be built in. Surely that is what "build back better" is all about?

Alok Sharma: Yes, of course I agree that sustainability has to be built in, but if you look at the loans that were made at the time, there was a huge pressure to get loans out to businesses. In my own Department, we are responsible for the BBB, the British Business Bank, the schemes on the bounce-back loans and various civil schemes as well. That was administered through the BBB.

Q34 **Barry Gardiner:** There was also huge pressure to put conditionality on there, but I am asking you to say that, when the Bank of England is looking at future funding, perhaps it should positively consider putting these strictures in place.

One of the major embarrassments the Government have faced since becoming the host of COP is the continued support for fossil fuel projects overseas, whether it is financing Total's liquid natural gas project in Mozambique, which I think was £16 billion, or Ministers quaffing champagne to toast the billion-dollar deal for Petrobras's oil exploration off the coast of Brazil. It has not been a good look. That has damaged our diplomatic capacity in going out there on the COP.

Lately there have been welcome rumours—again I am trying to be positive, Secretary of State—that, in order to become more credible as



COP president, the Government are planning to review its finance for such fossil fuel projects. But the word is out that there will be loopholes in that new policy to permit the financing of gas power plants. Do you accept the international data that the cost of new renewables is now cheaper than fossil fuels, that renewables create more jobs and economic prosperity, that they reduce a country's health cost and also reduce the number of productive work days lost to ill health and that the old chestnut that gas may be useful as a transition fuel is now simply that, an old chestnut? Can you tell us about your thoughts on discontinuing finance for fossil fuel projects, and will you ensure there are no loopholes in what would otherwise be a very welcome change of policy?

Alok Sharma: I think you are referring to UK Export Finance policy. They are, of course, proactively looking at renewables and climate-resilience projects. You will know that in the spring Budget, £2 billion was allocated to UKEF as a lending facility, particularly focused on clean growth and renewable energy projects. We keep all policy under review, and you are correct that, for certain renewables, the prices have been coming down significantly. But the market drives change as well in terms of the energy sources that are being used globally.

Barry Gardiner: Yes, but this is about—

Chair: Barry, I am sorry, but we are going to have to bring that to an end. I have to let other colleagues in.

Q35 **Jerome Mayhew:** We are in the process, we hope, of moving from a carbon-heavy business environment to one that is low carbon. Whenever you have an economy changing shape like this, the risk is that you have sectors and workers being left behind with skills that are no longer useful for the new economy. Do you think the free market economy is the best way to deal with those sector changes and employment changes, or do you think there is a significant role for Government in assisting that change?

Alok Sharma: There is a role for Government. If you look at what has happened with offshore wind as a result of the contracts for difference auctions, we have driven down the price of offshore wind and are now arguably the largest offshore wind country globally. Yes, there is a role for Government as part of this.

We need to look at this in two ways. One is how you fund achieving net zero, and the other side of it is the green economy. The CCC, for instance, has had some external work done showing that the green economy can potentially grow four times faster than the more standard parts of the economy. Then the issue is how you make sure that you create those green jobs. There is a lot of work going on, and you will know that we made a number of sector deals.

Q36 **Jerome Mayhew:** I think there is a misapprehension. I fully accept there are market signals in terms of demand, but is there an effective role for Government to help transition skills and training?



Alok Sharma: Yes. As I was about to say, skills have been a part of the sector deals, and there is a National Skills Fund, for which the DfE is responsible, that is launching next year. There is a lot of policy work going on. Again, as part of that, it is looking at how you get individuals upskilled for the future economy. Yes, there is a role for Government as part of that. I can also tell you, and the CCC themselves have recommended it—I think it was earlier this year—that individual Government Departments, such as BEIS, DfE and others, come together and look at a skills strategy for net zero. We have had ministerial colleagues from both BEIS and DfE meet stakeholders in recent weeks and work towards what a future policy may look like.

Q37 **Jerome Mayhew:** I understand that the Government have undertaken a review of the cost of decarbonisation. Are you in a position to provide any interim results from that review, or is it too early to say?

Alok Sharma: It is too early to say. This is obviously something that was launched by the Treasury back in the autumn last year, so work is ongoing on that. I am sure the Treasury will come forward with an interim report at some point, but unfortunately I cannot give you any more details about it. I am happy to write to you, Chair, having spoken to the Treasury, if there is any more information on that.

Chair: That would be helpful. Thank you, Jerome, for being concise. Matthew Offord has some questions on hydrogen strategy, on which we have just received a letter from Minister Kwarteng.

Q38 **Dr Matthew Offord:** We have indeed. I am sure the Secretary of State will know that we have been undertaking an inquiry into the hydrogen strategy. Will he commit to publishing such a strategy? Perhaps that can be accommodated through the autumn Budget and the spending review.

Alok Sharma: Yes, I will certainly commit to publishing a strategy. The timing is something we need to consider. We will have the Energy White Paper later this year, and we will, of course, talk in some detail about hydrogen as part of that. You will also know that we set up the Hydrogen Advisory Council in July, and Minister Kwarteng is co-chairing that, together with Sinead Lynch from Shell.

The aim of this council is to help us develop and implement a hydrogen strategy. I would expect that we will come forward at some point early next year with a detailed strategy on going forward with the hydrogen economy.

Q39 **Dr Matthew Offord:** I recognise that you have not been in the role for a long period, but perhaps you could explain why the UK has been very slow in developing its hydrogen strategy over the last 10 years, particularly when you look at other countries like Germany, Japan, Australia, who are a lot more advanced than we are.

Alok Sharma: You are absolutely right that other countries have come forward, and we have seen a flurry of hydrogen strategies that have been



announced. But there are different drivers to moving forward on hydrogen; it would be a domestic energy mix and their particular decarbonisation plans. It is fair to say—perhaps I can invite Julian Critchlow to come in on this area—there is a lot of practical work that we have been doing. One side is the strategy and the other is the practical work on delivering on hydrogen projects. If I may, with your permission, bring in Julian Critchlow on this point because he has been working on this for a period of time.

Julian Critchlow: As mentioned, we definitely believe in hydrogen as part of the pathway to net zero. The CCC has said that we need 270 terawatt hours, and other external forecasts have been higher, and certainly our own analysis says we need something of that order. Today we have between only 10 and 27 terawatt hours. We obviously need a huge increase.

We have been working very hard at two levels, one on the development of the supply side. We have had a series of competitions very much linked to the competition that we are running on CCUS. We see that, ultimately, the future will be a very green hydrogen, but we also believe there is a role in the middle times for hydrogen formed from methane, and carbon capture is a key enabler of that. As you will have observed, we have a business consultation on the business model that went out last month on CCUS, and £800 million has already been committed for at least two sites. That will enable some very significant hydrogen supply. We have projects in the north-west with HyNet looking at hydrogen. We have Gigastack in the Humber, one of the world's largest electrolyzers. We have Acorn in Scotland. We have a lot of supply.

We have also been working on the demand side. We know from a demand point of view that there are lots of potential uses for industrial decarbonisation through power, through potential blending and, ultimately, 100% hydrogen homes.

From a transport point of view, we see hydrogen having a big role, especially in the high end where there is a big range or heavy load, so freight vehicles. We have a programme with OLEV, £23 million, looking at funding vehicles and refuelling stations. We have work on hydrogen buses through the DfT ultra-low emission bus scheme. You are aware that the PM promised 4,000 new zero emission buses.

The strategy, which the Secretary of State says will come forward in advance of COP, will bring all this together, will show both the demand side and the supply side and how it all comes together in an integrated strategy. Far from being behind, we believe that we are putting the detailed and specific policy levers in place to be able to deliver a world-leading hydrogen market.

Q40 **Dr Matthew Offord:** Mr Critchlow has jumped forward slightly on some of my questions, but one of the criticisms we have heard from business is about their ability to embed capture and storage, and in hydrogen as



HOUSE OF COMMONS

well. You have outlined some demands, but what further demand signals can you provide to enable business to invest in hydrogen and other measures?

Julian Critchlow: We think hydrogen has a role in all those industries. In the case of the big sectors, which obviously would be something like the industrial sector, we have a lot of activity through the Industrial Energy Transformation Fund and through the Industrial Strategy Challenge Fund to look at planning industrial transition, with hydrogen as a major process enabling a number of industries.

On the domestic side we have work going on with the gas networks to look at proving the safety case right from end to end, from production through transportation, distribution and storage, into the appliances. We have been running competitions from an innovation portfolio to produce hydrogen-ready boilers to go into homes. Obviously, we are advancing that as fast as we can in parallel. Finally, on the power side, again there is work ongoing to see if we can integrate hydrogen into the low-carbon, highly-responsive generation mix.

We are working on all of these, and the business models are key. It is first important to have the carbon capture business model in place, and then we will be bringing through the hydrogen strategy, working with the Hydrogen Advisory Council on what a hydrogen business model might look like to support each of those sectors.

Chair: Matthew, we have to leave it there. Mr Critchlow has identified a large range of activities but we, through our inquiry, came up with many others that have not been touched on, including the need for hydrogen measurement research and considering the use of hydrogen as an alternative fuel to electric vehicles, and this is something we want to continue to press on. The EU announced a major hydrogen initiative. National initiatives from Germany and France seem to be well ahead of us. I think we are in danger of slipping down the potential technical lead that we have.

Q41 **Marco Longhi:** I am sure we are all mindful that the Government's work programme has been impacted by the pandemic, but in 2019 the Government announced a review of the Furniture and Furnishings (Fire Safety) Regulations. Are you able to say at this stage if you think we might still be able to produce new regulations by autumn next year?

Alok Sharma: The short answer is yes. We are still on track for that, and I hope we will be in a position to consult on the policy proposals during the second half of 2021. Chair, you wrote to me on this area, and I hope you have received my reply. The Office for Product Safety and Standards, which sits within BEIS, has been doing a lot of work since 2019, looking at commissioning research into the characteristics of modern domestic fires, and at consumer attitudes to fire safety information, engaging with policy proposals and taking a lot of scientific and technical advice. I hope



HOUSE OF COMMONS

we are going to be on track with this and that we will be able to consult on any policy proposals in the second half of next year.

Q42 **Marco Longhi:** Are there any plans to remove childcare items from the scope of the regulations in advance of the review being concluded?

Alok Sharma: I do not think we are going to be setting out any policy around that until we have done all the work. There are mixed views on this. Some businesses, such as the Baby Products Association, want products out of scope. Other stakeholders we are talking to, for instance fire services, would want them to remain in scope. At the end of the day OPSS is going to have to take a judgment on what are the risks of exposure, for instance, to chemical flame retardants in these products. They are undertaking further research as part of all this. I hope that, over the coming months, we can say a little more about all this.

Q43 **Claudia Webbe:** Just as we are talking about e-waste, my computer tells me that my battery is running low. Interesting. Energy efficiency design standards for electric products have been successful over the years. What are the Government doing to introduce resource efficiency and product durability design standards?

Alok Sharma: DEFRA is leading on this, and they have committed to a resource and waste strategy. That is going to be about supporting resource efficient design. The aim is to gradually remove the least resource-efficient products from the market and place demands on the ones that are still there.¹ There will be a public consultation, later on this year I hope, on plans to implement new and updated eco-design requirements for electric products such as refrigerators, dishwashers, et cetera. If we are going to introduce any new requirements, that would happen next year. This is an area that my DEFRA colleagues are leading on, but we are following it as well from a BEIS perspective.

Q44 **Claudia Webbe:** Just a few questions, because I know we are running out of time. Will the UK be banning the premature obsolescence of electrical equipment following similar proposals in the EU circular economy action plan?

Alok Sharma: Perhaps Julian might want to come in on this. I do not think there are any current plans to introduce explicit bans. The view we currently have is that it may be possible to address some of the issues in the 2010 regulations on this area. As with all policy, we will keep this under review. We are looking at the 2010 regulatory powers at the moment. BEIS and DEFRA have commissioned research exploring how we can best use these powers.

¹ Note from the witness: 'In Defra's 2018 Resources and Waste Strategy, promoting resource efficient product design was one of a range of ambitions and commitments towards doubling resource productivity and eliminating avoidable waste by 2050, setting out a clear policy direction in line with the 25 Year Environment Plan.'



Ultimately, what we want are products that are durable, repairable and recyclable. At the end of the day, the decisions will be informed by consumer choice as well.

Q45 Claudia Webbe: Might Government bring about legislation supporting people to prolong the life of their products?

Alok Sharma: As I understand it—at this point, I may defer to Julian on any detail if he has it—in the Environment Bill we are going to be looking at placing a requirement for products that are put on to the UK market to carry information about the product’s lifetime, durability characteristics and repairability characteristics.² At the end of the day, consumers will make their own choices. Julian, is there anything else that you might want to add?

Julian Critchlow: No, you have absolutely covered it, Secretary of State. We are definitely looking at roles through the Environment Bill to provide much more information so that people can make informed decisions and encourage manufacturers to have a view on the overall life and sustainability of their products.

Chair: We just have time for the last set of questions. We said we would talk about the Green Homes Grant, and Duncan Baker has some questions.

Q46 Duncan Baker: I will try to be as brief as possible. I have often said that the build environment is an area that is lagging behind in our race to decarbonise. Clearly, I welcome that the Green Homes Grant will help to reduce the 20% of emissions that homes currently emit. Take up is going to be an issue, as Caroline mentioned, and we can build on that in a minute. Do you think we need to be more specific with legislation to integrate into our homes, with new properties as well as existing properties, to ensure that solar, battery storage, air source heat pumps are taken up in all the properties we build? I want to try to push that agenda, but this is a start.

You were very helpful earlier this year, when this news came out, when I said that we must ensure green, sustainable products are part of the voucher scheme, such as wood fibre insulation, and of course we now know how the scheme will operate. Those products could well be part of it, if people are accredited to install them, but it is voluntary.

How many homes do you expect will take up the scheme in a relatively short period of time? Do you anticipate the £2 billion allocated for this will be spent, and are you concerned that we will potentially not have enough tradespeople registered for this scheme? Will there be a shortage of skills to cope with this?

² Note from the witness: ‘Any decisions about what products or how to regulate in this way would be dependent on a number of qualifying factors, robust evidence and consultation, followed by secondary legislation.’



HOUSE OF COMMONS

Alok Sharma: I do not know whether we have said this publicly before, but we are targeting around 600,000 homes for this. This will all depend on consumer demand and take up. That is why I said, in reply to an earlier question from Caroline, that we are trying to drive forward information to make consumers aware of the grants that are available to them.

The other side of it, you are absolutely right, is how we get installers focused on this. We are ensuring that installers have to be tradespeople who have been accredited with TrustMark, which is a standard with which BEIS is very much associated. Ultimately, this will mean that people can have the confidence that they will get value for money and that there will be high standards for the installation process.

I have had conversations with the sector, and officials are working and talking daily to TrustMark about driving up the number of installers on this list. There is a lot of work going on on that. I am very conscious, from a ministerial perspective, that this is something we keep an eye on because, as you say, we have to get a lot of money out of the door very quickly. I certainly want to see in the high thousands of people and organisations being registered on TrustMark to deliver each of these products.

As for skills, you raise an important point. Next week we will be launching a £7.5 million Green Homes Grant skills training competition. The intention is to deliver another 5,000 opportunities for people to be upskilled to undertake the work that this scheme has set out.

Q47 Duncan Baker: I appreciate we are being pushed to be quick so, going back almost to the beginning, how do we get our build environment to move faster? Perhaps that is through legislation. The next question is linked to that whole issue. What will happen when this scheme ends? What are we going to do further to make sure that people continue to invest in decarbonising their properties? Are we going to see further announcements in the spending review?

Alok Sharma: I do not want to pre-empt what comes in the spending review, but there is a lot of joined-up thinking going on through the Climate Action Committee that we are sitting on. The Secretary of State for Housing is very much part of that, so we are discussing all of these issues. You will know that we are going to be setting out a heat and building strategy later this year, and that will cover some of these issues.

Colleagues on this call have talked about ambition. We are ambitious, but we want to make sure that whatever we do is also deliverable. Ambition is important, but plans to deliver on ambition are, in some ways, even more important. We will certainly be able to set out some more of this in the coming months.

Q48 Duncan Baker: A little bit of wait and see with the heat and building strategy, but it sounds as though we are moving in that direction, which



HOUSE OF COMMONS

certainly for me and, I think, for others, hits where I want to see significant improvements to our build environment.

Lastly, the Government pledged £9.2 billion for energy efficiency within the manifesto, will this include a replacement for the renewable heat incentive when new applications end this year?

Alok Sharma: I think we have extended the RHI to March 2022.

Julian Critchlow: Yes, that is correct.

Alok Sharma: We have extended that and, as you have understood, we are looking at all of this right now.

Q49 **Chair:** I am going to use the Chair's privilege for one further follow-up on a similar subject. As you may know, at the moment sheep farmers in this country are having to shear their animals and, in some cases, bury the fleeces because there is a glut of wool. The product is there for almost free. Under the current building regulations prepared by the Ministry of Housing, Communities and Local Government, sheep wool insulation does not seem to get the same favour, yet it is the most sustainable source of embedded energy in producing home insulation. It also has one of the lowest flammability records. Could you talk to officials in the Department responsible for building regulations and see whether they could encourage take up of wool insulation to be part of the Green Homes Grant?

Alok Sharma: We will do that. We will get our officials to talk. I will formally write back to you.

Q50 **Chair:** I am grateful. Finally, we touched on encouraging offshore wind, and we mentioned the contracts for difference. In the hearing that we had on offshore wind, the suggestion was made that there should be a separate pot under the contracts for difference for floating offshore wind. This was not addressed in the response to me. Are you able to give us some comfort that you expect that to be part of the new regime?

Alok Sharma: We have done a consultation on this. Floating wind is something that has a lot of merit. I do believe it will be included. Julian, do you want to tell me whether I have said the right thing here?

Julian Critchlow: Yes, I understand that we are looking to bring forward floating offshore wind as an industry.

Chair: Excellent, thank you very much. The Committee is very grateful to you for your time today and we are grateful for your offer to come back to us at some appropriate stage in a few months' time. Thank you to your colleagues, Peter Hill and Julian Critchlow, and to members of the Committee, and thank you to our Clerks for preparing our brief today.