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Public Accounts Committee

Achieving Net Zero

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to the report*

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The Committee of Public Accounts

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Summary

Government lacks a plan for how it will achieve net zero greenhouse gas emissions by 2050 despite setting the target almost two years ago. At present, there is no coordinated plan with clear milestones towards achieving the target, making it difficult for Parliament and the general public to understand or scrutinise how the country is doing in its efforts to achieve net zero emissions. Government intends to publish a plethora of strategies this year setting out how it will reduce emissions in different sectors ranging from transport to the heating of buildings culminating in an overall net zero strategy.

Departments are not yet sufficiently considering the impact on net zero when taking forward projects and programmes. The Treasury has changed its guidance for policy appraisal to ensure departments place greater emphasis on the environmental impacts but has not set out how this will work in practice. Government is not yet ensuring its activities to reduce UK emissions are not simply transferring emissions overseas, which would undermine global efforts to tackle climate change.

As much as 62% of the future reduction in emissions will rely on individual choices and behaviours, from day to day lifestyle choices to one off purchases such as replacing boilers that use fossil fuels or buying an electric vehicle. Government has not yet properly engaged with the public on the substantial behaviour changes that achieving net zero will require. Local authorities will also play a major role in the move to net zero, and Government will need to engage more with local authorities about how they can contribute, including ensuring they will have the necessary resources.

Introduction

In June 2019, government committed in law to achieving ‘net zero’ greenhouse gas emissions by 2050, requiring the UK’s emissions in 2050 to be equal to or less than what is removed from the atmosphere by either the natural environment or carbon capture technologies. This target aims to deliver on the commitments it had made by signing the Paris Agreement in 2016. Net zero is an increase in ambition from the government’s previous target, set in 2008, to reduce net emissions by 80% by 2050 compared with 1990 levels. Reducing emissions further to achieve net zero is a colossal challenge, requiring wide-ranging changes to the UK economy and to the way we all live our lives. This includes further investment in renewable electricity generation, as well as changing the way people travel, how land is used and how buildings are heated. The all-encompassing nature of achieving net zero means that organisations across central and local government, as well as the public, all have a role to play. The Department for Business, Energy and Industrial Strategy (the Department) has overall responsibility for achieving net zero. It also has lead responsibility for decarbonising many of the highest-emitting sectors of the economy, such as power and industry. The Department must work with the Devolved Administrations and other departments, such as the Ministry of Housing, Communities and Local Government, Department for Environment, Food & Rural Affairs and the Department for Transport, which each hold responsibility for decarbonisation in their respective policy areas. Progress has not been uniform and whilst emissions from power have declined by 62% between 2008–2018, surface transport emissions have declined by only 3% over the same time period. HM Treasury has a key role to play given it allocates budgets to government departments and is central to assessing the relative priority of policies across government and in ensuring departments have the funding needed for programmes to reduce emissions.

Conclusions and recommendations

1. **Government has not set out how it plans to achieve net zero despite having set the target in 2019.** In June 2019, Parliament legislated for ‘net zero’ greenhouse gas emissions by 2050. The Department plans to launch a net zero strategy before the UK hosts the 26th UN Climate Change Conference of the Parties (COP26) conference in November 2021. The Department aims that the strategy will set out the government’s vision for transitioning to a net zero economy, providing much needed clarity for stakeholders. But this nonetheless means that it will have taken Government over two years to set out its plans. Prior to the launch of the strategy, departments intend to publish several sector strategies, including for transport, heating, tree planting and energy. However, the publication of many of these strategies has already been delayed. For example, the Heat and Buildings strategy has been delayed from August 2020 to early 2021 at the earliest. The Department plans to publish many of the remaining strategies over the next 12 months but has not yet confirmed what will be published when.

Recommendation: *The Department should ensure that the key sector strategies, and the overarching net zero strategy, are published by September 2021. These strategies should include a clear timeline of key net zero milestones and decision points, to give Parliament and the public an overview of government’s net zero plans, what it plans to achieve and when.*

2. **The Department is not yet reporting on the programmes across government that are crucial to the delivery of net zero in a way that enables Parliament or the public to scrutinise progress.** In early 2019, government established new arrangements for coordinating the departments involved in achieving net zero. The Department has overall responsibility for achieving net zero and for ensuring cross-government arrangements are working effectively and that departments are reducing emissions over time towards achieving net zero. But there is no single place where information is brought together about the overall progress of key net zero policies, or a clear set of measures which can be consistently used to judge progress. This limits the Department’s ability to identify potential issues with achieving net zero and take corrective action if necessary. The Department is working with the Climate Change Committee to develop new measures of progress that are more straightforward to understand, which it expects could be used both for monitoring as well as in public communication of progress towards net zero. The Department must publish its plans and targets for all sectors and make clear to the public how government actions, such as the recent decision not to intervene over the local granting of planning permission to a coal mine in Cumbria, are consistent with its trajectory to net zero. Otherwise, government runs the risk of sending the wrong messages to the public about its commitment to this goal.

Recommendation: *The Department should develop a clear set of metrics that provide a system-wide view of progress towards net zero. These metrics, which should include reporting on progress of emissions levels compared to expectations within each sector, should be reported regularly from the end of 2021, in as close to real time as is feasible and produced in a user-friendly manner for the public.*

3. **HM Treasury has not yet clarified how it will ensure net zero is given adequate weight in the assessment of government policies and projects.** Achieving net zero will be an all-encompassing challenge requiring all parts of government to contribute to reducing emissions. Therefore, government must build net zero into the structures and processes that govern departmental spending and prioritisation. For example, by assessing the carbon impact of new projects or programmes to consider their impact on achieving net zero. The Treasury's Green Book guidance requires all policy, programme and project proposals to consider environment and climate impacts, including UK greenhouse gas emissions. The Treasury has recently reviewed this guidance and is now looking to place more emphasis on strategic objectives such as net zero in the assessment of proposals. But departments' capability to assess climate impacts is varied, with the skills needed concentrated in the Department. The requirements as set out in the revised Green Book will have less impact than the Treasury intends, and ultimately programmes will not contribute to achieving net zero, if a lack of capability across departments means they are not put into practice.

Recommendation: *HM Treasury should, within two months, write to us outlining:*

- *how it will ensure its guidance, such as the Green Book, will lead to departments adequately considering and reporting the impact of policy decisions on net zero; how all fiscal stimulus packages and infrastructure proposals will be stress tested against net zero and what measures will be incorporated into the Green Book to ensure projects are only approved if they align with 2050 net-zero target; and*
 - *how it will ensure the development of skills across Whitehall to assess the impact of decisions on net zero.*
4. **Government does not have a clear way of determining whether its actions to reduce emissions in the UK are transferring emissions to other countries.** The net zero target applies to emissions generated within the UK and does not include emissions from the production of goods that are imported. This approach aligns with internationally agreed rules to prevent double counting of emissions. It is critical that actions to reduce the UK's emissions do not result in simply moving them abroad, which would undermine global efforts to limit temperature rises. This could happen, for example, if UK policies push high-emitting industries (such as some manufacturing) abroad rather than ensuring those industries become carbon neutral. HM Treasury considers that this risk is lessened as other countries reduce their own emissions. But if the UK decarbonises more quickly than other countries (particularly countries it imports from), there will be a risk in the short term that policies to reduce emissions transfers them abroad instead.

Recommendation: *The Department should review how policies aimed at reducing UK-based emissions take into account the risk that emissions are passed to other countries and explore how to make the level of emissions generated in the manufacture of imported goods more transparent.*

5. **Government has not adequately communicated to the general public the changes that individuals will need to make in the transition to net zero emissions.**

Achieving net zero will depend on individuals choosing to change their behaviour, from personal lifestyle choices, as well as decisions that rely to some degree on related technological developments such as buying an electric car or changing how they heat their homes. The Climate Change Committee estimated in 2019 that 62% of remaining emissions reductions will rely to some degree on individual choices and behaviours. But there is a disconnect between people's concern about climate change and their understanding of what is required to achieve emissions reductions in the UK. There has so far been no coordinated government messaging about the changes and choices people will need to make. A key challenge will be engaging with, and supporting, those who are currently employed in sectors that will either decline as part of the transition to net zero, such as oil and gas extraction, or will need to significantly change, such as mechanics who must transition to working primarily on electric vehicles. Supporting these people could be complementary to the 'levelling up' agenda whereby Government aims to create opportunity for everyone in all regions and address disparities in economic and social outcomes. The Department established a public engagement team to begin work in April 2020 but accepts that it needs to do more on its communication with the public.

Recommendation: *The Department should, in the next 12 months, develop a public engagement strategy that sets out how communications will be coordinated.*

6. **The Department has not sufficiently engaged with local authorities on their role in the achievement of net zero across the UK.** Local authorities have significant scope to influence emissions in their area, both by leading decarbonisation of sectors (such as housing and transport) and by influencing local businesses and residents to take climate action themselves. However, local government representatives report a lack of clarity from central government on the role local authorities should play in achieving net zero, what will be expected of them or how they will be supported. The Local Government Association's Climate Change Survey 2020 found that nine out of 10 councils have declared a climate emergency and 80% have set a carbon neutral target. But local authorities face a wide range of barriers to tackling climate change. Ninety-six per cent of local authorities report that funding is a barrier to them tackling climate change, and 93% that legislation or regulation is a barrier. Lack of workforce capacity or a lack of skills is also a cause for concern, with 88% and 78% of local authorities in the survey respectively reporting this as a barrier to tackling climate change.

Recommendation: *Government should respond with a coherent National Fiscal and Policy Framework. This should set out Government's national responsibilities. Local Authorities local and regional responsibilities and be clear how government proposes to work with local authorities to secure the funding, skills, resources and outcomes required to deliver Net Zero.*

1 Net zero plans and progress

1. On the basis of a report by the Comptroller and Auditor General, we took evidence from the Department for Business, Energy and Industrial Strategy (the Department) and HM Treasury about achieving net zero.¹

2. In June 2019, government passed legislation committing it to achieving ‘net zero’ greenhouse gas emissions by 2050. This means reducing emissions substantially from current levels, requiring the UK’s greenhouse gas emissions in 2050 to be equal to or less than what is removed from the atmosphere by either the natural environment or carbon capture technologies. Government set the net zero target to deliver on the commitments it had made by signing the Paris Agreement in 2016. As part of the Paris Agreement, 189 countries and territories committed to pursuing ways to limit global temperature rises this century to well below 2 degrees Celsius above pre-industrial levels and to try to limit the temperature increase further to just 1.5 degrees Celsius.²

3. Net zero is an increase in ambition from the government’s previous target, set in 2008, to reduce net emissions by 80% by 2050 compared with 1990 levels. In 2018, the UK emitted 496 million tonnes of carbon dioxide equivalent (the unified measure of greenhouse gas emissions combining all greenhouse gases). Between 2008 and 2018, the UK’s emissions reduced by 28%, faster than any other G20 economy. The power sector was responsible for 56% of the overall decrease in emissions between 2008 and 2018, industry for 22% and waste for 9%. Reducing emissions further to achieve net zero is a colossal challenge, requiring wide-ranging changes to the UK economy and to the way we all live our lives, including further investment in renewable electricity generation, as well as changing the way people travel, how land is used and how buildings are heated.³

4. The Department has overall responsibility in government for achieving net zero. It also has lead responsibility for decarbonising many of the highest-emitting sectors of the economy, such as power and industry. HM Treasury has a key role to play given it allocates budgets to government departments. It is central to assessing the relative priority of policies across government and ensuring that departments have sufficient financial resources to manage programmes aimed at reducing emissions. The Department must work with devolved administrations and other departments, like the Ministry of Housing, Communities and Local Government (MHCLG), Department for Environment, Food & Rural Affairs (Defra) and the Department for Transport, which each hold responsibility for decarbonisation in their respective policy areas.⁴

Plans for achieving net zero

5. Government introduced the net zero target through an amendment to the Climate Change Act (2008), which originally set a target of at least an 80% reduction in net greenhouse gas emissions in the UK relative to 1990 levels. Government also aimed to set an example for other countries to follow in the run-up to hosting the 26th United Nations’ Climate Change Conference of the Parties (COP26). The Climate Change Act required government to set ‘carbon budgets’, legally binding targets for UK emissions over

1 C&AG’s Report, *Achieving net zero*, Session 2019-21, HC 1035, 4 December 2020

2 Q 1: C&AG’s Report, paras 1, 1.2-1.3

3 C&AG’s Report, paras 2, 1.6, 1.8-1.9, Figure 2 and Figure 4

4 C&AG’s Report, paras 3, 1.5, 1.15-1.16, Figure 5

a five-year period. The first five carbon budgets, up to 2032, were set to achieve progress towards the 80% reduction target.⁵ In December 2020, the Prime Minister announced a new target to reduce the UK's emissions by at least 68% by 2030, compared to 1990 levels to put it on a pathway to net zero.⁶ The Climate Change Committee (CCC), which advises the UK and devolved administrations on meeting their emissions reductions targets and preparing for climate change, has recommended that the UK sets a Sixth Carbon Budget to require a reduction in UK greenhouse gas emissions of 78% by 2035 relative to 1990, in line with net zero.⁷

6. The UK met the first and second carbon budget and the Department currently forecasts that it is very likely to achieve the third carbon budget but will fall short against carbon budgets 4 and 5, from 2023 to 2027 and 2028 to 2032, respectively. We asked the Department how it could be confident that it would achieve the new 68% target when it was off track for the less ambitious fourth and fifth carbon budgets and what action it was taking to get back on track. The Department explained that it would establish additional policies to close the gap by publishing sector strategies over the next year, culminating in an overall net zero strategy. The Department told us that its success to date in achieving reductions in carbon emissions gave it confidence it could make the huge transformation needed. However, the majority of the reductions so far have been achieved in the power sector and required less behaviour change by consumers than would be necessary for other sectors that need to decarbonise, such as heat and transport.⁸

7. The government originally planned to publish many of its strategies during 2020. Publication was later than it previously intended, partly because of reprioritisation of Government activity in response to the coronavirus crisis.⁹ For example, the publication of the Heat and Buildings strategy was delayed from August 2020 and is yet to be published. Publication of the Fuel Poverty strategy was similarly delayed from April 2020 and did not publish until to February 2021.¹⁰ The Department told us that it would like to have published many of the sector strategies months earlier than they were likely to be published. It asserted that it was now in a good place to publish them and expected the strategies to be stronger as a result of the delay and would reflect a greater degree of political commitment. It accepted that the strategies would need to be clear, and provide detail, about the policies, timing and process that underpinned them. It told us that this particularly applied for high-emitting sectors including buildings, transport and industry. We asked the Department when the strategies were now due to be published and to provide a publication programme for the next 12 months. The Department would not provide details of the months that it planned to publish the individual strategies, asserting that it would 'put them out at the right time, when they are ready'. It told us it expected the Heat and Building strategy and the fuel poverty strategy very soon, followed by the industrial decarbonisation, hydrogen and transport strategies. It expected to publish the

5 Q 8; C&AG's Report, para 1, 1-2-1.4

6 Q 6; GOV.UK, Press release, *UK sets ambitious new climate target head of UN Summit*, 3 December 2020

7 Q 7; C&AG's Report, para 1.10; Climate Change Committee, *The Sixth Carbon Budget, The UK's path to net zero*, December 2020, page 13

8 Qq 6-8; C&AG's Report, paras 6-7, 3.26

9 Q 18; C&AG's Report, para 3.2, Figure 9

10 C&AG's Report, Figure 9; [Department for Business, Energy & Industrial Strategy, Sustainable Warmth, Protecting Vulnerable Households in England, February 2021](#)

nature strategy later in 2021, before the net zero strategy. The Department told us that it was ‘very confident’ that it would be able to publish a net zero strategy in advance of COP26.¹¹

Progress monitoring

8. In early 2019, government established new coordination arrangements for the departments involved in achieving net zero. The arrangements include: cabinet committees for climate action strategy (chaired by the Prime Minister) and implementation; a Climate Change National Strategy Implementation Group (NSIG) of senior officials from the main departments involved; a net zero steering board for strategy and delivery supporting the NSIG; and boards within departments to oversee progress of emissions reductions.¹² The Department’s overall responsibility for achieving net zero means it is responsible for ensuring cross-government arrangements are working effectively. The NAO found that while the Department reported actual and forecast greenhouse gas emissions annually and progress against the carbon budgets, giving it a high-level view of whether the UK is on track to meet net zero, it had not yet embedded performance monitoring into its cross-government coordination arrangements. It did not have a consolidated list of policies key to achieving net zero, nor did it collate data on how these policies were performing overall. This meant that the Department could not identify the key risks and issues emerging across government activities to achieve net zero that needed to be escalated to senior groups such as the cabinet committees.¹³

9. We asked what the Department was doing to ensure that it would be able to track progress towards net zero when responsibility was shared across departments. The Department told us that the new coordination structures provided it with clarity on total emissions and the level of emissions for which each department has responsibility. It asserted that this meant each department could be held to account for its area of responsibility while the Department was overall accountable for total emissions. It also explained that departments would be set an overall emissions ‘envelope’, which all emissions related to their policy decisions must come in under and that this envelope would fall over time. The Department acknowledged that it needed to enhance its reporting on the different net zero delivery programmes across government and told us that it had tasked a net zero governance team to work on this issue.¹⁴ The Treasury told us that the Department was working with the Climate Change Committee (CCC) to develop measures that could be used to track progress. It explained, however, that it would take ‘some time’ to develop this and make sure that it was designed and implemented in the right way, but that it hoped to improve the data and information available to make policy and spending decisions this year.¹⁵

10. We asked the Department about the recent decision to allow deep coal mining in Whitehaven, Cumbria and how this aligned with the government’s intention to move away from depending on fossil fuels and towards cleaner energy sources. The Department told us that the mine in question was for coking coal rather than producing power, a necessary fuel for steel production for which there is, currently, no green substitute.

11 Qq 18-19, 23

12 C&AG’s Report, para 2.2, Figure 6

13 Q 30; C&AG’s Report, paras 3, 16, 3.15-3.16

14 Qq 31, 33, 45

15 Qq 58-60; C&AG’s Report, para 3.15

The Department stated that the steel industry was expected to decarbonise later than other sectors but accepted that the UK nonetheless needed to move to clean steel. More broadly, the Department commented that it is not possible simply to “switch off” certain high-emitting industries and acknowledged that there is a need to help the public better understand that net zero will come in stages with some industries decarbonising later than others.¹⁶ We asked that the Department ensures it publishes targets and milestones encompassing all sectors and that these are brought together and updated regularly so the public can see, in one place, what progress has been made.¹⁷

Appraising policies and projects

11. Net zero is an all-encompassing challenge that will affect every part of government. It will not be achieved if it is not sufficiently prioritised when departments make decisions that could impact on greenhouse gas emissions.¹⁸ We asked whether other departmental priorities, such as building enough homes, could supersede net zero and if the Department had the power to overrule these decisions in favour of net zero. We also asked how net zero was being prioritised in decisions like the granting of North Sea oil and gas licences, which could send the wrong message to the public about Government’s commitment to net zero. The Department explained that achieving net zero relied on its system of collective ownership, which should ensure everyone acted in support of the overall goal, rather than one department directing all others. The Department expected that where departments consistently fall behind, they would be held to account through the new coordination arrangements, which run from the Prime Minister and the Cabinet Committees, to the relevant secretary of state and the department itself, to ensure necessary action was taken to achieve net zero. The NAO found that spending reviews, led by HM Treasury, will be crucial to achieving net zero, as they allocate budgets to departments in the medium term (typically three to five years) and will provide an opportunity to encourage a coordinated approach. The Treasury and Department agreed that an important change in the most recent spending review was including officials from the Department to help scrutinise departments’ bids to ensure they aligned with the wider net zero strategy.¹⁹

12. The Treasury’s Green Book guidance requires all policy, programme and project proposals to consider environment and climate impacts, including UK greenhouse gas emissions. The Department noted that this was another means by which the compatibility of departments’ decisions with net zero could be taken into account.²⁰ HM Treasury has recently reviewed the Green Book guidance, due to concerns that the guidance may undermine the Government’s aim to “level up” poorer parts of the UK. The updated Green Book emphasises the importance of demonstrating the fit of a proposed intervention with government’s strategic objectives, such as net zero, and highlighting whether it supports or conflicts with them.²¹ The Treasury told us that departments, in line with Green Book guidance, should be considering the impact of policies on wider strategic objectives, such as net zero, even if policies were not directly related to climate change.²²

16 Qq 5-6, 36

17 Qq 23, 29

18 C&AG’s Report, para 3, 2.11

19 Q 31-33, 36; C&AG’s Report para 10, 2.11

20 Q 32; C&AG’s Report para 2.12

21 HM Treasury, Green Book Review 2020: Findings and response, Box 2.A, para 1.3, 3.5

22 Qq 54, 64

13. We asked what impact measures such as the Green Book guidance had on major infrastructure projects like High Speed 2. The Department told us that departments were each responsible for ensuring that the projects within their areas remained below their overall emissions envelope and that it did not micromanage individual projects. It explained that in the case of the Department for Transport, the plans to achieve net zero would include a range of transport modes, from cycling, walking, cars, trains and planes, as well as core infrastructure projects such as HS2. It explained that this provided departments flexibility to balance their projects' greenhouse gas emissions as if they went over on one project, the departments would need to find savings elsewhere.²³

14. We asked the Treasury why, in its updated Green Book, it had not introduced a specific requirement for policies to explain how they aligned with net zero. The Treasury told us that the guidance already required Departments to consider greenhouse gas emissions as part of their appraisal process.²⁴ The NAO found, however, that Departments' adherence to guidance, including that in the Green Book, was often inconsistent. The Treasury accepted that taking greenhouse emissions into account was "not always happening on a consistent basis" and that it needed to do more to set the expectations of Departments.²⁵ In the most recent spending review, the Treasury asked departments to provide a detailed assessment of the climate impact of their capital expenditure plans, but not all departments did so. It explained that the main issue was the capability of departments, as much of the capability for assessing the climate impact of policies sits within the Department. The Treasury recognised that there was more it could do to ensure departments have the tools and capabilities to assess the climate impact of policies.²⁶

Impact on global emissions

15. Limiting global temperature rises to reduce the climate change impacts will require a global reduction in greenhouse gas emissions. The net zero target applies to emissions generated in the UK and does not include emissions generated in the production of goods imported into the UK. This is consistent with internationally-agreed rules around climate change targets to prevent double counting of emissions.²⁷ We asked about the potential risk that if Government policies reduce emissions in the UK but at the expense of higher emissions abroad then the UK's progress towards net zero could mask the fact that global emissions are not reducing.²⁸ The CCC found that the UK's greenhouse gas emissions were 69% higher in 2016 if emissions generated in imports were included and that imported emissions have risen as a fraction of the UK's total greenhouse gas emissions. This, it reported, reflected the UK's progress in reducing emissions domestically and that the UK imports energy-intensive industrial products like steel. The CCC also emphasised the importance of government prioritising actions that reduce both UK-generated emissions and imported emissions, such as increasing energy efficiency and reducing waste.²⁹

16. We asked how the Department would ensure that the impact of the UK's progress towards net zero would not inadvertently result in higher emissions elsewhere. The

23 Q 45

24 Q 62

25 Q 54; C&AG's Report, para 2.13

26 Qq 32 & 62

27 C&AG's report, para 1.2; Climate Change Committee, Net Zero, 2019, pp 47, 105

28 Q 20

29 Climate Change Committee, Net Zero, 2019, pp 47, 104, 105

Department told us that, so far, reductions in the UK's emissions had been the result of real change, particularly in the power and industrial sectors, and not the result of pushing emissions abroad, but that it was monitoring this. HM Treasury similarly told us that as other countries decarbonise, imports from those countries will have less embedded carbon and so the risk of pushing emissions abroad would be reduced. The Department told us that emissions generated in imports were difficult to estimate, which is why it was not used as an overall target. It noted that preventing the export of emissions in general relied on careful policy design. For example, regulating the carbon make-up of products on the market, rather than solely regulating how goods are made in this country.³⁰

17. We asked about the feasibility of a tax based on carbon embedded in imports (a carbon border adjustment tax) to reduce the risk of pushing emissions abroad. The Treasury told us that it was considering this as part of its net zero review. It explained that it needed to further investigate the proposal, particularly whether it would be effective in maintaining UK jobs and facilitating decarbonisation in the Global South, how it could be implemented and whether it would comply with World Trade Organisation rules. It explained that the European Commission was considering a carbon border adjustment tax and it expected to learn from this about how the UK could tackle the issue of imported carbon in future.³¹

30 Qq 20-21

31 Qq 21-22

2 Wider engagement

Engaging with the general public

18. Achieving net zero will depend on people changing their habits and lifestyles, adopting new technologies, and in some cases big personal investments. For example, buying zero-emission vehicles, such as electric vehicles, instead of cars that run on petrol or diesel; changing the way they heat their homes by replacing domestic gas boilers with renewable alternatives, such as electric heat pumps; and lifestyle changes such as consuming fewer meat and dairy products. The Climate Change Committee (CCC) estimated in 2019 that 62% of the remaining emissions reductions will happen either through individual choices and behaviours, some of which will require the development of new technologies. But it also found that there was a disconnect between people’s concern about climate change and their understanding of what is required to achieve emissions reductions in the UK.³²

19. We asked the Department what it was doing to ensure the step change needed by members of the public to achieve net zero and how it was communicating to people about the decisions or changes they needed to make and when. The Department told us that so far, a lot of the changes to reduce emissions reductions have not required major behavioural change, but many of those that will be needed in the future will do. It explained that, where possible, it would look for solutions that did not require “excessively drastic behaviour change” which was why initiatives such as electric vehicles were so important. In April 2020, the Department established a behaviour change and public engagement team for net zero to begin designing a public engagement strategy and share good practice across government. The Department accepted, however, that it was not yet providing an integrated picture of public engagement and that there was more work it needed to do to address this gap in 2021.³³ It told us that it would be important to ensure that its public engagement strategy was sufficiently broad to allow the public to understand the wider context of its communications and messages. For example, it explained that it would be important to enable people to understand the continuing importance in the short term of high-emitting industries, such as coal, oil and gas, and their role in employment and the resilience of the energy system.³⁴

20. Government investment in new technologies, such as carbon capture and storage, could benefit particular regions of the UK and support the government’s levelling up agenda, which aims to create opportunity for everyone in all regions and address disparities in economic and social outcomes.³⁵ We asked the Department about ensuring the transition to a net zero economy was done in a just way, in particular the planned skills and training support for people working in sectors expected to decline or change significantly as part of the move to net zero, so that they were prepared for the change. We specifically asked about people who will have to move into different kinds of employment, such as car manufacturing moving to predominantly electric vehicles or people moving from the oil and gas sectors into solar power. The Department confirmed that developing these skills would be very important, but told us that while this was a big area of focus, there was time before developing sectors such as carbon capture will be employing people

32 Q 34, C&AG’s Report paras 8, 3.23, Figure 12

33 Q 34; C&AG’s Report, para 8

34 Qq 36-37

35 C&AG’s Report, paras 1.9

at scale. It noted that, as one of the important opportunities for new job creation, it would be important to ensure that plans for net zero provided job in the right locations and weren't only concentrated in the south-east. It also recognised that it would need to ensure that its plans were integrated into the Department for Education's work on skills and explained it was working with the Department for Education to identify the people and skills the industries affected would need.³⁶

Engaging with local authorities

21. Local authorities have a key role to play in achieving net zero. They have significant scope to influence emissions in their area, for example, by leading decarbonisation of sectors such as housing and transport. These represent a substantial proportion of UK emissions, and where the emissions reduction challenge will vary by location. Local authorities can also influence local businesses and residents to take climate action themselves. The NAO found that government's co-ordination arrangements for net zero only extended to central government departments.³⁷ We received written evidence from the Local Government Association (LGA), which told us that the Government needed to outline national and local government responsibilities and commit to working with local government bodies to deliver net zero. It also told us that there needed to be an engagement process between central and local government to support councils to develop local net zero delivery plans and invest in green solutions.³⁸ The Department agreed that local authorities were very important partners in delivering decarbonisation schemes such as the green homes grant and the local authority delivery scheme. It also recognised that local authorities had a lot of the planning capabilities and statutory duties which would be very important for example, when thinking about investment in heat networks. It accepted that it would be increasingly important to engage with local authorities.³⁹

22. In written evidence, the LGA told us that there was a long-term funding gap in government's ambitions to decarbonise housing. In February 2020, the LGA's Climate Change Survey 2020 found that nine out of 10 councils had declared a climate emergency and 80% had set a carbon neutral target.⁴⁰ But the survey found that local authorities faced numerous barriers to tackling climate change. Ninety-six per cent of respondents reported that funding was a barrier to their local authority tackling climate change, and 93% that legislation or regulation was a barrier. Lack of workforce capacity or a lack of skills was also a cause for concern, with 88% and 78% of local authorities in the survey respectively reporting this as a barrier to tackling climate change. Respondents who noted legislation or regulation as a barrier highlighted a range of issues including building regulations not being environmentally rigorous and that the National Planning Policy Framework or planning regulations were insufficiently ambitious.⁴¹

23. The Department acknowledged that it needed to consider place-related aspects to achieving net zero and how local authorities could be involved in co-ordinating the changes needed in areas such as transport and energy.⁴² The Department told the National

36 Qq 52-53, 65-67

37 C&AG's Report, para 2.19-2.21

38 Local Government Association submission para 4

39 Q 39

40 Q 43; Local Government Association submission para 7

41 Local Government Association submission para 7; Local Government Association, Climate Change Survey, Research report, February 2020 pages 2, 35

42 Qq 40-41

Audit Office that it intended to engage with local authorities about their role as part of the creation of the net zero strategy.⁴³ During our evidence session, the Department further committed to actively engaging with local authorities on how sector strategies will be rolled out, as the strategies were published. The Department noted that it had provided toolkits to raise the capability and capacity within local authorities and has local energy hubs to enable engagement with them. These hubs aimed to help local authorities to develop plans to attract investment and fund the development and sharing of best practice between local authorities.⁴⁴

43 C&AG's Report, paras 11, 2.22

44 Qq 39, 44; C&AG's Report, para 2.22

Formal minutes

Monday 1 March 2021

Virtual meeting

Members present:

Meg Hillier, in the Chair

Mr Gareth Bacon

Mr Richard Holden

Olivia Blake

Sarah Olney

Sir Geoffrey Clifton-Brown

James Wild

Peter Grant

Draft Report (*Achieving Net Zero*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 23 read and agreed to.

Summary agreed to.

Introduction agreed to.

Conclusions and recommendations agreed to.

Resolved, That the Report be the Forty-sixth of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Thursday 4 March at 9:15am

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Thursday 28 January 2021

Sarah Munby, Permanent Secretary, Department for Business, Energy and Industrial Strategy; **Julian Critchlow**, Director General, Energy Transformation and Clean Growth, Department for Business, Energy and Industrial Strategy; **Steve Field**, Director, Climate, Environment, Energy, HM Treasury

[Q1-84](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

ANZ numbers are generated by the evidence processing system and so may not be complete.

- 1 Aldersgate Group ([ANZ0002](#))
- 2 Cadent Gas ([ANZ0003](#))
- 3 Christian Aid ([ANZ0008](#))
- 4 Climate Econometrics, Nuffield College, Oxford University ([ANZ0005](#))
- 5 HP ([ANZ0018](#))
- 6 Federation of Master Builders ([ANZ0012](#))
- 7 Green Alliance ([ANZ0010](#))
- 8 Institution of Civil Engineers) ([ANZ0001](#))
- 9 Local Government Association ([ANZ0007](#))
- 10 Marshall Consultancy Limited ([ANZ0009](#))
- 11 Mineral Products Association ([ANZ0004](#))
- 12 Natural England ([ANZ0017](#))
- 13 Policy Connect ([ANZ0011](#))
- 14 Porterbrook ([ANZ0016](#))
- 15 Institution of Civil Engineers) ([ANZ0001](#))
- 16 Road Haulage Association ([ANZ0006](#))
- 17 SSE ([ANZ0014](#))
- 18 Smart Energy GB ([ANZ0013](#))
- 19 London Energy Transformation Initiative ([ANZ0015](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website.

Session 2019–21

Number	Title	Reference
1st	Support for children with special educational needs and disabilities	HC 85
2nd	Defence Nuclear Infrastructure	HC 86
3rd	High Speed 2: Spring 2020 Update	HC 84
4th	EU Exit: Get ready for Brexit Campaign	HC 131
5th	University technical colleges	HC 87
6th	Excess votes 2018–19	HC 243
7th	Gambling regulation: problem gambling and protecting vulnerable people	HC 134
8th	NHS capital expenditure and financial management	HC 344
9th	Water supply and demand management	HC 378
10th	Defence capability and the Equipment Plan	HC 247
11th	Local authority investment in commercial property	HC 312
12th	Management of tax reliefs	HC 379
13th	Whole of Government Response to COVID-19	HC 404
14th	Readying the NHS and social care for the COVID-19 peak	HC 405
15th	Improving the prison estate	HC 244
16th	Progress in remediating dangerous cladding	HC 406
17th	Immigration enforcement	HC 407
18th	NHS nursing workforce	HC 408
19th	Restoration and renewal of the Palace of Westminster	HC 549
20th	Tackling the tax gap	HC 650
21st	Government support for UK exporters	HC 679
22nd	Digital transformation in the NHS	HC 680
23rd	Delivering carrier strike	HC 684
24th	Selecting towns for the Towns Fund	HC 651
25th	Asylum accommodation and support transformation programme	HC 683
26th	Department of Work and Pensions Accounts 2019–20	HC 681
27th	Covid-19: Supply of ventilators	HC 685

Number	Title	Reference
28th	The Nuclear Decommissioning Authority's management of the Magnox contract	HC 653
29th	Whitehall preparations for EU Exit	HC 682
30th	The production and distribution of cash	HC 654
31st	Starter Homes	HC 88
32nd	Specialist Skills in the civil service	HC 686
33rd	Covid-19: Bounce Back Loan Scheme	HC 687
34th	Covid-19: Support for jobs	HC 920
35th	Improving Broadband	HC 688
36th	HMRC performance 2019–20	HC 690
37th	Whole of Government Accounts 2018–19	HC 655
38th	Managing colleges' financial sustainability	HC 692
39th	Lessons from major projects and programmes	HC 694
40th	Achieving government's long-term environmental goals	HC 927
41st	COVID 19: the free school meals voucher scheme	HC 689
42nd	COVID-19: Government procurement and supply of Personal Protective Equipment	HC 928
43rd	COVID-19: Planning for a vaccine Part 1	HC 930
44th	Excess Votes 2019–20	HC 1205
45th	Managing flood risk	HC 931