



Department for Business, Energy & Industrial Strategy

Dame Meg Hillier MP
Chair, Public Accounts
Committee
House of Commons
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15th November 2021

Dear Chair

Follow up from Achieving Net Zero hearing on 25 October

I am writing to respond to the Committee's request to provide a breakdown of analysis behind the UK's decarbonisation between 2008 – 2018. I also enclose a confirmation of the recent SMR announcement as requested during our session.

Analysis breakdown of reduction in UK's carbon footprint

The UK government produces three separate estimates of UK greenhouse gas emissions, each with a different purpose, designed to provide a complete picture of the greenhouse gas emissions associated with UK activities. These three estimates are:

- UK territorial (or 'production-based') emissions, based on the UK greenhouse gas inventory, published by BEIS. Our domestic and international emission reduction targets are based on territorial emissions - as is standard international practice.
- UK carbon footprint or 'consumption-based' emissions, published by Defra on an 'experimental' basis. The UK carbon footprint refers to greenhouse gas emissions that are associated with UK residents' consumption of goods and services (wherever in the world these emissions arise along the supply chain), and those which are directly generated by UK households. These help us and the CCC monitor that we are not simply offshoring emissions.
- Emissions as measured by the UK Environmental Accounts on a 'residents' basis, published by the Office for National Statistics (ONS). The UK Environmental Accounts are "satellite accounts" to the main UK National Accounts. This means they are comparable with economic indicators such as gross domestic product.

All UK domestic and international GHG emissions reduction targets (including carbon budgets) are based on the first methodology above, territorial emissions. This is the agreed international approach for estimating and reporting greenhouse gas emissions under the UN Framework Convention on Climate Change (UNFCCC) and Kyoto Protocol. Since 1990 the UK has reduced territorial greenhouse gas emissions by 44%. The reduction was 28% over 2008 to 2018. A full breakdown of the UK's territorial emissions can be found here:

<https://www.gov.uk/government/statistics/final-uk-greenhouse-gas-emissions-national-statistics-1990-to-2019>

As set out above, the UK's carbon footprint has a different scope. The UK's carbon footprint peaked in 2004, at 1,018 MtCO₂e. In 2018, emissions were 31% lower than this peak at 703 MtCO₂e. Between 2008 and 2018, consumption-based emissions decreased by 25%. The reduction in domestic emissions drove over half (54%) of the estimated 231 MtCO₂e reduction in our carbon footprint between 2008 and 2018, with a reduction in emissions from consumption of imported goods and services driving the rest. A full breakdown of the UK's carbon footprint can be found here: <https://www.gov.uk/government/statistics/uks-carbon-footprint>.

SMR funding announcement

As announced on 9th November, the Government is providing £210m of funding towards development of the Rolls-Royce SMR through the Low Cost Nuclear Challenge programme. This funding will be matched with private investment and will allow further development of the technology and progress through the first two of three stages of regulatory assessment.

The full press release can be found [here](#).

Yours sincerely,

A handwritten signature in black ink that reads "Sarah Munby". The signature is written in a cursive style and is positioned above a faint, light-colored rectangular stamp or watermark.

Sarah Munby