



HM TREASURY

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**Dame Meg Hillier MP**  
**Chair, Public Accounts Committee**  
**House of Commons**  
**London**  
**SW1A 0AA**

Dear Dame Meg,

**WRITTEN UPDATE ON THE NET ZERO ANNOUNCEMENTS AT AUTUMN BUDGET AND SPENDING REVIEW 2021**

I would like to give my thanks to the Public Accounts Committee for allowing me to be excluded from the oral evidence session on 25 October and to instead attend the hearing on 17 November. I agreed to write in advance of the hearing on the Treasury's role in this Autumn's announcements on Net Zero, including the Autumn Budget and Spending Review.

As the Committee knows, the Net Zero Strategy (NZS), published on 19th October, sets out the Government's long-term plans for reducing greenhouse gas emissions across all sectors of the economy. The package of policies and spending announced as part of the NZS lays the foundations for clean and resilient energy supply through investment in wind, nuclear and carbon, capture and storage (CCS), while accelerating decarbonisation in sectors such as transport and buildings. It will help to keep the UK on track to meet its carbon budgets and its Nationally Determined Contribution and establishes the longer-term pathway towards achieving net zero by 2050.

The spending plans set out in the NZS were confirmed in the Autumn Budget and Spending Review on 27 October. See a summary at the bottom of the letter. This shows that by the end of 2024-25, the Government will have committed a total of £30 billion of domestic investment for the green industrial revolution. More detail on the specific programmes funded are provided in pages 69 to 73 of the Autumn Budget and Spending Review 2021.

The NZS and the spending package confirmed in the Autumn Budget and Spending Review are the product of close collaboration between the Treasury, BEIS, DfT, Defra, Cabinet Office, No10 and other departments over many months in the run up to publication. As well as



ensuring the UK is making the progress needed to reach net zero emissions by 2050, the proposals are designed support the Government's levelling up objectives, create new jobs, and increase energy security.

I have shared a copy of this letter with the offices of Sir Tom Scholar and Cat Little.

Yours sincerely,

Steve Field

Director of Climate, Energy and Environment at HM Treasury

**Autumn Budget and Spending Review – Table 2.5**



INVESTOR IN PEOPLE

<b>Net Zero and other Green DEL &amp; AME expenditure (excludes admin RDEL)</b>				
<b>£ billion (current prices)</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Total Core Net Zero spend</b>	<b>4.4</b>	<b>5.5</b>	<b>8.0</b>	<b>7.7</b>
<b>Transport</b>	<b>1.5</b>	<b>1.9</b>	<b>2.0</b>	<b>1.8</b>
<i>of which: Cars and vans</i>	<i>0.7</i>	<i>0.8</i>	<i>1.0</i>	<i>1.0</i>
<i>of which: Public transport and active travel</i>	<i>0.7</i>	<i>1.0</i>	<i>1.0</i>	<i>0.8</i>
<i>of which: Sustainable aviation fuel</i>	<i>0.0</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>
<b>Buildings</b>	<b>2.5</b>	<b>2.0</b>	<b>2.5</b>	<b>2.7</b>
<i>of which: Energy efficiency</i>	<i>1.3</i>	<i>0.7</i>	<i>1.1</i>	<i>1.3</i>
<i>of which: Clean heat<sup>1</sup></i>	<i>1.2</i>	<i>1.3</i>	<i>1.4</i>	<i>1.4</i>
<b>CCUS, hydrogen and industrial decarbonisation</b>	<b>0.0</b>	<b>0.1</b>	<b>0.5</b>	<b>0.8</b>
<i>of which: Carbon capture, usage and storage<sup>2</sup></i>	<i>0.0</i>	<i>0.0</i>	<i>0.3</i>	<i>0.4</i>
<i>of which: Hydrogen</i>	<i>0.0</i>	<i>0.0</i>	<i>0.1</i>	<i>0.1</i>
<i>of which: Industrial decarbonisation</i>	<i>0.0</i>	<i>0.1</i>	<i>0.2</i>	<i>0.2</i>
<b>Net zero energy</b>	<b>0.2</b>	<b>0.8</b>	<b>2.1</b>	<b>1.3</b>
<i>of which: Energy security</i>	<i>0.1</i>	<i>0.7</i>	<i>1.9</i>	<i>1.2</i>
<i>of which: Offshore wind</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>
<b>Natural environment and waste<sup>3</sup></b>	<b>0.1</b>	<b>0.2</b>	<b>0.6</b>	<b>0.4</b>
<i>of which: Tree planting and peat restoration</i>	<i>0.1</i>	<i>0.2</i>	<i>0.2</i>	<i>0.3</i>
<i>of which: Food waste collection</i>	<i>0.0</i>	<i>0.0</i>	<i>0.3</i>	<i>0.1</i>
<b>Net zero innovation<sup>4</sup></b>	<b>0.0</b>	<b>0.4</b>	<b>0.4</b>	<b>0.7</b>
<b>Total Other Green Spend<sup>5</sup></b>	<b>0.9</b>	<b>1.0</b>	<b>1.1</b>	<b>1.2</b>
<i>of which: Flood defences<sup>6</sup></i>	<i>0.9</i>	<i>0.9</i>	<i>0.9</i>	<i>1.0</i>

1. Excludes administrations budgets.

2. Includes Renewable Heat Incentive

3. The £1 billion CCS Infrastructure Fund is spread over a longer time period than as announced at SR20 reflecting information received from project developers in the CCS cluster sequencing process

4. Includes Air Quality

5. Includes innovation and R&D spending for: the Department for Business, Energy & Industrial Strategy; the Department for Transport; and the Department for Environment, Food & Rural Affairs.

6. Includes biodiversity spending

7. The 10PP includes a commitment for £5.2bn flood defence spending, £1.4bn will fall into the next SR period

