

The Independent Review of Net Zero

General debate briefing

Thursday 9 February 2023



Background

- In 2019, with support from all major political parties, the UK enshrined in law a commitment to reach net zero carbon emissions by 2050 – [the first major economy in the world to do so](#).
- At the subsequent general election all major parties [included commitments](#) within their manifestos to reach net zero by 2050 or sooner.
- Since then, in part thanks to the UK's Presidency of COP26, [over 90% of the world's GDP](#) is now committed to a net zero target.
- However, the UK remains off track to meet its net zero goal and [more immediate carbon budgets](#) as set by the government's independent climate advisers the Committee on Climate Change.
- The UK's net zero credentials have been criticised following the decision to approve the first deep coal mine in decades last year ([which has shown to be at risk of breaking UK climate pledges](#)) and after the courts found the government's Net Zero strategy to be [unlawful](#).
- This debate serves as an opportunity to demonstrate the cross-party support for green policies in Parliament and set out key priorities for what the government should include in its revised Net Zero strategy expected to be published in March.

What is the Net Zero Review?

- Following Liz Truss' appointment as Prime Minister, in September 2022, the government [commissioned](#) Chris Skidmore MP to lead an independent review of net zero.
- The purpose of the review was to identify how the UK could meet its net zero commitments in an affordable and efficient manner, and one that is "pro-business, pro-enterprise and pro-growth".
- The review engaged with businesses, organisations, local government, academia and the public across the UK, and a [call for evidence](#) also informed the review and received over 1,800 responses.
- The review's findings were published in its final report '[Mission zero: Independent review of net zero](#)' on 13 January 2023.

What was in the Net Zero Review?

- Mission Zero set out 129 recommendations to government, [including 10 core missions](#), and 25 policies to prioritise before 2025.
- Net zero is referred to as the 'economic opportunity of the 21st century, with McKinsey estimating it could be worth £1 trillion to British businesses alone by 2030
- Of the 10 core missions, 'grid and infrastructure' was a priority to turbocharge onshore and offshore wind development.
- The Review called for a 'rooftop revolution' on solar, in addition to new solar parks with 70GW by 2035.

- On transport, the Review called for an ambitious Zero Emissions Vehicle mandate to be introduced by 2024, with transport contributing the most to UK emissions.
- Energy efficiency was a key priority, with the Review calling for gas boilers to be phased out by 2033 and a new Net Zero Performance Certificate, to replace EPC's.
- The circular economy and a more efficient use of resources, particularly critical raw materials, is also seen as a mission.
- Net zero and nature will need to work together to restore habitats, store carbon and site infrastructure in appropriate places.
- The Review called on the UK government to act swiftly to seize the opportunities, and warned against slow action: *"delaying action by ten years could mean UK debt could be 23% of GDP higher in 2050, doubling the fiscal cost of achieving net zero and not capitalising on economies of scale"*.

What is the cost of **Not Zero**?

Costs of inaction?

- The costs of failing to deliver net zero are far greater than those associated with doing so, already climate change has been described as an ['existential threat to humanity'](#) by Treasury and the OBR have said that unchecked climate change could take public debt to 289 per cent of GDP by the end of the century.
- At the recent UN climate summit COP27, the UN Secretary General, Antonio Guterres, told the world that ['our planet is fast approaching climate tipping points that will make climate chaos irreversible'](#). This follows the latest UN scientific report on climate change, commissioned by heads of governments internationally and [published in 2021](#), which warned climate change is now 'code red for humanity'.
- The UK government's own [Climate Change Risk Assessment in 2022](#) showed that the cost of climate change to the UK economy could be up to £20bn a year by 2050.
- Climate change will increase the frequency of freakish weather events, such as the record breaking 40C heat that the UK experienced last year. Over [3.5k excess deaths](#) were linked to heat last year, with the vast majority in July, during the heatwave. The [10 hottest years in UK history](#) have all occurred since 2003.
- By November of 2022, global heating of 1.2C had already [cost the global economy over £200bn](#) due to climate change fuelled disasters. This figure will soar if warming continues.
- [Research by ECIU](#) shows the decision to cut government support for home insulation in 2013 has meant 10 million homes missed out on upgrades that could have saved taxpayers up to £9billion (every year) under the Energy Price Guarantee scheme.

What is the cost of net zero?

- The [Office for Budget Responsibility](#) estimates a net cost of the UK reaching net zero by 2050 to £321bn, the equivalent of just over £10bn a year.
- The Committee on Climate Change predicts that the cost of net zero to the UK economy will be less than 1% of GDP per year, *before benefits are counted*, whilst updated analysis shows with gas prices remaining high, net zero could save the [UK 0.5% of GDP](#).

Policy priorities for Environment APPG MPs to advocate for in the debate:

1. **A strong Department for Energy Security and Net Zero:** achieving net zero requires long-term and joined up thinking across government departments as well as sustainable

governance structures. A cabinet minister co-ordinating net zero is an important step, but they must have the funding and cross-government convening power to ensure relevant departments are delivering on time, helping the UK to meet its binding carbon budgets and seizing the economic opportunities of early action. A strong DESNZ can avoid repeating past failures which have hindered efforts to reduce emissions and cost taxpayer money, such as the decision to reduce home insulation funding a decade ago. It can also provide the function of administering carbon regulation, such as would be under the remit of an Office for Carbon Removal, working with Defra.

2. **Reforming the planning system to support net zero:** locally led action is essential to fulfilling the UK's net zero promise. By reforming the planning system to allow more onshore renewables like wind and solar, the UK can meet its carbon targets, reduce the cost of energy and help grow the economy, simply by cutting red tape. MPs should call for reforms to the planning system at a local and national level to ensure it is aligned to the UK's net zero goal instead of working against it.
3. **Increasing public engagement on net zero:** support for green measures is consistently high amongst the public. However, this can be undermined by insufficient information related to the net zero transition and myths surrounding the cost of green policies. MPs should call on government to ramp up engagement with the public on net zero, including by publishing a public engagement strategy.
4. **Cleaner, greener, cheaper homes:** reducing energy use is the most efficient way to cut emissions and household bills. Switching to low or zero carbon heating sources can save the average household £400 - £6,000 by 2050. MPs should call for the government to bring forward consultations and work to mandate the Future Homes Standard by 2025 and for all homes sold to be EPC C by 2033. Consideration should be given to a Net Zero Homes Standard, as efficient homes will be more financially desirable to live in, buy and sell.
5. **Aligning UK trade with our environmental promises:** from passing the world's first Climate Change Act to recently acting as hosts of COP26 the UK has been a global leader in climate action over the past two decades. Retaining the UK's position as a global climate leader is essential to securing economic growth and investment for the UK's economy. MPs should call for the establishment of a baseline for environmental and climate protections in future free trade agreements and for removal of trade barriers to environmental goods and services.
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7. **Implement the zero emissions vehicles (ZEV) mandate by 2024:** the transport sector accounts for more than a third of UK emissions. Decarbonising transport is essential to reaching net zero by 2050. For this to happen we need a move away from petrol and diesel cars towards more electric vehicles. MPs should call for the implementation of the ZEV mandate as committed to in the Net Zero strategy which is currently at risk of being delayed beyond its intended start date of 1 January 2024 due to legislation not yet being laid.
8. **Publish a land use framework that supports net zero by 2050:** agriculture and land use is responsible for about 12% of the UK's greenhouse gas emissions. To hit net zero across the

whole economy, land use must be carbon negative by 2050. MPs should call for the upcoming Land Use Framework to act as a strategy that guides the countryside to produce healthy, sustainable food, become a net zero carbon sink and make space for nature.

What do voters think?

- [Polling commissioned by UK100](#) found that the public think local authorities are well-placed to act on green issues, with 40% agreeing local authorities were best placed to take action, compared to 30% believing the central government was best placed, and 19% individuals.
- [Polling by the UN](#) found 81% of people in the UK consider climate change to be a global emergency. This is higher than the worldwide average, which is 64%.
- [Polling by Onward](#) shows 64% of voters support plans to reach Net Zero by 2050, seven times the share (9%) who say they oppose the policy. 58% of people agreed that “The UK should keep its plan to reach Net Zero, even if it’s going to be expensive, as we need to stop damaging the environment”, more than double the level who think the UK should scrap the plan due to high costs.