



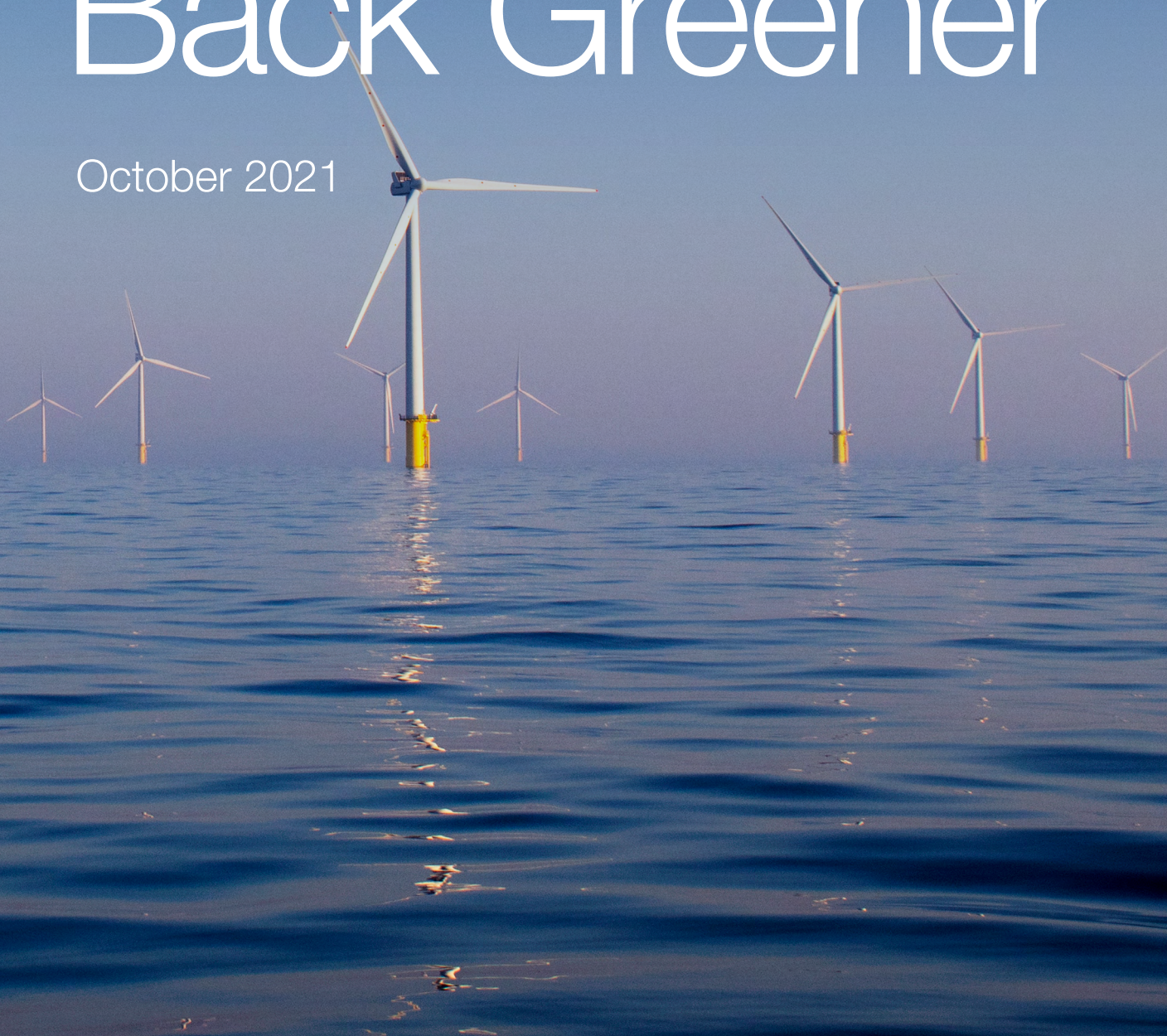
HM Government

TOGETHER  
FOR OUR  
PLANET



# Net Zero Strategy: Build Back Greener

October 2021





# The Ten Point Plan for a Green Industrial Revolution

Last year, the government kick-started its mission to get ahead of the pack, by setting out a *Ten Point Plan for a Green Industrial Revolution*. Our ambition was to create the conditions for the private sector to invest with confidence, unleashing the unique creativity of capitalism to generate and grow new green industries.

We mobilised £12 billion of government investment, shared some of the risks of pioneering new industries, and began to introduce regulations to assure industry of the future demand for green products – such as through our decision to end the sale of new petrol and diesel cars by 2030. We have also invested in the skills the British workforce will

need for these new high wage green jobs, through our Lifetime Skills Guarantee, and we are helping investors to access capital for green projects by making the City of London the global centre of Green Finance.

At the Global Investment Summit in October 2021, the Prime Minister announced a package of 18 deals worth £9.7 billion that will support green growth and create an estimated 30,000 UK jobs. This is on top of the £5.8 billion already committed for sustainable projects since the Prime Minister launched his *Ten Point Plan* in November 2020. Now we need to build on this progress with a strategy to take us to net zero by 2050.

## Our Strategy for Net Zero

Since 1990 the UK has reduced our greenhouse gas emissions by 44%, while growing our economy by over 75%. This strategy sets out this Government's long-term plan to finish the job and end the UK's domestic contribution to man-made climate change by 2050.

Although every study shows that the costs of inaction on climate are far greater, there will, of course, be costs to the investments needed to make this transition happen. So we will approach these with four key principles:

1. **We will work with the grain of consumer choice:** no one will be required to rip out their existing boiler or scrap their current car
2. **We will ensure the biggest polluters pay the most for the transition** through fair carbon pricing

3. **We will ensure that the most vulnerable are protected through Government support** in the form of energy bill discounts, energy efficiency upgrades, and more

4. **We will work with businesses to continue delivering deep cost reductions in low carbon tech** through support for the latest state of the art kit to bring down costs for consumers and deliver benefits for businesses.

This strategy is a long-term plan for a transition that will take place over the next three decades. Many of the policies in the strategy will be phased in over the next decade or longer. Given our success in decarbonisation to date we are confident in our approach, but this strategy does not intend to predict the exact shape of the British economy in 2050 and neither should it.

We are making the decisions that are needed now to drive investment into new low carbon technologies and as these develop and we test our approach, we will make informed decisions over how we scale to reach net zero by 2050.

We have consistently underestimated how quickly the costs of clean technology would fall to date. There will be many more decisions to take, and many more steps on the journey to the finish line. But this strategy marks the beginning of the end of the UK's domestic contribution to climate change.

# What is in the Strategy?

Ending the UK's contribution to climate change is a long-term shift, and the Climate Change Act breaks up this challenge into bitesize chunks – five-year long carbon budgets.

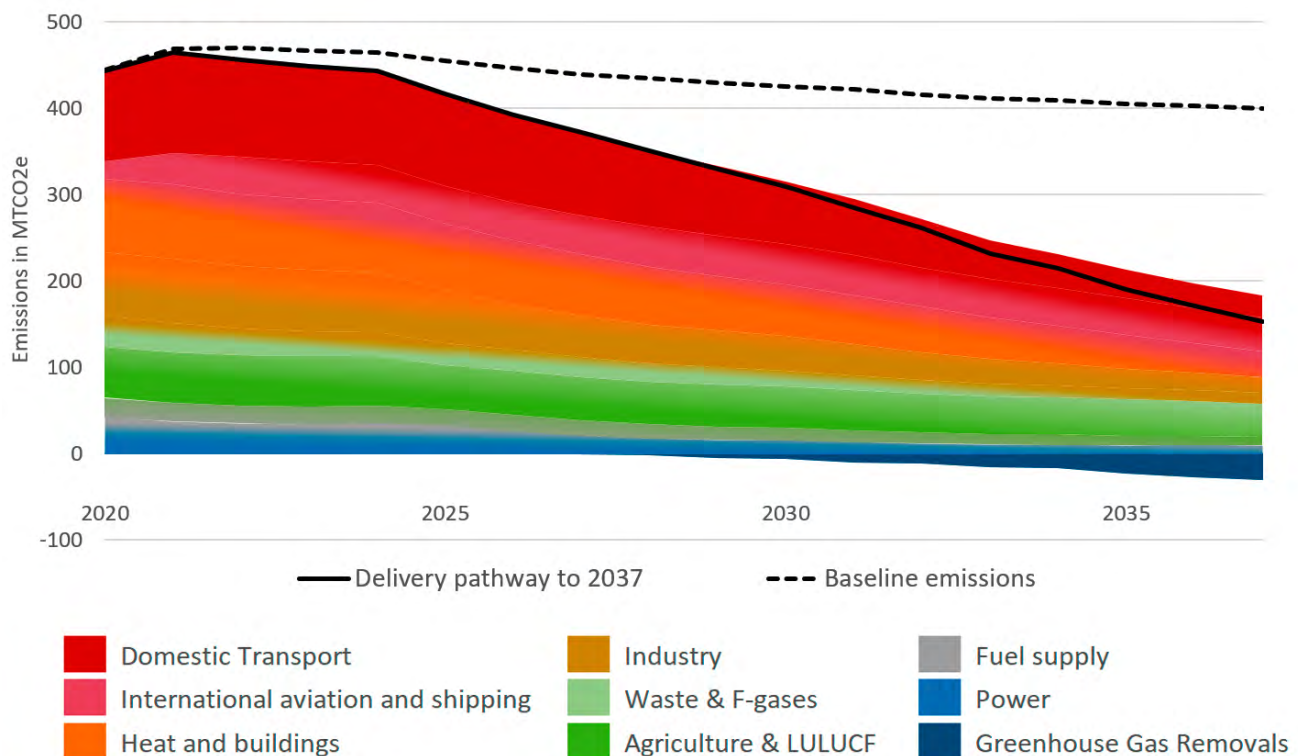
We have hit all of our carbon budgets to date.

**This document sets out clear policies and proposals for keeping us on track for our coming carbon budgets, our ambitious Nationally Determined Contribution (NDC), and then sets out our vision for a decarbonised economy in 2050.**

Whilst there are a range of ways in which net zero could be achieved in the UK, we set out a delivery pathway showing indicative emissions reductions across sectors to meet our targets up to the sixth carbon budget (2033-2037). This is based on our current understanding of each sector's potential, and a whole system view of where abatement is most effective. But we must be adaptable over time, as innovation will increase our understanding of the challenges, bring forward new technologies and drive down the costs of existing ones.

The policies and spending brought forward in the Net Zero Strategy mean that since the *Ten Point Plan*, HMG has mobilised £26 billion of government capital investment for the green industrial revolution. Along with regulations, this will support up to 190,000 jobs by 2025, and up to 440,000 jobs by 2030, and leverage up to £90 billion of private investment by 2030.

**Figure 1: Indicative delivery pathway to 2037 by sector**



**Source:** BEIS Analysis (2021)

So this strategy sets out our plans for reducing emissions from each sector of our economy, while hoovering up any remaining emissions with greenhouse gas removals – either natural, like trees, or technological, using carbon capture. This is an historic plan. Taken together the transitions set out below for every sector of the UK economy meets Carbon Budgets 4 and 5, and puts us on the path for Carbon Budget 6 – and ultimately on course for net zero by 2050.



## The policies and proposals for power in the Net Zero Strategy will ...

Support for up to 59,000 jobs in 2024 and up to 120,000 jobs in 2030

Start to mobilise additional public and private investment of £150-270 billion, in line with our 2037 delivery pathway

Fully decarbonise our power system by 2035

The net zero economy will be underpinned by cheap clean electricity, made in Britain. A clean, reliable power system is the foundation of a productive net zero economy as we electrify other sectors – so **we will fully decarbonise our power system by 2035**, subject to security of supply. Our power system will consist of abundant, cheap British

renewables, cutting edge new nuclear power stations, and be underpinned by flexibility including storage, gas with CCS, hydrogen and ensure reliable power is always there at the flick of a switch. The transformation of the power sector will bring high skill, high wage job opportunities right across the UK.

### Key policies:

- By 2035 the UK will be powered entirely by clean electricity, subject to security of supply.
- Secure a final investment decision on a large-scale nuclear plant by the end of this Parliament, and launch a new £120 million Future Nuclear Enabling Fund, retaining options for future nuclear technologies, including Small Modular Reactors, with a number of potential sites including Wylfa in North Wales.
- 40GW of offshore wind by 2030, with more onshore, solar, and other renewables – with a new approach to onshore and offshore electricity networks to incorporate new low carbon generation and demand in the most efficient manner that takes account of the needs of local communities like those in East Anglia.
- Moving towards 1GW of floating offshore wind by 2030 to put us at the forefront of this new technology that can utilise our North and Celtic Seas – backed by £380 million overall funding for our world-leading offshore wind sector.
- Deployment of new flexibility measures including storage to help smooth out future price spikes.