Department for Business, Energy & Industrial Strategy

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10 June 2021

Dear Robert,

Thank you for your email dated 30 April, enclosing correspondence from your constituent Mr John de Carteret of Springwoods, Thornhill, Bamford, Hope Valley S33 0BR, regarding his concerns about climate change.

In regards, to Mr de Carteret's concerns on point 1:

The Green Homes Grant Voucher scheme was designed to provide a short-term economic boost while tackling our contribution to climate change. However, it was not delivering at the rate and scale we had originally hoped, facing a number of delivery challenges. After reviewing its efficacy, we closed the scheme to new applications on 31 March. All valid applications received prior to scheme closure will be processed.

Our commitment to investing in decarbonising our buildings remains unwavering. We are refocusing efforts and funding on alternative approaches that will maximise the delivery of home retrofits for consumers who are most in need and support the supply chain to keep delivering.

The Government is expanding its funding commitment for both the Local Authority Delivery element of the Green Homes Grant scheme and the Social Housing Decarbonisation Fund with up to £300m in additional funding across the two schemes in 2021/22. The Local Authority Delivery element of the Green Homes Grant scheme has already successfully allocated £500 million of funding across the English regions, to support retrofit measures such as energy efficiency and low carbon heating in around 50,000 low-income households.

The extended GHG Local Authority Delivery (LAD) scheme will focus on owner occupiers and those in the private and social rented sector with a household income of under £30,000. This will be administered by councils and aimed at raising the energy efficiency rating of low-income and low EPC rated homes (rated D, E, F or G), including those living in the worst quality off-gas grid homes.

The Local Authority Delivery scheme and the Social Housing Decarbonisation Fund will require many of the same skills and training as the Green Home Grant Voucher Scheme. Investing in these skills and training remains a key priority for us.

The Department for Business, Energy and Industrial Strategy (BEIS) launched a £6.9m skills competition on 30 September to support the industry scale up to meet this demand.

We expect the skills competition will result in more than 8,000 training opportunities. Courses are available to sign up and training is now underway with a number of training providers, covering a wide range of skills and certifications across both energy efficiency and clean heat measures.

Furthermore, we are investing £2.5 billion in a National Skills Fund, to support the immediate economic recovery and the skills needed to deliver on our net zero targets. This will incentivise workers to retrain in new green technologies and helping to support hundreds of thousands of green jobs over the next decade.

We continue to work with business and key industry bodies, and have launched the 'Green Jobs Taskforce', to produce an action plan for green skills across a range of sectors, with the goal of supporting two million net zero jobs by 2030. This approach will help us support a thriving retrofit industry to ensure we build back better after the pandemic and continue to deliver on our Net Zero ambitions.

Point 2:

The review into the future of offshore oil and gas licensing has concluded that a formal climate compatibility checkpoint building on current practice should be established in the regime. This will help ensure that any future licences are only awarded on the basis that they are aligned with the Government's broad climate change ambitions, including the UK's target of reaching net zero by 2050.

This checkpoint will take place before each future licensing round and will be evidence based, objective and transparent. It will consider key parameters including the oil and gas supply and demand status of the UK, as well as the sector's progress against its commitments on reducing the emissions associated with production.

Oil and natural gas are still required for heating, cooking and transport, and are vital to the production of many everyday essentials like medicines, plastics, cosmetics and household appliances. This is likely to remain the case over the coming decades as the UK transitions to low carbon solutions. The independent Climate Change Committee has also recognised the ongoing demand for oil and natural gas, including it in all scenarios it proposed for how the UK meets its target for achieving net zero emissions by 2050.

The UK oil and gas sector possess the skills, knowledge, and supply chain to support the delivery of some of the most important clean technologies that will help us achieve net zero. These include offshore wind, as well as carbon capture and storage. Our goal is to wean ourselves off oil and gas as we move to a lower carbon future, but this should be a managed transition without a harmful impact on jobs and a loss of expertise which could help us achieve the energy transition. This is the goal of the recently announced North Sea Transition Deal.

No other significant oil and gas producing nation has gone as far as the UK in addressing the role of oil and gas in their economy. Our transformative North Sea Transition Deal and our new checkpoint for licensing provide a global exemplar for the shift away from hydrocarbons.

Point 3:

The automotive sector is an important part of the Government's plans for green growth, levelling up across our country and driving emissions to net zero by 2050. The Government has a longstanding and comprehensive programme of support for the UK automotive sector.

We are investing in R&D and capital projects to develop and embed the next generation of zero emission vehicles and technologies in the UK, improving the productivity and competitiveness of automotive suppliers through an industry led skills programme, and putting the UK at the global vanguard of the development and deployment of connected and automated vehicle technologies.

As part of the Prime Minister's 10 Point Plan for a green industrial revolution, nearly £500m of funding for the Automotive Transformation Fund will be made available in the next four years to build an internationally competitive electric vehicle supply chain. This funding is the first part of the up to £1 billion committed by the Government to ensure that the UK takes advantage of this once in a generation opportunity. The Automotive Transformation Fund will target support at strategically important technologies (batteries, motors, drives, power electronics and fuel cells).

The grant scheme for electric cars, vans and trucks has been updated to target less expensive models and reflect a greater range of affordable vehicles available, allowing the scheme's funding to go further and to help more people make the switch to an electric vehicle. The government provides grants of up to £2,500 for electric vehicles on cars priced under £35,000. This will mean the funding will last longer, and be available to more drivers. Grants will no longer be available for higher-priced vehicles, typically bought by drivers who can afford to switch without a subsidy from taxpayers.

The number of electric car models priced under £35,000 has increased by almost 50% since 2019 and more than half the models currently on the market will be eligible for the grant, including spacious family cars such as the Hyundai Kona 39kWh and the MG ZS EV. Government measures to encourage people to switch to electric vehicles are also working, with nearly 11% of new cars sold in 2020 having a plug. This was up from just over 3% in 2019 – and battery electric car sales almost tripled over that same period. The plug-in vehicle grant scheme was renewed last year, with £582 million of funding intended to last until 2022-3.

Point 4:

I note de Carteret 's comment with respect to the second Road Investment Strategy (RIS2), which represents a £27.5 billion investment over five years in the operation, maintenance, renewal and enhancement of England's strategic road network (SRN) to secure safer and more reliable journeys that have less impact on adjacent communities and places. Crucially, this strategy goes far beyond just building roads. In fact, most of the major schemes in RIS2 are not new roads. Rather, they seek to reduce congestion by increasing capacity on some existing roads and improving safety through measures such as widening and junction improvements. This investment will benefit all road users, including pedestrians, cyclists and bus and coach passengers. Together with our plans for decarbonisation and promoting active travel, make a balanced package that is entirely consistent with net zero.

Point 5:

The Government recognises the critical role that the aviation sector must play in delivering the UK's net zero commitment and are already supporting a variety of technology, fuel and market-based measures to address aviation emissions. We have also established the Jet Zero Council to accelerate the development of clean aviation technologies and will shortly consult on our strategy to deliver net zero aviation.

HMT launched the consultation on aviation tax reform on 23 March 2021. The consultation will be open for 12 weeks until 15 June. The consultation considers the options for reducing the effective rate of APD on domestic flights, and the case for increasing the number of international distance bands.

Point 6:

The deficit this year is projected to be double its peak during the financial crisis. We have been forced to make hard choices, including temporarily reducing ODA target from 0.7% of GNI to 0.5%. We remain a world leading donor and committed to supporting countries tackle the pandemic, poverty, inequality, and climate change.

We are fulfilling our pledge of £5.8bn in climate finance to developing countries. Since 2011, UK International Climate Finance has helped over 66 million people cope with the effects of climate change, and installed 2000 megawatts of clean energy.

Furthermore, we have committed to doubling UK International Climate Finance to £11.6 billion between 2021/22-2025/26. In 2021/22 the UK Government (through the FCDO, BEIS and DEFRA) will spend at least £1.4bn ICF. This places us among the world's leading providers of climate finance. It demonstrates the UK's commitment to delivering on the pledge for developed countries to mobilise $100bn of climate finance annually for climate-vulnerable countries.

Point 7:

Mr de Carteret raises a point regarding the proposed Cumbrian Coalmine, and the use of green hydrogen in steel manufacturing.

Low carbon hydrogen can play a crucial role in decarbonising traditionally hard-to-abate sectors, such as heavy industry, and can help to decarbonise the wider energy system through flexible deployment across multiple sectors including heat and power. We are engaging closely with industry on the development of the first ever UK hydrogen strategy, to be published this year, which will set out the key steps needed in the 2020s to deliver our ambition for 5GW of low carbon hydrogen production capacity by 2030 and set the context for further scale up on the way to net zero.

I hope you will find this reply helpful in replying to Mr de Carteret.

Yours sincerely,

Anne Marie

THE RT HON ANNE-MARIE TREVELYAN MP
Minister of State for Business, Energy and Clean Growth