

Classification: Public

Key Decision: No

Gravesham Borough Council

Report to: Climate Change Advisory Board
Date: 3rd April 2023
Reporting officer: Assistant Director (IT & Transformation)
Subject: Mission Zero, The Skidmore Net Zero Review

Purpose and summary of report:

To provide the Climate Change Advisory Board with an update on the Net Zero Independent Review “Mission Zero” conducted by the Rt Hon Chris Skidmore MP.

Recommendations:

This is an information only report.

Key Implications:	
Item	Implications
Legal	N/A– this is an information only report.
Finance and Value for Money	N/A– this is an information only report.
Corporate Plan	N/A– this is an information only report.
Climate Change	Whilst this is an information only report, its content should be of interest to Members and officers and used as a basis to inform the activities of the council.

1. Introduction

- 1.1 In January 2023, former Energy Minister Chris Skidmore published his Net Zero Review, outlining the opportunities offered by the UK’s 2050 Net Zero target.
- 1.2 The review is made up of Skidmore’s findings from more than 50 roundtables with key stakeholders and the 1,800 responses received following a call for evidence. It is split into two parts, one which emphasises the benefits of Net Zero for the economy, and the second setting out how to achieve the UK’s 2050 commitment.
- 1.3 The review states that Net Zero by 2050 remains the right target for the UK - it is backed by science, widely followed, and is creating real opportunity. Net Zero can

materially improve people's lives - now and in 2050 - but work is needed to secure the benefits and minimise costs

- 1.4 Running throughout the report is an economic narrative about the benefits of Net Zero. Net Zero is presented as 'the economic opportunity of the 21st century', especially for global players who move early and capitalise on the transition. Net Zero is demonstrated to be not just compatible with, but a gateway to, the UK's growth. According to the report, harnessing the opportunities will require adherence to three key principles:
 - 1.4.1 **Swift action:** the report emphasises that urgency is key to unlocking the potential economic benefits of Net Zero and that delay weakens progress on both climate and growth objectives.
 - 1.4.2 **Stable policy and finance:** it recommends establishing an Office for Net Zero Delivery, and an overarching finance strategy is put in place by the end of 2023. This would place Net Zero at the heart of all government decision-making and create a stable environment for investment.
 - 1.4.3 **Place-based approach:** the report is clear that local authorities play a vital role in delivering Net Zero. However, a clearer set of roles and responsibilities are needed to facilitate this.
- 1.5 The report's recommendations are structured around six pillars of the Net Zero transition: securing, powering, the economy, community, individuals and the future. Of the 129 recommendations, there are 25 priorities for 2025 spanning everything from constructing cleaner, greener homes to publishing an offshore industries strategy.

2. Ten Priority Missions

- 2.1 The Review heard a common message during engagement with almost every sector. There is a need for clarity, certainty, consistency, and continuity from government. Sectors have indicated that a long-term, stable investment plan is required. As a result, ten priority missions have been identified to harness public and private action out to 2035.
 - 2.1.1 **Grid and Infrastructure:** A strategic framework and delivery plan for the critical networks of the future to turbocharge onshore and offshore development.
 - 2.1.2 **Solar:** Full-scale deployment of solar, including a rooftop revolution to harness one of the cheapest forms of energy, increase our energy independence and deliver up to 70GW of British solar generation by 2035.
 - 2.1.3 **Onshore Wind:** Pave the way for onshore deployment, working closely with communities to deliver local benefits.
 - 2.1.4 **Nuclear:** A programmatic approach for a next-generation fleet of nuclear, supporting a high-tech British industry covering the whole supply chain.
 - 2.1.5 **Energy Intensives and Industry:** Setting a clear plan for industry decarbonisation built around long term investment in carbon capture, utilisation and storage (CCUS) and hydrogen networks and technologies.
 - 2.1.6 **Circular Economy and Waste:** Stimulate the efficient and circular use of resources across the economy, galvanising action on recycling and the reuse of critical materials.

- 2.1.7 **Net Zero Local Big Bang:** Unblocking the planning system and reforming the relationship between central and local government to give local authorities and communities the power they need to act on Net Zero.
- 2.1.8 **Energy Efficiency For Households:** Working towards gas-free homes by 2035 and giving consumers a greater understanding of their household through a new Net Zero Performance Certificate (NZPC).
- 2.1.9 **Net Zero Nature:** Embed nature and habitat restoration throughout transition plans, maximising co-benefits for climate and nature wherever possible.
- 2.1.10 **Research & Development And Innovation:** Catalyse decisions and action with an R&D and technology roadmap to 2050, pushing for more agile regulation and supporting up to three 10-year demonstrators.

3. The 25 key actions for 2025

- 3.1 The Review recommends that, alongside the comprehensive prescription of policies across all sectors outlined in the Report, the Government meet the net present danger of not acting fast enough by taking forward a series of no regrets and no excuses policy recommendations that can be delivered now, as soon as possible.
- 3.2 This is not to suggest that these are the most important recommendations in the report— but to recognise the essence of acting sooner rather than later.
- 3.3 The ‘25 by 2025’ can provide an immediate signal of the Government’s intent to deliver on Net Zero and remove the barriers preventing business and industry from going further, faster.
- 3.4 These recommendations are summarised in the table below.

#	Recommendation
1	<p>Provide certainty by 2024 on the new and replacement gas boiler phase out date to drive industry and investor confidence. The Review recommends bringing the proposed date of 2035 forward and legislating for 2033.</p> <p>Set a legislative target for gas free homes and appliances by the same date, to contribute to a gas free grid in future.</p> <p>Legislate for all homes sold by 2033 to also have an energy performance certificate (EPC) rating of C or above, with exclusions around certain properties (e.g. listed properties, on grounds of affordability). Government should mandate landlords to include ‘average bill cost’ alongside EPC (and possible Net Zero performance certificate - NZPC) rating, when letting out a property. This will help renters understand what costs to expect, while also helping to put a premium on energy efficient homes.</p>
2	<p>Bring forward all consultations and work to mandate the Future Homes Standard by 2025 to prevent further delays by ensuring standard applies to all developments. This should include a consultation on mandating new homes to be built with solar and deliver the Net Zero Homes Standard, ensuring that the planning system is flexible enough to enable this.</p>

3	<p>Legislate by 2025 the minimum energy efficiency rating to EPC B for all non-domestic buildings, both rented and owned, by 2030.</p> <p>Legislate for EPC B rating for all new non-domestic buildings from 2025.</p>
4	<p>Conduct and publish, before Autumn 2023, a review of how we should change regulation for emerging Net Zero technologies to enable their rapid and safe introduction, to support the Net Zero transition and boost growth.</p>
5	<p>By the end of 2023 HM Treasury should review how policy incentivises investment in decarbonisation, including via the tax system and capital allowances.</p>
6	<p>Through their update to the Green Finance Strategy, BEIS and HM Treasury should set out a clear, robust and ambitious approach to disclosure, standard setting, and scaling up green finance - including how it will meet existing commitments to implement Sustainable Disclosure Requirements across the economy; how it will provide a clear, long-term plan for attracting capital to meet Net Zero ambitions, and how to maintain the UK's position as the leading green finance hub internationally and metrics for success.</p>
7	<p>A new forum to coordinate across all regulators on the signals they are sending to businesses and investors across sectors about the Net Zero transition – including Ofwat, Ofgem, Environment Agency, Competition and Markets Authority, FCA, and the North Sea Transition Authority.</p>
8	<p>At the next Spending Review, review options for providing longer-term certainty to a small number of major priorities for Net Zero – where we know that long-term policy commitment will be essential for success and provide longterm opportunities to save money.</p>
9	<p>Publish an overarching financing strategy covering how existing and future government spending, policies, and regulation will scale up private finance to deliver the UK's Net Zero enabled growth and energy security ambitions. This should include setting out the role of the UK Infrastructure Bank (UKIB), British Business Bank (BBB), British International Investment (BII), and Infrastructure and Projects Authority (IPA) and UK Export Finance (UKEF) in the transition.</p>
10	<p>In 2023, government must act quickly to re-envisage and implement a clear carbon capture, utilisation and storage (CCUS) roadmap, showing the plan beyond 2030. As part of the roadmap, government should take a pragmatic approach to cluster selection. This means allowing the most advanced clusters to progress more quickly.</p>
11	<p>Set up taskforce and deployment roadmaps in 2023 for solar to reach up to 70GW by 2035 and onshore wind to reach required deployment levels for 2035 Net Zero grid.</p>
12	<p>By the end of 2023, develop and implement an ambitious and pragmatic '10 year' delivery roadmap for the scaling up of hydrogen production. Government should deliver hydrogen business models as soon as legislation allows and confirm the long-term funding envelope available for hydrogen revenue support, to incentivise timely investment.</p>

13	<p>Implement reforms set out in the British Energy Security Strategy to double down on achieving UK's nuclear baseload requirement:</p> <ul style="list-style-type: none"> a. Expedite the set-up of Great British Nuclear (GBN) in early 2023, ensuring required funding and skills are in place; b. Government and GBN to set out clear roadmap in 2023 for reaching final investment decision in the next Parliament. Government to ensure funding is in place. As part of the roadmap, government should assess the possibility to increase the current ambitions supporting the development of supply chain to service a fleet of projects; c. Roadmap to set out clear pathways for different nuclear technologies (including small modular reactors) and the selection process. This should consider how to use programmatic approach to deliver further cost reductions in a competitive environment; d. Government to deliver on siting strategy by 2024.
14	<p>Ofgem should maintain focus on a timely implementation of its market-wide half-hourly settlement.</p>
15	<p>Swift delivery of a zero emissions vehicle (ZEV) mandate to apply from 2024 while maintaining regulations and funding to support electric vehicle (EV)/zero emission vehicle (ZEV) uptake and continuing to drive emission reductions from internal combustion engines.</p>
16	<p>Publish a Land Use framework as soon as possible, and by mid-2023.</p>
17	<p>Launch a task force to work jointly with industry to identify barriers and enablers and develop sector-specific circular economy business models for priority sectors. This should have representation from BEIS, Defra, DLUHC, HM Treasury and the Department for International Trade, and include the role of Extended Producer Responsibility in promoting reuse, repair, remanufacturing, and rental alongside recycling, in line with the powers under the Environment Act 2021.</p>
18	<p>Publish an offshore industries integrated strategy by the end of 2024 which should include roles and responsibilities for electrification of oil and gas infrastructure, how the planning and consenting regime will operate, a plan for how the system will be regulated, timetables and sequencing for the growth and construction of infrastructure, and a skills and supply chain plan for growth of the integrated industries.</p>
19	<p>Accelerate the end to routine flaring from 2030 to 2025.</p>
20	<p>Fully back at least one Trailblazer Net Zero City, Local Authority and Community, with the aim for these places to reach Net Zero by 2030.</p>
21	<p>Reform the local planning system and the National Planning Policy Framework now. Have a clearer vision on Net Zero with the intention to introduce a Net Zero test, give clarity on when local areas can exceed national standards, give guidance on local area energy plans (LAEP), encourage greater use of spatial planning and the creation of Net Zero Neighbourhood plans, and set out a framework for community benefits.</p>

22	Publish a public engagement plan for England by 2023, to ramp up public engagement on Net Zero .
23	Conduct a strategic review of the UK's international climate leadership and ensure the 2030 Strategic Framework on Climate and Nature provides practical direction for the UK's international climate and nature leadership.
24	By 2024, work within the UK Emmissions Trading Scheme (ETS) Authority to develop a pathway for the UK ETS until 2040 . This pathway should address: <ul style="list-style-type: none"> a. Set out a vision on the future design and operation of the ETS; b. Set out a timeline for expanding the coverage to the rest of the UK economy, as well as sectors consulted on including maritime and waste; c. Address inclusion of greenhouse gas removals (GGRs) to incentivise early investment in new technologies and potentially nature-based solutions; d. Provide reassurance to businesses around how the Government will mitigate the risk of carbon leakage as a result of expanding the ETS.
25	By Autumn 2023, create a roadmap which details decision points for developing and deploying R&D and technologies that are critical for enabling the Net Zero pathway to 2050 .

4. Conclusion

- 4.1 The report closes with the following observations.
- 4.2 There is an active, strategic choice to be made. Does the UK wish to compete in the Net Zero race with the chance to lead, or do we wish to simply observe from the sidelines? On the one hand, to lead and seek first mover advantage brings with it the opportunity to attract inward investment, generate new supply chains and lower the costs of wider deployment of clean technologies and industries. On the other hand, to follow risks witnessing the opportunities for jobs, infrastructure, and investments that could have been onshored in the UK go elsewhere in the world. We have reached a tipping point. The risks of 'not zero' are now greater than the associated risks of taking decisive action on Net Zero now.
- 4.3 There is a vital requirement for stable, long-term programmes rather than piecemeal, short-term projects if the UK is to meet its Net Zero ambitions in an affordable manner. Long-term certainty for investment, allowing for supply chains to be created and secured, will drive down the costs of Net Zero while making the UK a more attractive place to invest.

5. Appendices

- 5.1 There are no appendices.
- 5.2 The following documents are to be published with the report:

5.3 Delete the appropriate text for Appendices above, then click here to continue typing. If the number is not required, press the Delete key.

6. Background Documents

6.1 The following background documents were used:

6.1.1 Mission Zero, Independent Review of Net Zero:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1128689/mission-zero-independent-review.pdf

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Secondary Implications	
Risk Assessment	N/A – this is an information only report.
Data Protection Impact Assessment	<i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i>
	<p>a. Does the project/change being recommended through this paper involve the processing of personal data or special category data or criminal offence data? A definition of each type of data can be found on the Information Commissioner’s Office website via the above links. N/A</p>
	<p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice? N/A</p>
	<p>c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at gdpr@medway.gov.uk. N/A</p>
Equality Impact Assessment	<p>a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer. N/A</p>
	<p>b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer. N/A</p>
	<i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i>
Crime and Disorder	N/A – this is an information only report.
Digital and website implications	N/A – this is an information only report.
Safeguarding children and vulnerable adults	N/A – this is an information only report.