

## CONFOR MEMBERS BRIEF

# The UK Government's Net Zero Strategy: Build Back Greener

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With talk of a looming cost of living crisis and the Treasury keeping close tabs on any additional public spending, the Government was under pressure to strongly root the case for the Net Zero Strategy, published this week, in the context of delivering more jobs, improving energy security, and creating economic opportunities across the country. Net Zero for economic purposes, then, not only to tackle the climate emergency, is a proposition that the Government needs to get all of its MPs on board, many of which have expressed -in private or in public-reservations about the prospect of any Net Zero action adding to the tax and cost of living bills of their constituents.

The strategy promises to build back greener in the wake of the pandemic, by outlining how investment in Net Zero actions will create up to 440,000 jobs across net zero sectors in 2030 and secure "British power for British people" to avert rising energy costs in the future.

### The most eye-catching policy announcements

- By 2035, the UK will be powered entirely by clean electricity, subject to security of supply.
- 40GW of offshore wind by 2030, with more onshore, solar, and other renewables.
- A new large-scale nuclear plant and a new £120 million Future Nuclear Enabling Fund.
- Four carbon capture usage and storage (CCUS) clusters.
- £315 million Industrial Energy Transformation Fund.
- Trial three zero emission HGV technologies at scale on UK roads.
- Improving buildings thermal efficiency and decarbonising heat systems through a variety of measures (from heat pumps to R&D into hydrogen systems for domestic buildings).

Introducing the Future Homes Standard, including a requirement to bring all domestic buildings up to EPC rating C by 2030.

## The interesting bits for Forestry

- Forestry is addressed together with farming and other land uses. It is recognised that farming is responsible for 11% of the UK's emissions and that forestry and woodland have absorbed and stored 4% of the country's emissions.
- Emissions from all kinds of land use will need to fall by 17 - 30% by 2030.
- It is recognised that long-term policy certainty is needed to attract the estimated £30 billion of additional public and private investment required to achieve this level of decarbonisation.
- The Strategy focuses on finding opportunities to use land for multiple purposes, with agroforestry cited as an example of this.
- The Government wants to develop a Net Zero Systems Tool that will help decision-makers by "*highlighting dependencies and trade-offs within the land use system, as well as by demonstrating the knock-on effects of proposed policies*". It seems that this tool will be directed particularly at the local authorities and community groups in charge of developing Local Nature Recovery Strategies.
- The Strategy estimates that afforestation at the 30,000ha per annum level could support 2000 jobs by 2030.
- The £750 million Nature for Climate Fund (the original £640 million announced last year plus £124 million announced in the Strategy) aims to encourage land use change from farmers and landowners and will be directed to peat restoration and woodland creation and management.
- Over £500 million of this Fund will be ring-fenced for woodland creation and management until 2025; after this, the new environmental and management schemes replacing CAP and other direct payments are expected to continue provide the necessary support.
- The woodland creation rates for England will treble to contribute to the UK's overall target of increasing planting rates to 30,000ha per year by 2024. So, no concrete and fixed target for England yet.
- This note accompanies the afforestation target for England "*Whilst this rate of planting will lead to a relatively small emission savings in the short-medium term, it will play an increasingly important role as time goes on, while also providing other environmental benefits*"; it might suggest a bias towards native broadleaf in the Strategy's approach to afforestation.
- Alongside the England Woodland Creation Offer, the Government will establish Woodland Creation Partnerships consisting of government, NGOs and private sector; this could be used as a way to promote carbon offsetting through the Woodland Carbon Code. Involvement of NGOs and private sector might indicate amenity woodland projects rather than productive forests.

- Building on ETAP, the Strategy acknowledges the role of timber as a low carbon construction material. It states *"Guided by market analysis, fire safety and structural considerations, key opportunities for the safe growth of timber use will be in low-rise buildings using traditional and certain modern methods of construction, and in a wide range of commercial and non-residential settings."*
- To drive up the safe use of timber, the Government will
  - establish a Forestry Innovation Fund to develop new timber products;
  - work with construction stakeholders to develop a "use of timber" roadmap;
  - increase methods of construction that use more timber and other sustainable materials;
  - increase the use of timber in housing programmes;
  - introduce supportive procurement policies for the public sector;
  - drive research into the fire resistance and safety of timber (timber strength grades and engineered timber products).
- As the Government published a separate Heat and Buildings Strategy, it would have sent a stronger message if the use of timber in construction had been included in the Buildings sections of the Strategy. As it stands, it seems more of an afterthought and there is still no sign of the Government seriously considering embodied carbon of buildings.
- The Strategy also includes research into sustainable use of biomass and its domestic supply; a Biomass Strategy will be published in 2022 and will address also Bioenergy with Carbon Capture and Storage.
- The Strategy commits to moving to a more circular economy, based on reuse of materials. Legislation on this will be introduced through the Environment Bill and will likely be relevant for wood products.
- Trees and the use of wood in the wider economy (either as timber or biomass) is also recognised as a key part of any Greenhouse Gas Removal strategy. There are opportunities for further engagement in establishing approach and priorities in effective land use.

## Full list of policies contained in the Net Zero Strategy by sector

### **Power – up to 120,000 jobs by 2030**

- Clean electricity by 2035
- Large-scale nuclear plant and £120 million Future Nuclear Enabling Fund
- 40GW of offshore wind by 2030
- 1GW of offshore wind by 2030
- Deployment of flexibility measures including storage of clean energy

### **Fuel supply and hydrogen – 10,000 jobs by 2030**

- 5GW of hydrogen production by 2030

- Set up of the £140 million Industrial Decarbonisation and Hydrogen Revenue Support scheme
- Establish a climate checkpoint for the licensing of any new oil and gas projects

### **Industry – 54,000 jobs by 2030**

- Establishment of four Carbon Capture Usage and Storage clusters
- £315 million Industrial Energy Transformation Fund to help lower emissions of heavy industry
- Establishing the UK ETS and introduce a net zero consistent ETS cap for industry (through consultation)

### **Heat and Buildings – 175,000 jobs by 2035**

- No new gas boilers to be sold after 2035
- £450 million Boiler Upgrade Scheme, offering up to £5000 to each household to replace their old boiler with a low carbon system
- £60 million for the Heat Pump Ready scheme to fund innovation in heat pump technology and reduce costs
- £1.75 billion for the Social Housing Decarbonisation Scheme (including home upgrade grants)
- £1.425 billion to decarbonise public sector buildings

### **Transport – 74,000 jobs by 2030**

- Introduce a zero-emission vehicle mandate to end the sale of new petrol and diesel cars and incentivise private sector investment in EV technology
- £620 million for EV infrastructure
- £350 million to support the electrification of the UK's automotive car industry
- Expand the trial of zero emission HGV technologies and the related infrastructure
- £2 billion to ensure half of all journeys in urban settings will be done by walking or cycling by 2030
- £3 billion to expand and improve the bus network and related infrastructure
- Supporting the commercialisation of sustainable aviation fuel and zero emissions flights

### **Natural Resources, waste and F-gases – unconfirmed job figure for the whole sector**

- Driving low carbon farming and agricultural innovation through Farming Investment Fund and Farming Innovation Programme
- Additional £124 million for the Nature for Climate Fund to support peatland restoration, woodland creation and management

- Supporting the restoration of 280,000ha of peatland by 2050
- Trebling woodland creation rates for England by 2024
- £295 million towards helping the elimination of biodegradable municipal waste to landfill

### **Greenhouse Gas Removals**

- £100 million investment to expand GGR and its role in the Net Zero strategy
- Consult on and introduce regulations to provide monitoring, reporting and verifying of GGR