



Greater Manchester Green City Region Partnership

Date: 27 January 2023

Subject: NATIONAL NET ZERO REVIEW - SYNOPSIS

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PURPOSE OF REPORT:

This report provides a synopsis of the National Net Zero Review, launched on 13th January. The synopsis focuses on the key findings as they pertain to Local Authorities in general and Greater Manchester in particular.

RECOMMENDATIONS:

The Partnership is recommended to note the report.

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Mission Zero: Independent Review of Net Zero – Synopsis

Link: [MISSION ZERO - Independent Review of Net Zero \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

1.0 Introduction

The Net Zero (NZ) Review was released Friday 13th January. The Review was led by former Energy Minister Chris Skidmore, appointed by Liz Truss to consider the impact of NZ on economic growth from a whole society perspective. As such, the Review is wide-ranging and the largest consultation on NZ ever run by the UK Gov amounting to 340 pages with 129 recommendations to deliver NZ by 2050 in ways that are pro-business and pro-growth. This synopsis aims to highlight the key overall findings, as well as those pertinent to GM and local authorities in general. The government has committed to responding to the Review “as soon as possible” and it has been suggested that this could come around March.

2.0 Overall Findings

The core theme running throughout the Review is that NZ is the growth opportunity of the 21st century. There is importance placed on highlighting the internationally competitive nature of going fast of NZ, in that the UK faces bigger economic risks from a ‘not zero’ pathway and getting left behind. This forms a key part of the seven main conclusions of the report:

1. NZ is creating a new era of change and opportunity
2. The UK must act decisively to seize the economic opportunities and smooth the transition
3. The benefits of investing in net zero today outweigh the costs
4. Unlocking the ambition of places and communities will deliver the most successful version of NZ
5. NZ can materially improve people’s lives – now and in 2050 – but work is needed to secure the benefits and minimise costs

6. NZ by 2050 remains the right target for the UK: it is backed by the science, widely followed, and is creating real opportunity
7. Significant additional government action is required to ensure that the UK achieves net zero in the best way possible for the economy and the public

It is recommended that in order to harness this opportunity we must act sooner rather than later. A lack of certainty and clarity of consistency dissuades investment from coming to the UK with the current policy landscape a short-term piecemeal picture rather than long-term strategic plans. The Review therefore recommends the creation of ten, 10-year plans up to 2035 on the following areas to provide the necessary certainty and stability:

1. Grid and infrastructure
2. Solar
3. Onshore wind
4. Nuclear
5. Energy intensives and industry
6. Circular economy and waste
7. NZ local 'big bang'
8. Energy efficiency for households
9. NZ nature
10. R&D and innovation

In the more near-term the Review also recommends 25 key actions that should be taken by 2025/within the sitting of this Parliament. The key points from these are:

1. *Cleaner, greener (existing) homes*: certainty by 2024 on the new & replacement gas boiler phase out date and bringing this forward from 2035 to 2033; all homes sold by 2033 to have EPC C or above
2. *Cleaner, greener (new) homes*: bring forward all consultations on and work to mandate the Future Homes Standard by 2025, consultation to consider mandate for solar on all new build homes to deliver the Net Zero Homes Standard
3. *Non-domestic energy efficiency*: legislate for minimum EPC B for all non-domestic buildings (rented and owned) by 2030; EPC B rating for all new non-domestic buildings from 2025

4. (5, 6, 7 & 9) *Stable environment for businesses to plan and invest*: Conduct a review of how we should change regulation for emerging NZ techs by Autumn 2023; review how policy incentivises investment in decarbonisation, including the tax system and capital allowances; Green Finance Strategy should set out a clear, robust and ambitious approach to disclosure, standard setting and scaling up green finance; a new forum should be established to coordinate across all regulators; publish an overarching financing strategy for how gov action will enable private finance
8. *Long-term funding certainty*: use the next Spending Review to provide long-term certainty to a small number of major priorities for NZ
10. *CCUS*: implement a clear Carbon Capture, Usage and Storage (CCUS) roadmap showing the plan beyond 2030
11. *Accelerating renewables*: set up taskforce with aim of 70GW solar by 2035 & enough onshore wind for a NZ grid
12. *Hydrogen*: 10-year delivery roadmap for scaling up hydrogen production published by end of 2023
13. *Nuclear*: implement reforms from British Energy Security strategy to double-down on achieving UK's nuclear baseload requirement
14. *Empowering consumers*: focus on timely implementation of Ofgem's market-wide ½-hourly settlement, which would aid time-of-use development and encourage smart tech integration
15. *Transport*: Zero Emission Vehicle mandate to apply from 2024
16. *Food, agriculture and nature*: publish a Land Use Framework ASAP
17. *Circular economy*: launch a task force to work jointly with industry to establish barriers and enablers and develop sector-specific circular economy business models for priority sectors
18. (19) *Oil and gas*: publish an offshore industries integrated strategy by end of 2024; accelerate the end to routine flaring from 2030 to 2025
20. (21) *Local and regional*: (see section below for further detail)
22. *Individuals*: ramp up public engagement on NZ with a public engagement plan for England by 2023
23. *International*: conduct a strategic review of UK's international climate leadership

24. *Carbon markets*: develop UK Emissions Trading Scheme (UK ETS) pathway until 2040

25. *R&D*: 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

There is also a recommendation to establish a cross-cutting Office for NZ Delivery that would have oversight across these areas.

In addition to some of the recommendations above, considerable thought is given to greener homes and retrofit in the report. Some of the more interesting recommendations coming out from this include:

- Improving consumer access to qualified tradespeople in local areas through an expansion of the energy efficiency advice service this year and establishing local retrofit hubs by 2025
- Overhauling EPCs so that they are updated on a regular basis and include a new metric that better reflects the benefits of low carbon heating systems, to be rebranding as a more holistic 'Net Zero Performance Certificate'
- Green finance should be included as a workstream for the Energy Efficiency Taskforce
- Grant schemes should be expanded, including the Boiler Upgrade Scheme to 2028 (from 2025) perhaps with an increased grant in the near-term to recognise inflation, before tempering it back down, the Home Upgrade Grant, and the Social Housing Decarbonisation Fund

3.0 GM Impact on the Review

GM is mentioned several times throughout the report, with work highlighted on:

- The setting of science-based targets and local leadership in driving NZ and the 5-year environment plan
- The value of low carbon environmental good and services in the private sector to GM already

- The establishment of GM's cross-sector taskforce to steer the commitment to delivering 30,000 operational NZ carbon socially rented homes by 2038
- The ability for franchising of bus services across GM as a result of devolution of powers
- The e-cycling £8m pilot programme offering short and long-term loans
- Use of €3m of EU funding to attract over €155m of capital investment into the city through local NZ projects
- UoM's Responsible Plastics Action Plan as a case study for action in this area

4.0 Potential Impact on Local Authorities

Pillar 4 of the Review focusses on 'NZ and the Community', within it are a series of recommendations for unlocking NZ at the local level. There is a recognition of the will to act regionally/locally, but too often central government is getting in the way and central leadership on NZ should empower these places and people to deliver. It is found that taking a locally led approach to NZ delivery will deliver a better tailored transition as well as greater economic and social benefits. It is stated that tackling climate change should be an integral purpose of LAs and part of their future role and responsibilities. This is done through three key recommendations as part of a mission to 'create a NZ local Big Bang':

1. *Simplify the NZ funding landscape by the next Spending Review:*
consolidating different funding pots, reducing competitive bidding processes and giving longer lead in times
2. *Fully back at least one 'Trailblazer Net Zero City, LA & Community, that want to go further and faster on NZ, with the aim of these places reaching NZ by 2030*
3. *Immediately reform local planning and the National Planning Policy Framework:* introduce a NZ test, give clarity on when local areas can exceed national standards, encourage spatial planning and LAEPs, undertake a rapid review of local bottlenecks for NZ, renewable energy and energy efficiency projects in the planning system

There are also mentions to establish a statutory duty for LAs to take account of UK's NZ targets with a clear framework of local roles and responsibilities, establish local NZ missions in 2023 focussing on key policy areas, and provide guidance and additional resource to LAs on reporting mechanisms to better monitor and report NZ progress. It is recommended too that central government should establish core principles for future NZ devolution and ensure that all devolution deals agreed between now and 2030 have a strong NZ element. Best practice could be shared through a recommendation to convene an annual Local Climate Summit coordinated between central and local government.

It was found that smaller LAs often struggle with the resourcing required to establish and deliver on NZ plans and that the Local NZ Hubs¹ have been effective in organising a consortium approach to this project and so should continue to be supported.

Outside of Pillar 4, there were other findings of importance to LAs. This includes expediting renewables by working with regulators, devolved administrations, LAs, industry and other key stakeholders to streamline planning to ensure new generation can come online ASAP. In addition to developing robust stats on a LA level about regional green jobs and solar deployment.

¹ The [Local Energy NW Hub](#) is one of five NZ hubs across the country sponsored by BEIS to work to accelerate the region's ambitious efforts to drive a low carbon, clean growth future. This is done by working with public sector organisations, their stakeholders and communities to develop fundable net zero projects and deliver local energy strategy.