West Midlands Combined Authority

Briefing note – Net Zero Strategy

19th October 2021

Introduction

The Net Zero Strategy released 19th October 2021, makes a few new announcements, and mainly pulls together previous announcements into one place. When it comes to money, the emphasis is on stimulating markets and mobilising private finance, due to public funding constraints; for the West Midlands – and the WMCA in particular - to benefit from this, we will need to focus on developing new business models and low risk investable propositions.

The aim of the strategy is to lay out clear policies and proposals to keep us on track to meet our carbon budgets, alongside making clear the plan to decarbonise electricity generation by 2035. It also sets out clear plans for Greenhouse Gas Removals, with a strong emphasis on the utilisation of CCUS[1] technologies, something that the West Midlands is not geographically well placed to benefit from due to the lack of appropriate geology surrounding it.

The total reported spending in this document combined with the Ten Point Plan is £26 billion of government investment, which should support up to 190,000 jobs by 2025 and up to 440,000 jobs by 2030. They expect leverage of up to £90 billion of private investment by 2030.

The government has set four primary objectives:

- To work with the grain of consumer choice
- To ensure the biggest polluters pay the most for the transition
- To ensure that the most vulnerable are protected through government support
- To work with businesses to continue deep cost reductions in low carbon technologies

The government clearly wants to reduce electricity costs to enable the transition and ensure that levies are applied appropriately given the fact that electricity will have achieve net zero by 2035. However, switching these levies over to gas has been highly controversial and resulted in strategy publication delays. The final published statement is that “when the current gas spike subsides, we (Government) will look at options to shift or rebalance energy levies (such as RO and FiTs[2]) and obligations (ECO[3]) away from electricity to gas over this decade”.

Points of regional significance for the West Midlands

The strategy identifies seven areas where emissions can be reduced across the economy, as well as some cross-cutting themes. Points which may be of interest to the region are summarised below, with further details and links to the variety of documents referred to, in the appendix:

1. Industry
    - The Industrial Energy Transformation Fund has been extended and is open to smaller applicants to bid for funding to improve efficiency for complex industrial retrofits with long payback periods. This is an opportunity for our industries and LEPs which we are aware that our Black Country colleagues are likely to pursue.

2. Heat and Buildings

[1] Carbon Capture Utilisation and Storage
[2] Renewables Obligation / Feed in Tariffs
[3] Energy Company Obligation

- Companies such as Baxi, Vaillant and Worcester Bosch and others are likely to be supportive of ambitions to scale up the manufacturing of heat pumps. A new £60 million Heat Pump Ready programme, launched winter 2021, will provide the funding needed to stimulate this market. This programme sits within BEIS' £1 billion Net Zero Innovation Portfolio (NZIP).
- Further Social Housing Decarbonisation Funding (SHDF) and Home Upgrade Grants totalling £1.75 billion were confirmed. This additional funding is partly to upgrade fuel poor homes to EPC Band C by 2030, and for all homes to meet EPC Band C by 2035 where possible. The Energy Capital led SMART Hub has been working closely with local authorities across the region to access the first wave of this funding, leading a consortium bid with Sandwell Metropolitan Borough Council; Wrekin Housing Trust; Orbit Housing Group; Midland Heart; Community Housing Group; Wolverhampton City Council and Solihull Community Housing, and is now preparing a bid for wave 2 with other partners.
- Public buildings remain a significant focus for decarbonisation with £1.425 billion available for Public Sector Decarbonisation to reduce emissions from public sector buildings by 75% by 2037. This links to our One Public Estate programme and is an opportunity for the WMCA to consider their own carbon footprint.
- The introduction of heat network zones will be an opportunity for Energy Capital to use their expertise to work with our local authorities to support delivery and it is anticipated that there will be future funding forthcoming to enable this.
- There will be £338 million available from 2022-2025 through the existing Heat Network Transformation Programme, with at least £270 million of this going towards the Green Heat Network Fund. This will continue to open opportunities for West Midlands Authorities, building on the HNDU[4] funded schemes already being taken forward by local authorities, some of which are supported by Energy Capital.
- Funding will be provided directly to local authorities (approximately £4.3 million to 57 local authorities) as part of the Minimum Energy Efficiency Standards for buildings to reach EPC band C by 2028 for the private rental sector.
- To support the adoption of low carbon heating from 2035, a £450 million three-year Boiler Upgrade Scheme will offer households grants of up to £5,000 for low-carbon heating – for this to be successful, lessons will need to be learned from the failure of the previous round of Green Homes Grants available to householders.

3. Transport
   - A new requirement for Local Transport Plans to set out how local areas will deliver ambitious quantifiable carbon reductions will be important to the immediate work of TfWM, as this will be linked to securing funding for the LTP.
   - Reiteration of the transport decarbonisation plan (TDP) priority was clear, placing much of the responsibility for behaviour change on local authorities.
   - £350 million has been allocated from the £1 billion Automotive Transformation Fund (ATF) to support the electrification of UK vehicles, which will be relevant to our local automotive industry.

4. Power

[4] Heat Network Delivery Unit of BEIS

- Increased funding has been made available through UKRI for BEIS-led programmes on power, buildings and industry. We should seek additional innovation funding to take our Smart Local Energy Systems design projects which benefitted from the Industrial Strategy Challenge Funding into delivery phase.
- The strategy recognises that electricity will be the primary source of energy for most decarbonisation as a clear low regrets solution with the grid being decarbonised by 2035. Our strong relationship with WPD through Energy Capital will remain critical to ensuring the network can support our transition to net zero by 2041 cost effectively.
- The work of Energy Capital in advocating the importance of 'place' in the energy system could be bolstered through the increased availability of innovation funding, as well as through policy delivery (commitment to the delivery of the Smart Systems and Flexibility Plan, the future publication of an Electricity Network Strategy, creation of a Future Systems Operator and Government consideration of whether "broader reforms to our market frameworks are needed to unlock the full potential of low carbon technologies to take us to net zero").

5. Fuel supply and hydrogen
    - The issue of whether hydrogen will be used in homes in the region (advocated by Cadent) and the rest of the UK, will not be made until 2026, but there is acceptance that we cannot rely solely on electricity to decarbonise industry and transport. Previous announcements on hydrogen were set out in the UK Hydrogen Strategy.
6. Natural Resources, Waste and Fluorinated gases (NRWF)
    - The local nature recovery strategies that will be mandated through the Environment Bill will be supported by a range of delivery mechanisms including environmental land management schemes, and the Local Nature Recovery scheme. The LNR scheme will fund actions that support local nature recovery and deliver local environmental priorities. It is expected that the WMCA will lead the LNR strategy for the region.
    - £295 million of capital funding will be available to local authorities in England to implement free separate food waste collections for all households from 2025. This ties in closely with our recently published Circular Economy Routemap and will present new funding opportunities in collaboration with local partners.
7. Green House Gas removal
    - GGR is mainly focused on CCUS for which the West Midlands is not well placed to benefit (storage sites mostly reside in the North Sea). There may be future relevance to the West Midlands if direct air carbon capture becomes commercially viable.
8. Cross sectoral opportunities
    - It is recognised that the impact of the transition on the labour market will not be evenly spread across the UK, reflecting the geographical distribution of where existing industries will need to adapt and new ones will flourish (Green Jobs Taskforce report). To help with this there is a £65 million Development Fund pilot in 2021-2022 which will support employers in identifying skills needs, design provision to respond, and build the capacity of local further

education providers to deliver. This is not considered to be of interest to the WMCA due to its scale but may continue to be of interest to further education providers.

- New measures were announced to reduce emissions from Government's £292 billion procurement spending – and ensure suppliers have plans for achieving net zero on major qualifying public contracts. This is significant for the WMCA given the substantial amount of procurement undertaken in housing, transport and other areas.
- The government recognises that decarbonisation will look very different between places, however, intends to retain powers and not give local areas devolved powers on decarbonisation. There is no new money allocated within the published Net Zero Strategy (despite funding being included in a confidential early draft, which leads us to the conclusion that some funding may be made available through the Levelling Up White Paper or CSR, but this is only speculation).
- The continuation of Local Net Zero Hubs (previously known as the local energy hubs) has been confirmed, headed by BEIS. For the West Midlands it is vital that our relationship with the Midlands Energy Hub is maintained, so we can fully benefit from all available support. This is currently very strong and managed by Energy Capital, who are seeking even closer collaboration arrangements with the Hub moving forward.
- We should take an active role in the Local Net Zero Forum being led by BEIS, aiming to bring together national and local government senior officials on a regular basis to discuss policy and delivery options on net zero (this was an ask of the WMCA made in July 2021 at the UK100 Communique).
- Increased innovation funding has been made available through UKRI for BEIS-led programmes on power, buildings and industry. We should seek additional funding to take our Smart Local Energy Systems design projects which benefitted from the Industrial Strategy Challenge Funding into delivery phase.
- Access to green investment will be available through the UK Infrastructure Bank (UKIB), which can be used to fund local projects which cost more than £5 million. One immediate example is to develop the Zero Carbon Rugeley design project into an investable proposition with EQUANS to take to the UKIB for investment.
- Alongside the Midlands Energy Hub who administer the funds, we could encourage eligible communities to access funding available for Community Energy to support community-run projects in England.

Compared to the North, the West Midlands gets very little mention in the Net Zero Strategy, except highlighting our industrial strengths in automotive and two case studies:

- £2 million from the Public Sector Decarbonisation Scheme, going to Windsor Academy Trust for heat decarbonisation and energy efficiency measures across seven schools
- Coventry being the first zero emission bus town awarded tens of millions to replace the entire local operator bus fleet with electric buses.

This is because government continues to focus on energy generation and carbon capture utilisation and storage where we have fewer geographical opportunities. We need to continue to raise our profile on the wider agenda and highlight the issues relevant to the region. Although the benefits of energy generation are likely to be small, the costs of the net zero transition to our industry, businesses and citizens could be high. In order to support our decarbonisation pathway to 2041, we need to focus on the business models associated with the end users of energy and push for the energy system operators to move to a smarter distribution model to keep costs down and share benefits more widely.

To reach net zero the UK Government have accepted that the economy will need to develop and roll out new, innovative, and climate resilient technologies. This will require embracing new ways of doing things, creating new industries and jobs through a green industrial revolution, which we are leading.

They recognise that we must consider the environment, society, and economy as parts of an inter-connected system, where changes to one area can directly or indirectly impact others. This means taking a whole systems approach to address the complex policy challenges involved. This is very difficult done nationally, but comes naturally when you take a place based approach, supporting our case for local action. To implement a systems approach, the government realise they must establish forums for delivering shared net zero goals which we should make sure we are a part of, and fully understand sector interdependencies, which we can help them understand and test and determine feasible net zero scenarios, which we can pitch to lead where appropriate.

They recognise the following things will need to happen:

- Extensive decarbonisation
- Extensive improvements in energy efficiency
- Increase production of low carbon primary energy
- Plan for residual emissions

The first two of these are the areas we need to focus on in the West Midlands.

Appendix: Detailed summary of the Net Zero Strategy

Journey to Net Zero

This will depend on integration of low carbon energy sources, increasing diversity of energy sources for end use, increasing energy efficiency, innovation for new technologies, green investment, demand-side changes and public engagement, new standards and regulation, planning and infrastructure, sustainable use of resources and understanding land use trade-offs.

The strategy identifies seven areas where emissions can be reduced across the economy: power, fuel supply and hydrogen, industry, heat and buildings, transport, natural resources, waste and f-gases and greenhouse gas removals. These are summarised below with associated links.

1) Power

The government plans to fully decarbonise power by 2035, subject to security of supply, making electrification a low regrets strategy to achieve 2041 goals. To achieve this while maintaining a reliable and affordable supply, they plan to accelerate the deployment of low-cost renewable generation with a Contracts for Difference scheme to share the risk with innovators.

- The government plans to invest substantially into wind, with **40GW of offshore wind** by 2030 (£380 million to support this), as well as moving towards 1GW of floating offshore wind by 2030.
- Additional investments into the power sector will be for **nuclear**, with final investment decisions on large-scale nuclear planned to be made by the end of Parliament, but a £120 million Future Nuclear Enabling Fund will be launched with further details due in 2022. Other alternatives to large-scale nuclear are small modular reactors (SMRs) and Advanced Modular Reactors (AMRs) which are earlier stage technology.
- The final alternative energy source is **biomass.** A strategy will be published in 2022 and is expected to state any future BECCS[5] projects will need to meet stringent sustainability and air quality requirements.
- In addition to energy sources the government lays out plans to ensure the **energy system infrastructure** has enough **flexibility** to deliver energy efficiently and set out proposals for an impartial Future System Operator (FSO) to drive this with an Electricity Network Strategy still to be released.

2) Fuel Supply and Hydrogen

- Following the recent release of the UK's first Hydrogen Strategy, government plans to produce **5GW of hydrogen by 2030**, halving oil and gas emissions in the process. To do this they will implement the £240 million Net Zero Hydrogen Fund and finalise the Hydrogen Business Model and the Low Carbon Hydrogen Standard in 2022.
- They do recognise that electricity will be the primary source of energy, but accept we cannot rely solely on this for hard to decarbonise industry and transport, **a final decision about hydrogen in heating will be made in 2026**.
- The **Industrial Decarbonisation and Hydrogen Revenue Support (IDHRS) scheme** (£140 million) will fund new hydrogen and industrial carbon capture business models and will also include up to £100 million in contracts for 250MW electrolytic hydrogen production capacity in 2023.

[5] Bioenergy with Carbon capture and Storage

3) Industry

Industrial decarbonisation can be broken into key areas:

- carbon capture and usage clusters
- net zero industrial clusters
- decarbonising the current industrial sectors, and
- Resource Efficiency and Energy Efficiency (REEE).

The last two points are most relevant to the West Midlands, and Black Country especially as this will support the electrification of low temperature processes, and help develope solutions for higher temperature processes such as hydrogen.

- The Industrial Decarbonisation Strategy (IDS) published in March 2021 lays out how the government plans to adopt low-regret technologies, improve efficiency and accelerate innovation of low carbon technologies in order to achieve industrial decarbonisation
- Improving Resource Efficiency and Energy Efficiency (REEE) could contribute 11 MtCO2e of annual emissions reductions by 2035 supplemented by a new Waste Prevention Programme
- To improve efficiency, funding for complex industrial retrofits with long payback periods will remain available via the IETF Phase 2 from Autumn 2021. These will be further supported by an extension to the IETF increasing funding to £500 million from £315 million to 2028.

The first two points are less relevant to the West Midlands, but the government's plans for this are briefly outlined below:

- Four carbon capture and usage clusters (Hynet and East Coast Clusters, Teesside and Humber, Merseyside and North Wales and North East of Scotland) which have been targeted to capture 20-30MtCO2 (economy) and 6MtCO2 (industry)
- The net zero industrial cluster (hoped to be set up by 2040) and will be awarded grants from the £315 million Industrial Energy Transformation Fund (IETF), a £1 billion Carbon Capture and Storage (CCUS) Infrastructure Fund, and a £240 million Net Zero Hydrogen Fund.

4) Heat and Buildings

The Heat and Buildings Strategy was also released on the 19th October 2021, below are some of the key points highlighted from the strategy. The strategy set a path for all new heating appliances in homes and workplaces to be low carbon from 2035, the role of hydrogen in this will not be confirmed until 2026, when a decision is made on whether to take a high electrification, high hydrogen, or a dual energy system approach.

- To support the adoption of low carbon heating from 2035 a **£450 million three-year Boiler Upgrade Scheme** will offer households grants of up to £5,000 for low-carbon heating. Aligned with this is the ambition to reduce the cost of heat-pumps by at least 25-50% (2025), reaching parity with gas boilers by 2030 – this builds on the resounding failure of the previous round of Green Homes Grants available to householders, so is a risky approach
- The government plans to install 600,000 heat pumps a year up to 2028 (1.9 million per year from 2035), a **new £60 million Heat Pump Ready programme** will provide the funding needed for the government to stimulate this market. This programme sits within BEIS' £1 billion Net Zero Innovation Portfolio (NZIP). Taking the levies off electricity and putting them onto gas as

originally proposed would have been a more cost-effective route, but clearly was politically unpalatable in the necessary timescales

- To decarbonise the UK Heat Network there will be investment of **£338 million (2022-2025) into the Heat Network Transformation Programme**, at least £270 million of this will go towards the Green Heat Network Fund. This will open opportunities for many West Midlands Authorities, building on the HNDU funded schemes already being taken forward. By 2025 there will be sector regulation and the introduction of heat network zones which we will be in a good place to support local authorities to deliver
- Public buildings remain a focus for decarbonisation with £1.425 billion available for Public Sector Decarbonisation to reduce emissions from public sector buildings by 75% by 2037. The WMCA should consider their own carbon footprint within this context.
- Further SHDF and Home Upgrade Grants totalling £1.75 billion were announced, this additional funding is partly to upgrade fuel poor homes to EPC Band C by 2030, and for all homes to meet EPC Band C by 2035 where possible. The SMART Hub has been working closely with local authorities across the region to access this funding, leading a consortium bid for wave one and preparing for wave 2.

5) Transport

In July 2021 the Department for Transport released their Transport Decarbonisation Plan, titled Decarbonising transport: a better, greener Britain. This is referenced within the Net Zero Strategy and the main findings from it are listed showing alignment between the two governmental publications. The transport decarbonisation plan (TDP) places much of the responsibility for behaviour change on local authorities; there is reaffirmation of capital funds, signposting to existing design and best-practice guidance. The TDP promises further guidance, alongside **a requirement for Local Transport Plans to "set out how local areas will deliver ambitious quantifiable carbon reductions transport"**, a significant point for TfWM and leaders in the development of the LTP.

- The main aim is to deliver on the 2030 commitment to end the sale of new petrol and diesel cars, and by 2035 all cars must be fully zero emissions. Included in this is the introduction of a zero emission vehicle mandate which will set annual targets for a percentage of new car and van sales to be zero emission from 2024
- To support the increased uptake in EVs, the £620 million grant scheme for zero emission vehicles will include further funding for local EV Infrastructure (focus on local on street residential charging - ORCS). There will also be £350 million allocated from the £1 billion Automotive Transformation Fund (ATF) to support the electrification of UK vehicles, which will be relevant to our automotive industry
- Following the success of the £20 million road freight trails, they plan to expand this to test three zero emission HGV technologies at scale. It is not clear whether this is an opportunity open to the West Midlands
- Reiteration of £2 billion investment to enable half of inter-city travel to be cycled/walked by 2030, and £3 billion to create an integrated bus network

6) Natural Resources, Waste and Fluorinated gases (NRWF)

Government have stated that emissions associated with NRWF need to drop 67-75% (from 2019) by 2050, this is a reduction of 26-34MtCO2e. To reach this, emissions are expected to fall 30-40% by 2030 and 39-51% by 2035, in-line with our nationally determined contribution and carbon budget 6. To achieve this they are:

- Committing to spend **£75 million on net zero related R&D** across the NRWF sectors over the next three years
- The existing **Nature for Climate Fund (£640 million)** will be boosted with a further £124 million of new money making a total spend of more than £750 million by 2025

- The local nature recovery strategies that will be mandated through the Environment Bill will be supported by a range of delivery mechanisms including environmental land management schemes, and the Local Nature Recovery scheme. The LNR scheme will fund actions that support local nature recovery and deliver local environmental priorities. **It is expected that the WMCA will lead the LNR strategy for the region.**
- The landscape recovery (LR) scheme will fund long-term land use change projects such as large-scale tree planting, and peatland restoration projects. They aim to restore approximately 280,000 hectares of peat in England by 2050 and treble woodland creation rates in England
- £295 million of capital funding will be available to local authorities in England to implement free separate food waste collections for all households from 2025. This is part of the government's plan to **eliminate biodegradable municipal waste to landfill from 2028 as part of building a circular economy**

7) Greenhouse Gas Removals (GGR)

GGR at its present stage broadly relates to CCUS for which the West Midlands is not well equipped to engage with (storage sites mostly reside in the North Sea). There may be future relevance to the West Midlands if direct air carbon capture becomes commercially viable.

- There is a strong focus on GGR techniques, however GGRs must not be pursued as a substitute for decisive action across the economy to reduce emissions, often referred to as mitigation deterrence.
- With the ambition to deploy at least 5 MtCO2/year of GGRs by 2030, the government alongside UKRI will be investing £100 million in the research, development, and demonstration of greenhouse gas removals across multiple programmes.
- The success of GGR will rely on a robust approach to the Monitoring, Reporting and Verification (MRV) of negative emissions and is essential to the deployment of GGRs at scale.

Supporting the Transition across the Economy

This section outlines the activities that have been identified as crucial to achieving net zero which the government has set investment up for.

1) Innovation for net zero

The government has prioritised innovation to achieve net zero. To support this, they announced an increase in investment in R&D to £22 billion. They will deliver a programme of innovation with at least £1.5 billion during the next spending review period with the goal of expanding cross government innovation to fund BEIS-led programmes on power, buildings and industry. They:

- committed to increase investment in core UK Research and Innovation (UKRI) National Academy funded research by more than £1 billion by April 2024. The Advanced Research and Invention Agency (ARIA) will fund high-risk, high-reward research, and will have full scope to determine the areas in which it will invest
- In Build Back Better: our plan for growth, and the Innovation Strategy, they set out their aim to unlock the potential of the £2.2 trillion held in UK pension schemes by addressing barriers to long-term investment

2) Green investment

The main source of locally accessible green investment will be through the UK Infrastructure Bank (UKIB) which can be used to fund local projects which cost more than £5 million. It also hoped that the UKIB can be used to crowd in private finance which could support more than £40 billion of investment to pull through low carbon technologies and sectors to maturity and scale. Further green investment will be sourced in the following ways:

- The issue of **green gilts which aim to raise a minimum of £15 billion** this financial year
- The government have identified a need to increase the number of **voluntary commitments** from financial institutions such as the Glasgow Financial Alliance for Net Zero (GFANZ)
- Introduce a new **Sustainability Disclosures Regime**, including mandatory climate related financial disclosures and a UK green taxonomy. Further green investment details can be found in the Sustainability Disclosures Requirements through Greening Finance: A Roadmap to Sustainable Investing

3) Green Jobs, Skills, and Industries

An essential part of decarbonisation is ensuring that the workforce is equipped with the right skills to support this. They want to give those in high-carbon rolls currently access to training to transition into low-carbon rolls in the future, achieving a levelled-up society where no-one is left behind. To do this there needs to be a guarantee of job creation, as well as a guarantee of the training needed for the workforce to transition into these rolls. They plan to achieve this by:

- **Reforming the skills system**, ramping up support for workers in the high carbon economy to transition to green jobs, working with business to ensure people from all backgrounds can access the opportunities in the green economy, and providing children and young people with the high-quality education and training they need to work in a future green career
- Crucially, the impact of the transition on the labour market will not be evenly spread across the UK, reflecting the geographical distribution of where existing industries will need to adapt and others new ones will flourish (Green Jobs Taskforce report). To help with this there is a **£65 million Development Fund pilots in 2021-2022** which will support employers in identifying skills needs, design provision to respond, and build the capacity of local further education providers to deliver.

4) Embedding Net Zero in Government

There is an ambition to put net zero at the heart of government decision making and reduce emissions within government operations, including:

- New measures to reduce emissions from Government's £292 billion procurement spending – and ensure suppliers have plans for achieving net zero on major qualifying public contracts
- **Public Sector Decarbonisation Scheme at £475 million per year** to drive emissions reductions in schools, hospitals, and other public buildings, whilst taking further action on skills, reporting, and targets
- Ensuring spending decisions contribute to net zero is a major priority for HM Treasury. The Green Book already mandates the consideration of environmental impacts in spending.
- Government will commit to making annual updates in the following areas: power, industry, fuel supply and hydrogen, heat and buildings, transport, natural resources, waste and f-gases, and greenhouse gas removals
- The Government will publish an updated NZS when the next carbon budget is set (potentially 2026).

5) Local Climate Action

This is a crucial element of achieving net zero, regions and local authorities are best placed to decarbonise their local areas as they are most familiar with the unique system under which their areas operate. The government recognises that decarbonisation will look very different between places, however, they intend to retain powers and not give local areas devolved powers on decarbonisation. Crucially there is no new money or support for a Local Net Zero Fund within this document, no statutory targets for local areas and no new devolved powers.

- Central-local government relationship
    - Government recognises that to 30% of emissions reductions needed rely on local authority involvement to some degree.
    - It is recognised that local government is best placed to decide how to integrate activity "on the ground" within their communities since a "one size fits all" approach cannot be taken
    - This will derive local co-benefits that embed climate action in the heart of local places and services, this approach can achieve even more for net zero and for the economy locally and nationally. It would also deliver wider benefits – for fuel poor households, for the local economy, for the environment and biodiversity, as well as the provision of green jobs and skills
    - The government recognises that certain types of communities, such as rural and coastal communities, face significant and unique challenges. However, they seem to overlook areas with a history in manufacturing who are faced with the challenge of industrial decarbonisation
    - The continuation of Local Net Zero Hubs (previously known as the local energy hubs) has been confirmed, for the West Midlands it is vital that our relationship with the Midlands Energy Hub is maintained so we can fully benefit from all available support
    - Although no clear expectations have been set on how central and local government will interact to deliver this central government have stated that they want to *"continue to empower our local leaders to take the actions which will lead to the biggest gains in*

emissions reduction, including the potential opportunities in building back greener and meeting our ambitions to level up the country"

6) Empowering the Public and Business to Make Green Choices

Government plans to use a series of principles to educate and encourage the public and business to make green choices. These include:

i. Minimise the 'ask' by sending clear regulatory signals
ii. Make the green choice the easiest
iii. Make the green choice affordable
iv. Empower people and businesses to make their own choice
v. Motivate & build public acceptability for major changes
vi. Present a clear vision of how we will get to net zero and what the role of people and business will be

Their aim is to make green choices affordable and easy, by working with businesses and industry to set strong regulatory signals and collaborating to reduce costs to provide better quality, longer lasting and lower environmental impact products, and services.

Increasing awareness of net zero is also a priority, empowering businesses and the public to make green choices, by building on government communications and engagement, and providing environmental impact labelling of products, goods, and services.

They acknowledge that the best way to do this is to go with the grain of existing behaviour and trends and by working closely with partners like Local Authorities, voluntary sector organisations, social enterprise regulators, and businesses, who all play an important role in how we use and choose different services.

7) International Leadership and Collaboration

Government has outlined its ambition to increase global climate action and lead the way towards net-zero, aligned to their COP26 Presidency objective to keep 1.5˚C within reach. Actions include:

- Delivering against net zero on a trajectory in line with the Paris Agreement, decreasing UK emissions by at least 68% by 2030 as set out in the UK's Nationally Determined Contribution, 78% by 2035 compared to 1990 levels in line with our Sixth Carbon Budget
- Doubling the UK's International Climate Finance to at least £11.6 billion between 2021 and 2025 to support net zero support adaptation and build resilience internationally
- Setting out priorities to guide UK international climate and nature action in the coming decade through a 2030 Strategic Framework, and publishing a refreshed Export Strategy outlining HMG support for exporters in the low carbon economy
- Accepting that low carbon transitions should be fair and affordable and not negatively impact disadvantaged groups. The government are committed to monitoring the impacts of the climate and clean energy policies, and any disparities which arise, to assess the need for targeted support for disproportionately impacted groups.

Other publications

Also published alongside the Net Zero Strategy was the Heat and Buildings Strategy, which contains further details (additional briefing being developed) but is aligned to the heat and buildings chapter within the Net Zero Strategy.

Also published was the **HM Treasury** Net Zero Review. This document contains detailed analysis and is positive on climate action, however they remain cautious on spending. It highlights that those on the lowest incomes will not benefit as much from the grants made available, as they have not been identified as the

most polluting. It explains that grants are designed to focus on the lower-middle income band who are highly polluting without having the disposable income needed to attain low carbon alternatives themselves, recognising that there are quite harsh boundaries in eligibility, leaving some households at a severe disadvantage

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