

Press release: Government reaffirms commitment to lead the world in cost-effective clean growth

An ambitious strategy setting out how the UK is leading the world in cutting carbon emissions to combat climate change while driving economic growth, has been published today (12 October 2017) by Business and Energy Secretary Greg Clark.

[‘The Clean Growth Strategy: Leading the way to a low carbon future’](#) builds on the UK’s strong progress to date. Carbon emissions in the UK have fallen and national income risen faster and further than any other nation in the G7 – since 1990, emissions are down by 42% while the economy has grown by 67%.

The government’s strategy sets out how the whole country can benefit from low carbon economic opportunities through the creation of new technologies and new businesses, which creates jobs and prosperity across the UK, while meeting our ambitious national targets to tackle climate change.

Business and Energy Secretary Greg Clark said:

This government has put clean growth at the heart of its Industrial Strategy to increase productivity, boost people’s earning power and ensure Britain continues to lead the world in efforts to tackle climate change.

For the first time in a generation, the British government is leading the way on taking decisions on new nuclear, rolling out smart meters and investing in low carbon innovation. The world is moving from being powered by polluting fossil fuels to clean energy. It’s as big a change as the move from the age of steam to the age of oil and Britain is showing the way.

Climate Change and Industry Minister Claire Perry said:

The impact of the Paris agreement and the unstoppable global shift towards low carbon technologies gives the UK an unparalleled opportunity.

By focusing on Clean Growth, we can cut the cost of energy, drive economic prosperity, create high value jobs and improve our quality of life.

Every action that the government takes to cut emissions must be done while ensuring our economy remains competitive. The government’s actions to reduce

carbon emissions, through support for renewable energy and energy efficiency measures, have helped to reduce average consumer energy bills and more than offset the cost of government support for low carbon technologies, and the costs of key technologies such as offshore wind is plummeting.

For the first time the government is setting out in today's Strategy how over £2.5 billion will be invested to support low carbon innovation from 2015 to 2021, as part of the largest increase in public spending on science, research and innovation in over three decades. This funding covers programmes delivering low carbon energy, transport, agriculture and waste.

That £2.5 billion of existing government spending includes up to £505 million from the Department for Business, Energy and Industrial Strategy's Energy Innovation Programme, which aims to accelerate the commercialisation of innovative clean energy technologies and processes.

There are already more than 430,000 jobs in low carbon businesses and their supply chains. Today's policies will provide further opportunities right across the country for more jobs, higher earning power and increased productivity. The low carbon economy could grow 11% per year between 2015 and 2030 – faster than the rest of the economy.

Juergen Maier, CEO Siemens plc, said:

Clean growth is good growth and the UK has a great opportunity to lead. Siemens welcomes the launch of the government's Clean Growth Strategy which sets a clear direction for business and puts decarbonisation at the heart of the industrial strategy.

The government recently announced the establishment of a taskforce of senior financial experts to accelerate growth of green finance in the UK's low carbon economy. It has been given 6 months to deliver ambitious proposals to accelerate investment in the transition to a low carbon economy, creating high-value jobs and opportunities for UK businesses. It will examine a range of interventions, from making infrastructure investment more sustainable to scaling-up green mortgages.

Today's Strategy fulfils the government's ongoing commitment to demonstrate how it will continue to deliver carbon reductions. The UK was the first country in the world to introduce a Climate Change Act that sets a legally binding long-term target and a series of five-year caps on greenhouse gas emissions up to 2050. The government is focused on hitting the fifth carbon budget (2028 to 2032) with the package of measures outlined today.

Shaun Spiers, Executive director of Green Alliance said:

It is great to see this long awaited strategy setting out the government's ambitions for clean growth. It is certainly a welcome move in the right direction. The test now will be to embed the strategy across government and encourage investment in clean growth

by giving businesses the certainty they need.

Going green is not only good for the environment: it is crucial for the future of the UK economy. By taking decisive action to reduce carbon emissions at home we can take advantage of the growing global market for low carbon technology and expertise. This strategy is the opportunity to reboot the agenda on energy efficiency, clean vehicles and the efficient use of resources in the UK.

UK progress was confirmed in a report by PwC which demonstrated the country is strongly outperforming its peers within the G20 according to PwC's Low Carbon Economy Index (LCEI). Its analysis published last month shows the UK decarbonising faster than any other G20 nation. It also reveals that in 2016, the UK achieved a decarbonisation rate of 7.7% – almost three times the global average.

Jonathan Grant, PwC sustainability director and Low Carbon Economy Index author, said:

Analysis by PwC shows that the UK leads the G20 on clean growth and is decoupling emissions from economic growth significantly faster than its peers. The UK's success comes down to policies that create a positive investment climate for low carbon technology, the drive to tackle emissions from coal and the strength of our services sectors.

The Clean Growth Strategy should continue the UK's transition to a low carbon economy.

The Strategy

Measures set out in the Strategy include funding through the BEIS Energy Innovation Programme of:

- up to £10 million for innovations that provide low carbon heat in domestic and commercial buildings
- up to £10 million for innovations that improve the energy efficiency of existing buildings
- an extra £14 million for the Energy Entrepreneurs Fund, including a new sixth fund
- up to £20 million in a Carbon Capture and Utilisation demonstration programme
- up to £20 million to demonstrate the viability of switching to low carbon fuels for industry
- up to £20 million to support clean technology early stage funding

Further measures include commitments to:

Business and industry efficiency

- develop a package of measures to support businesses to improve their energy productivity, by at least 20% by 2030
- establish an Industrial Energy Efficiency scheme to help large companies install measures to cut their energy use and their bills
- demonstrate international leadership in carbon capture usage and storage (CCUS), by collaborating with our global partners and investing up to £100 million in leading edge CCUS and industrial innovation to drive down costs

Improving our homes

- support around £3.6 billion of investment to upgrade around a million homes through the Energy Company Obligation (ECO), and extend support for home energy efficiency improvements from 2022 to 2028 at least at the current level of ECO funding
- we want all fuel poor homes to be upgraded to Energy Performance Certificate Band C by 2030 and our aspiration is for as many homes as possible to be Energy Performance Certificate Band C by 2035 where practical, cost effective and affordable
- develop a long term trajectory to improve the energy performance standards of privately-rented homes, with the aim of upgrading as many private rented homes as possible to Energy Performance Certificate Band C by 2030 where practical, cost effective and affordable

Low carbon transport

- the government has announced an end to the sale of all new conventional petrol and diesel cars and vans by 2040
- spend £1 billion supporting the take-up of ultra low emission vehicles, including helping consumers to overcome the upfront cost of an electric car
- develop one of the best electric vehicle charging networks in the world
- work with industry as they develop an Automotive Sector Deal to accelerate the transition to zero emission vehicles
- invest around £841 million of public funds in innovation in low carbon transport technology and fuels

Transport Minister Jesse Norman said:

The Clean Growth Strategy reinforces our clear commitment to reduce emissions across the UK and to end the sale of all new conventional petrol and diesel cars and vans by 2040.

We are a world leader in ultra-low emission technology, spending £1 billion to support the uptake of these cleaner vehicles and the creation of one of the best charging networks in the world.

Advances in low carbon transport technology can significantly boost economic growth and air quality, and we will continue to work with companies to maximise these benefits for all.

Clean, affordable energy

- phase out the use of unabated coal to produce electricity by 2025
- provide up to half a billion pounds for further Contract for Difference auctions for less established technologies, such as offshore wind, with the next one planned for spring 2019
- work with industry as they develop an ambitious Sector Deal for offshore wind, which could result in 10 gigawatts of new capacity, with the opportunity for additional deployment if this is cost effective, built in the 2020s
- deliver new nuclear power through Hinkley Point C and progress discussions with developers to secure a competitive price for future projects in the pipeline

Agriculture and natural resources

- as we leave the EU, design a new system of future agricultural support to focus on delivering better environmental outcomes, including addressing climate change more directly
- establish a new network of forests in England including new woodland on farmland, and fund larger-scale woodland and forest creation, in support of our commitment to plant 11 million trees, and increase the amount of UK timber used in construction
- work towards our ambition for zero avoidable waste by 2050, maximising the value we extract from our resources, and minimising the negative environmental and carbon impacts associated with their extraction, use and disposal
- publish a new Resources and Waste Strategy to make the UK a world leader in terms of competitiveness, resource productivity and resource efficiency

Environment Secretary Michael Gove said:

We are determined to be the first generation to leave the environment in a better state than we inherited it, and achieving clean growth is an integral part of our work to deliver a Green Brexit.

Through our ambitious plans to tackle waste, better manage our precious natural resources and create a more environmentally-focused agricultural system, this government is taking the lead in creating a cleaner, greener Britain.

Government leadership

- government will work with businesses and civil society to introduce a 'Green Great Britain' week to promote clean growth.

Case studies

[Clean Growth Strategy case studies](#)