

UK Government Minister for Scotland visits Iceland to build trade links and discuss climate change goals

UK Government Minister for Scotland Malcolm Offord arrives in Iceland today [Wednesday 12 October] on a two-day visit to speak at the Arctic Circle Assembly in Reykjavik, discuss common climate change goals and build trade links.

Representing the UK as one of more than 60 countries participating in the largest annual Arctic gathering, Minister Offord will give the UK address at the Assembly.

He'll discuss the UK Government's post-Brexit renewed Arctic Policy Framework, which is due to be published later this year, setting out the UK's commitment to shared interests in science, environment, climate change and commerce.

Ahead of his visit, Minister Offord said:

The Arctic is warming four times faster than the rest of the planet and this has profound implications for the UK, in terms of our weather, our environment and our security. We must therefore take action domestically. By reducing our own emissions and showing global leadership, we can encourage others around the world to join the effort.

Scotland and Iceland have strong economic, academic and cultural links, and we greatly value these important ties. In particular, I'm keen to promote Scotland's vital role within the United Kingdom and globally in terms of trade, energy and innovation.

Building our relationship with the Nordic countries – including Iceland – will bring direct benefit to Scottish business and to communities right across the UK.

Minister Offord will meet with other UK delegates from Orkney Islands Council as well as with counterparts from Iceland, Canada, the Faroe Islands, Norway and India, and hold discussions with Icelandic parliamentarians around Scotland's offshore wind sector and the huge part it plays in the UK Government's bold 2050 Net Zero targets

As well as having shared environmental goals, the UK and Iceland are significant commerce partners, with trade between the two countries worth around £1.1 billion in the year to March 2022. Scotland exported goods worth £31m to Iceland in 2021.

Icelandic companies have a number of high-tech and asset investments in the UK, and the University of Edinburgh offers a popular foundation course in Icelandic. In addition, both Scotland and Iceland have strong fishing and fish processing industries and tourism between the two countries is bolstered by direct Reykjavik-Glasgow flights.

As well as attending the Assembly, Minister Offord will visit a number of Icelandic businesses to strengthen links in sectors where the UK Government is investing at home, with the focus on growth in Scotland.

He'll tour biotech company Orf Genetics and associated plant-based skincare firm BioEffect. There are parallels between Orf's work in producing barley-based proteins and the research to be undertaken at the International Barley Hub at Dundee's James Hutton Institute, funded by £20m in UK Government investment and £15m from the Scottish Government through the Tay Cities Deal.

The minister will also visit Iceland's biggest gaming company, CCP Games in Reykjavik, who are keen to establish relationships with industry partners in the UK. He'll discuss potential links in Dundee, regarded as a centre of gaming excellence in Europe due to Abertay University's renowned game design degree and the 4000-seater Esports area due for completion in 2024/25. The UK Government announced £8million of funding in February this year for the Dundee-based UK Games Fund that will encourage skills in the sector, nurture talent and give increased support to entrepreneurial young developers.

[The £12 million Exmouth tidal defence scheme is complete](#)

The Environment Agency and East Devon District Council have spent £12 million of Government funding, building new and improving existing defences at The Royal Avenue, Camperdown Creek and The Esplanade.

The flood risk to residents and 400 businesses in the area has been reduced from a 4% chance of flooding every year to a 0.5% chance. This accounts for climate change and rising sea levels, with the option of improving the defences in the future. Further improvements should not be needed before 2045 based on current predictions.

Floods Minister, Trudy Harrison, said:

Exmouth's new flood defences and further schemes across the country will be more important than ever to build a more resilient nation against greater weather extremes.

This is why we are pressing ahead with our record £5.2 billion

investment in flood and coastal defences across England.

I hope Exmouth's added protection will bring much needed peace of mind to homeowners and give businesses the confidence to invest and grow.

Philip Rees of the South West Regional Flood and Coastal Committee said:

Exmouth was at significant risk of flooding before this project began.

These new defences have drastically reduced that risk of flooding as well as taking the future into account so people and businesses can continue living and working here.

Councillor Geoff Jung, East Devon District Council's portfolio holder for Coast, Country and Environment, said:

The protection of people's houses, shops and businesses from flooding is a key objective of East Devon District Council's initiative on combating the effects of climate change.

We are most grateful for the help and assistance of the Environment Agency and contractor Kier in providing this tidal defence scheme. Also, to the team of volunteers and staff who will be operating the flood gates for the years to come.

Flood embankments and walls were raised between the outfall of the Withycombe Brook and Imperial Recreation Ground and between the Imperial Recreation Ground and Camperdown Terrace.

But a large proportion of the work has been along the sea front, including the Esplanade from the Grove pub in the west, to just beyond the clock tower in the east. The Esplanade between these two points will be allowed to flood in extreme conditions, however, the new walls and flood gates will prevent this water from flowing into Exmouth. New drainage infrastructure will return flood water to the sea once the storm has passed.

The Exmouth tidal defence scheme has 28 flood gates

An extra 26 new flood gates have been installed, to accompany the 2 already in place at Mamhead Slipway. The gates that cross the road will be operated by East Devon District Council. Other gates will be operated by teams of community volunteers.

[Exmouth tidal defences were also one of the agency's first 'talking' flood defences to engage interested passersby in text conversation about its](#)

[development as well as offering further advice to be flood aware.](#)

Exmouth tidal defence scheme reduces the chance of flooding from the sea but there is still a risk of flooding from rivers and surface water.

Background

- This scheme is part of the Government's current programme of investment in flood and coastal defences. The Government announced in 2020 that the amount invested in flood and coastal erosion schemes would be doubled in England to £5.2 billion investing in around 2,000 flood defences. This year, £700 million is being invested from that pot and will better protect over 30,000 properties, bringing the cumulative total for the first 2 years of the programme to more than 60,000.

Government introduces new Energy Prices Bill to ensure vital support gets to British consumers this winter

- UK government introduces landmark Energy Prices Bill, putting into law support to help households, businesses and others with energy costs this winter, while reducing inflation and supporting economic growth
- the Bill also includes powers to stop volatile and high gas prices dictating the cost of electricity produced by much cheaper renewables
- new 'Cost-Plus-Revenue Limit' will ensure consumers are not paying significantly more for electricity generated from renewables and nuclear, with the potential to save billions of pounds for British billpayers

Consumers will pay a fairer price for their electricity as the UK government introduces new emergency powers that will ensure consumers across the country receive help with their energy bills this winter.

Without the launch of the schemes, businesses and consumers had been left facing increasing financial turmoil, with energy bills estimated to increase to as high as £6,500 before the government stepped in. Recently announced support will see a typical household pay £2,500 a year for energy, while businesses will be paying less than half of predicted wholesale costs this winter.

The Energy Prices Bill, introduced in Parliament today (12 October 2022), provides the legislative footing needed to ensure that people and businesses across the UK receive support with their energy bills this winter through the Energy Price Guarantee for domestic consumers and Energy Bill Relief Scheme for businesses and non-domestic properties. This includes essential measures

that enable the UK government to deliver comparable schemes in Northern Ireland and legislation that will require landlords and heat network operators to pass benefits through to tenants.

Low-carbon electricity generation from renewables and nuclear will be key to securing more low-cost homegrown energy and we are supporting continued investment in the sector, including through The Growth Plan.

Currently in the UK market, wholesale electricity prices are set by the most expensive form of generation – presently gas-fired generation, which are significantly higher in light of Russia’s appalling invasion of Ukraine and Putin’s subsequent weaponisation of gas supplies. Low-carbon electricity generators are therefore benefiting from abnormally high prices, while consumers are having to pay significantly more for energy generated from renewables and nuclear, even though they often cost less to produce.

To further protect consumers, new powers to help sever the link between high global gas prices and the cost of low-carbon electricity have also been introduced through a new temporary Cost-Plus Revenue Limit in England and Wales. This will reduce the impact of unprecedented wholesale prices on consumers and the taxpayer by introducing a revenue limit, curbing the amount generators can make.

The precise mechanics of the temporary Cost-Plus Revenue Limit will be subject to a consultation to be launched shortly. The government has been working closely with industry on the detail of the proposal, ahead of it coming into force from the start of 2023. It will ensure consumers pay a fair price for low carbon energy and has the potential to save billions of pounds for British billpayers, while allowing generators to cover their costs, plus receive an appropriate revenue.

Business and Energy Secretary, Jacob Rees-Mogg, said:

Businesses and consumers across the UK should pay a fair price for energy. With prices spiralling as a result of Putin’s abhorrent invasion of Ukraine, the government is taking swift and decisive action.

We have been working with low-carbon generators to find a solution that will ensure consumers are not paying significantly more for electricity generated from renewables and nuclear.

That is why we have stepped in today with exceptional powers that will not only ensure vital support reaches households and businesses this winter but will transform the United Kingdom into a nation that offers secure, affordable and fairly-priced home-grown energy for all.

Chancellor of the Exchequer, Kwasi Kwarteng, said:

Our actions will mean that energy bills for the typical household will be half what they would have been this winter.

We are protecting people, holding down inflation and preventing Putin's energy price hike from causing long term harm to our economy by supporting businesses.

The Energy Prices Bill forms yet another decisive step taken by the UK government to reform the energy market, giving Britain back control of its own home-grown energy and breaking ties to the ever-increasing volatility and uncertainty of the global gas market.

Energy Prices Bill

The Bill will introduce powers to enable the following:

Energy Bill Relief Scheme

The Energy Bill Relief Scheme will enable the government to provide financial assistance on energy bills for all eligible non-domestic customers, including businesses, charities and public sector organisations. This took effect on 1 October 2022.

Energy Price Guarantee

The Energy Price Guarantee will ensure that a typical household in the United Kingdom pays around £2,500 a year on their energy bill, depending on their use, for the next 2 years, from 1 October 2022.

Alternative Fuel Payment

This scheme is intended to deliver a one-off payment of £100 to UK households who are not on the mains gas grid and therefore use alternative fuels, such as heating oil, to heat their homes. More detail on non-domestic consumers will be set out shortly.

Northern Ireland Energy Bills Support Scheme

Powers in the Bill will provide a robust basis to allow the government to make payments and deliver NI EBSS, which will provide £400 of support to households in Northern Ireland this winter. Powers will enable a similar delivery model to the Energy Bills Support Scheme in Great Britain, in respect of using the existing regulatory regime to enforce and provide assurance to the government on delivery.

Energy Bills Support Scheme Alternative Fund

This scheme is intended to provide the £400 of support for households across the UK that would otherwise miss out on the Energy Bills Support Scheme, as they do not have a domestic electricity contract. The Alternative Funding will be made available for this winter, with an announcement on this in due

course. The Bill will provide powers to deliver the funding through local authorities.

Heat network support

Powers in the Bill will ensure that heat networks benefiting from the Energy Bill Relief Scheme pass through cost savings to their consumers. The Bill provides for the appointment of an Alternative Dispute Resolution body which will handle complaints raised by consumers against their heat network if it has not complied with passthrough requirements.

Pass-through requirements on intermediaries

This legislation is intended to ensure support from the Energy Price Guarantee, Energy Bill Support Scheme, or Energy Bill Relief Scheme, are received by the end user in cases where intermediaries procure energy on their behalf in accordance with the terms of regulation. For example, the legislation will require landlords to pass benefits to through tenants with further details of the requirements under this legislation to be set out shortly.

Cost-Plus Revenue Limit

The government is taking steps to break the link between abnormally high gas prices and how much revenue low-carbon electricity generators receive. This will allow consumers to pay a fair amount for their electricity, and ensure electricity generators are not unduly profiting from the energy crisis caused in part by Russia's invasion of Ukraine. The government recognises the importance of dispatchable and baseload generation for security of supply. The low-carbon technologies that can deliver these types of power do tend to have higher input costs (such as biomass and nuclear) and this is being considered as part of the detailed policy design.

Contracts for Difference

We are also legislating for powers that would allow us to consider running a voluntary Contracts for Difference process for existing generators to take place in 2023. A voluntary contract would grant generators longer-term revenue certainty and safeguard consumers from further price rises.

Notes to editors

To ensure the schemes can work effectively for government, energy suppliers and consumers, with the minimum disruption to existing processes, emergency legislation is being introduced to underpin the schemes.

The Bill will be subject to the standard parliamentary process for emergency legislation.

For customers in Northern Ireland, both the Northern Ireland Energy Bills Support Scheme and Northern Ireland Energy Price Guarantee will work similarly to those in Great Britain, and householders will receive an

equivalent level of support. A similar scheme to the Energy Bill Relief Scheme will be established in Northern Ireland, providing a comparable level of support. Further detail will be released in due course.

Cost-Plus Revenue Limit

The full scope of coverage is still being determined, but this will apply to low-carbon generating assets not currently covered by a Contract for Difference.

We are planning for this to be in place from the start of 2023.

The temporary revenue limit will apply in England and Wales, and we are liaising with the Scottish Government to confirm whether the measure will extend to Scotland. The legislation allows for a temporary revenue limit to apply in Northern Ireland.

This is planned to be a temporary measure to deal with the exceptional market conditions driven by high global gas prices, in light of Russia's invasion of Ukraine, and it is anticipated that this will endure until such time as the markets return to normal or generators move onto other market arrangements, such as a Contract for Difference.

The limit will still allow generators to cover their costs and receive an appropriate revenue that reflects their operational output, investment commitment and risk profile.

The government is working through the detail of the appropriate price for the 'Cost-Plus Revenue Limit' but one relevant factor being considered is the pre-crisis expectations for wholesale prices, and what a reasonable upper estimate for what those might be.

The government is focused on ensuring that the market continues to function with a appropriate signalling to incentivise dispatch at times of system need. As a result, we are considering an arrangement that allows generators to keep a proportion of their revenue above the limit.

The limit is to be set in advance of the policy taking effect however we anticipate that the revenues received by generators will be considered at the end of a settlement period.

The government recognises the importance of dispatchable and baseload generation for security of supply, and the importance of continued investment in these supplies. The low-carbon technologies that can deliver these types of power tend to have higher input costs (such as biomass and nuclear) and this is being considered as part of the detailed policy design.

This intervention differs from a windfall tax as it will be applied to excess revenues generators are receiving, as opposed to applying to all profits.

The government remains committed to supporting investment into the renewables sector. The next allocation round of the government's flagship Contracts for Difference support scheme for the deployment of new generation will launch in

2023 as planned.

Generators would also continue to receive their existing revenue support or subsidy payments, for example Renewable Obligation Certificates, which will help preserve market stability.

[COP26 President Alok Sharma to attend IMF and World Bank Annual Meetings](#)

- The COP26 President will travel to Washington, D.C. this week to push for greater action on climate finance progress ahead of COP27
- Mr. Sharma will urge multilateral institutions to extend their support for developing countries as they accelerate the move towards clean energy and away from coal
- After the Annual Meetings the COP President will travel to Seattle to attend the Breakthrough Energy Summit and meet with US business leaders

COP26 President Alok Sharma will travel to Washington, D.C. from 12 to 15 October, to attend the International Monetary Fund (IMF) and World Bank Annual Meetings.

With just weeks to go until COP27, Mr. Sharma will meet with senior representatives from multilateral development banks, finance ministers, private finance and civil society to urge them to turn climate finance promises made in the historic Glasgow Climate Pact into action. This will include pushing for further support from these institutions on Just Energy Transition Partnerships (JETPs), the country-led initiative that aims to support developing countries' transition away from coal or other fossil fuels to renewable energy.

While there, the COP26 President will also deliver a major keynote address at the Wilson Center think-tank, outlining key climate finance priorities ahead of COP27 in Sharm El-Sheikh, Egypt, next month.

In the speech, which will be his last in the role as COP President, Mr. Sharma will also address how the international system can support faster action in line with the Paris Agreement and Glasgow Climate Pact – as agreed by nearly 200 countries at COP26 last year. The speech will be available to watch online via the [Wilson Center website](#) at 3pm BST / 10am EDT on Friday, 14 October.

Alok Sharma, COP26 President, said:

“With less than a month to go until COP27, this week’s Annual Meetings in Washington D.C. are a critical moment for multilateral institutions to refocus their support for the many developing countries that are facing the

devastating impacts of climate change.

“Against the backdrop of ongoing global energy security challenges, organisations like the IMF and World Bank must do all they can to help developing countries move further and faster in tackling climate change, to support resilient economies powered by clean, renewable energy systems.

“This includes extending support for Just Energy Transition Partnerships (JETPs), country-led partnerships supported by G7 nations that will help decarbonise economies and accelerate the transition from fossil fuels to clean, renewable energy.”

During the Annual Meetings, the COP President will attend a roundtable on financing the energy transition with ministers from developing countries, address the Coalition of Finance Ministers for Climate Action on how climate finance can become more accessible, host a JETP roundtable with civil society and also attend a Sustainable Markets Initiative discussion, which will focus on how multilateral institutions are contributing to global mitigation efforts and key challenges on the road to COP27.

The COP26 President will then travel on to Seattle from 16 to 18 October, where he will attend the Breakthrough Energy Summit, a coalition of private investors established by Bill Gates in 2015, to highlight the importance of energy innovation opportunities in emerging markets and best practices for unlocking and accelerating deployment of clean technologies.

During his time in Seattle, Mr. Sharma will meet with business leaders from the tech and transport sectors to discuss the latest progress on their climate goals in line with the Glasgow Climate Pact. Mr. Sharma will also meet with officials, academic institutions, businesses and tribal leaders involved in tackling Washington State’s recent wildfires to hear how the State is managing adaptation and resilience in the wake of the worsening effects of climate change.

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Task Force meets on transboundary challenges of air pollution

Air quality experts and delegates from around the world are meeting today (11 October) to discuss international collaboration towards preventing and reducing air pollution and improving global air quality.

Hosted in Bristol by the United Kingdom, and jointly organised with co-chair Sweden, the inaugural meeting of the Task Force for the Forum for International Cooperation on Air Pollution (FICAP) will act as a steering

committee to plan the first global Forum event, taking place in Sweden in 2023. Over two days, the Task Force is meeting to plan a programme for next year's event.

Air pollution continues to be the greatest environmental risk to human health. It causes a range of life-shortening diseases, drives down productivity, and costs our economies billions every year. In 2018 Public Health England estimated that the costs of air pollution (PM2.5 and NO2) in England to health and social care services could reach between £5.3 and £18.6 billion between 2018 and 2035. Whilst action on emissions in the United Kingdom is vital, pollution from other countries can also have significant effects on domestic air quality.

The Task Force meeting is taking place under the UNECE Convention on Long Range Transboundary Air Pollution (CLRTAP), established in 1979 to address air pollution and its impacts on the environment and health at an international level.

The forum event in Sweden next year will be the first opportunity for international experts and delegates from Parties to the Convention, non-governmental organisations, and key countries from all regions of the world to come together to share science and policy expertise on global air pollution. While progress on the Forum was paused during the Covid-19 pandemic, the United Kingdom and Sweden are now seeking to reinvigorate international cooperation on improving air quality.

Minister Harrison opened today's session to welcome delegates and set out the importance of working together to tackle air pollution.

Speaking at today's Task Force meeting, Air Quality Minister Trudy Harrison said:

"Air pollution is a transboundary challenge and we need transboundary solutions, by co-operating at an international level.

"If we are to continue achieving the emissions reductions we know are needed to protect our people's health, our economies and our environments, we must find new and innovative solutions on a global scale.

"The United Kingdom is proud to co-chair this new forum for sharing science and policy expertise internationally, which will help more regions to take steps to tackle air pollution. With hard work and determination, the Forum for International Cooperation on Air Pollution will be a beacon of global environmental leadership and innovation, and I look forward to seeing it go from success to success."

Members of the Task Force will agree a clear set of areas for greater regional cooperation and a clear design for the full Forum meeting taking place in Sweden in March 2023.

As a founding member of the UNECE Convention, the United Kingdom is at the forefront of international action to tackle transboundary air pollution and has played a leading role in supporting international programmes to drive

forward scientific understanding of emissions and their impacts.

The United Kingdom has engaged constructively with the Convention to agree ambitious standards and emission reduction commitments since 1999. The Convention has played an instrumental role in reducing harmful pollutants in both Europe and North America, with sulphur dioxide reducing 70% in Europe between 1990 and 2006 and nitrogen oxide falling 35%.

Air pollution at a national level continues to reduce significantly, with nitrogen oxide levels down by 44% and PM2.5 down 18% since 2010, but we know there is more to do. We have committed nearly £900 million to tackle air pollution and improve public health, and recently consulted on stretching new targets for air quality to be set through the Environment Act.