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The UK’s green recovery plans – how do they stack up?

A £12B 10-point green plan that could create around 250,000 jobs has been announced by UK prime minister Boris Johnson. It includes the widely anticipated decision to end sales of petrol and diesel cars by 2030, a decade earlier than previously scheduled.

The plan also includes the proposal to quadruple offshore wind capacity to 40 GW by 2030, increase hydrogen production, and invest £525M in small and advanced nuclear reactors. Additionally, £1M will be invested in insulation, carbon capture will receive £200M, and £20M will be allocated to greener maritime energies. Also, 30,000 hectares of trees will be planted annually.

Why does this matter?

From “green crap” to green industrial revolution, the UK has joined the ranks of other countries that have outlined their green recovery from COVID-19 strategies – by collating its plans to tackle climate change into 10 focus areas and pledging £12B in funding.

The new plan solidifies a move beyond greening the UK’s electricity supply to think about tackling its harder-to-decarbonise sectors: transport, heating and industry. These are inherently difficult. While changing the mix of electricity

that comes through a plug socket doesn't inconvenience the consumer, improving home energy efficiency, changing heating technology and tackling transport is more disruptive. Naturally, these difficulties have been where a lot of media coverage has focused.

The plans are not entirely new. The 40 GW of offshore wind power by 2030 target was announced in October, for example, and was in the Conservative Party's 2019 election manifesto. Bringing forward the petrol and diesel car sale ban to 2030 was also previously mooted. Furthermore, despite the announced mobilisation of £12B, the package reportedly contains just £3B of additional funding. For comparison, the UK's Hinkley Point C nuclear power station alone is projected to cost £22.5B.

The level of funds on the table has been criticised. The UK's Labour Party, whose own proposal for a green recovery is for £30B over 18 months, has called the plans "deeply, deeply disappointing". In comparison, other countries are being more ambitious in their recovery spending ambitions, with Germany pledging $10B (£7.6B) for hydrogen alone in a $147B (£111B) recovery budget, where £37B is allocated for green initiatives.

Perhaps the main point is that the UK's plan doesn't actually stack up to meet its legally binding emissions reduction commitments or rolling carbon budgets. The UK's Climate Change Committee indicates £30B a year is needed to reach net-zero by 2050, while PwC says £400B is needed in infrastructure investment alone over the next decade to meet the target. A report from New Automotive says the internal combustion engine vehicle ban needs to be brought forward to 2026 in order to meet interim emissions reduction goals.

In this sense, it's been highlighted the public spending will act as a catalyst to enable the substantial levels of additional private financing that will be key to enabling the UK's net-zero transition. In some areas, however, it may be tricky to encourage private-sector investment and, as PwC highlights, a clear policy framework to enable this additional capital to be channelled will be key.

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