



# Net zero policy tracker: June 2023 update

# Overview

- On 30 March 2023, the UK government published over 2,800 pages of documents, updating its 2021 Net Zero Strategy (NZS). This was in response to a successful legal challenge in the High Court, recommendations from the Climate Change Committee and the independent Mission Zero review.
- Green Alliance’s *Net zero policy tracker* has been monitoring the delivery of climate policies since March 2020.
- We have compared progress made against the emissions reduction pathways set out in the government’s own NZS, designed to keep the UK on track to its legally mandated sixth carbon budget (for the period 2033-37) and reach net zero carbon emissions by 2050. However, given the importance of the next ten years to climate action, our analysis focuses on the emissions reductions projected to be achieved in the period of 2028-2032 (the fifth carbon budget).
- We have assessed UK level policies (including the contributions of the devolved administrations where relevant) and categorise them under three headings: ‘confirmed policy’, ‘policy under consultation’ or ‘policy ambition’, according to the degree of certainty.
- We give credit where detailed policy frameworks are in place, but we do not assess whether policies are being delivered successfully.

## Overview contd...

- So that we could judge the impact of the new government announcements, we published the last version of our tracker just before they were made. That showed the UK was off track to achieve its net zero carbon target for the economy, with just 28 per cent of the emission cuts needed covered by confirmed policy. There was no policy at all in place to cover 13 per cent of the greenhouse gas reductions needed.
- This update to the tracker includes data from Powering Up Britain (PUB) and the Carbon Budget Delivery Plan (CBDP), both published on 30 March 2023.
- Across the whole economy, and individual sectors, our new assessment reveals little progress. Although announcements on 30 March 2023 increased certainty around some existing policy promises, there were few new policies to move UK climate action forward.
- Our assessment has also raised important questions around how the government tracks its progress, with the risk that some policies may not reduce emissions at the level expected.

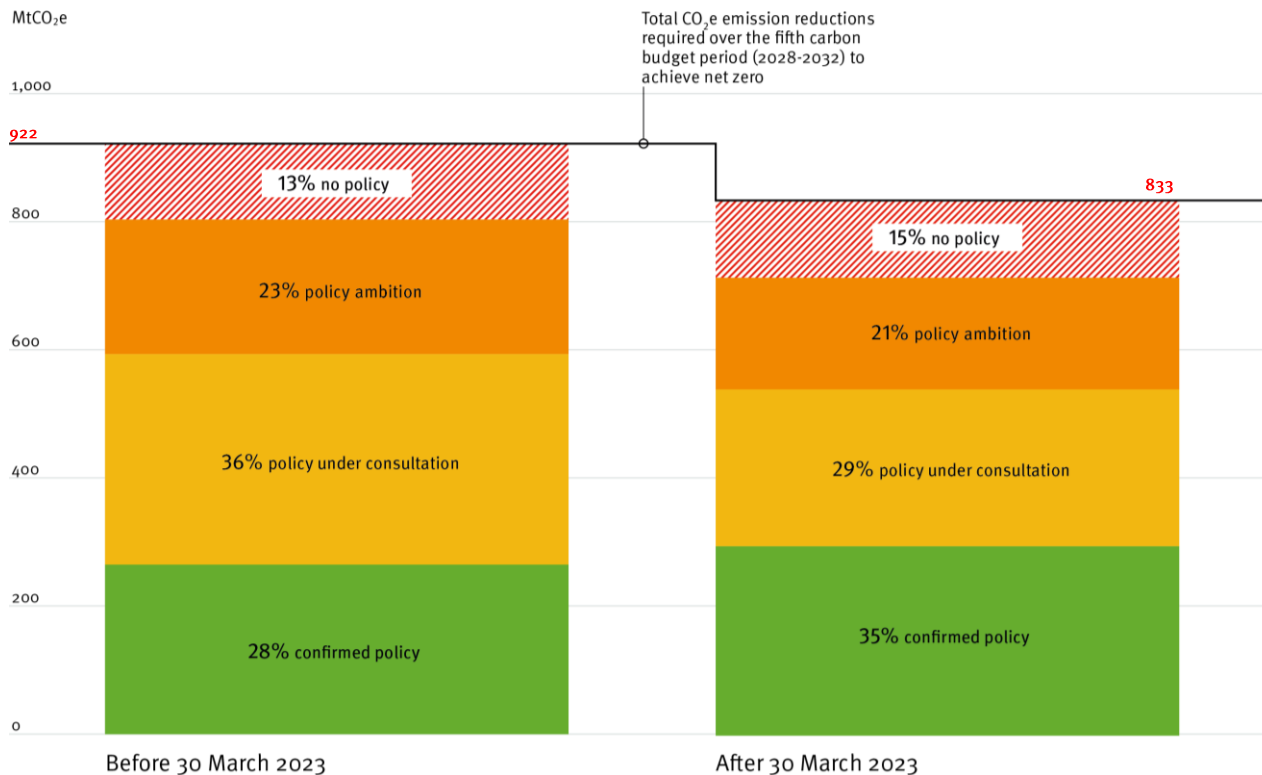
# Progress assessment

- New government announcements on 30 March 2023 have not changed the picture on progress to meeting the net zero goal. In fact, the government's recalculations of what its policies are likely to achieve means the proportion of the emission cuts needed with no policy to address them has widened slightly from 13 per cent to 15 per cent.
- Government recalculations mean the overall emissions reductions needed to meet the net zero goal have fallen to 833MtCO<sub>2</sub>e from 922MtCO<sub>2</sub>e. But the overall emissions reductions covered by policy, have also fallen to 713MtCO<sub>2</sub>e from 805MtCO<sub>2</sub>e. Further details of the baseline changes for individual sectors are given here and in our methodology.
- Our analysis shows the UK has policy either set or indicated (a combination of ‘confirmed’, ‘under consultation’ and ‘ambition’) to cover 85 per cent of the greenhouse gas emissions reductions needed during the period 2028-32 (the fifth carbon budget).
- Although the overall picture has not changed much, several policies now look more likely to be delivered following the announcements on 30 March 2023, taking our assessment of confirmed policy up to 35 per cent.
- However, 29 per cent of the reductions needed are covered by policy still under consultation and 21 per cent are simply broad government ambitions with no firm plans outlined. The ambitions have actually fallen since our last assessment.
- Even if the government were to deliver on all its current policy, including that under consultation or described simply as ambition, there are no plans at all to address 15 per cent, or 120MtCO<sub>2</sub>e, of the emissions reductions necessary for net zero.

# Overall progress

Below we compare our progress assessments of policy covering emissions reductions for net zero for the whole economy, before and after the government announcements on 30 March 2023, indicating the policy changes made. This includes the new overall target indicated by the government's recalculations.

Overall progress against net zero strategy during fifth carbon budget (2028-32)

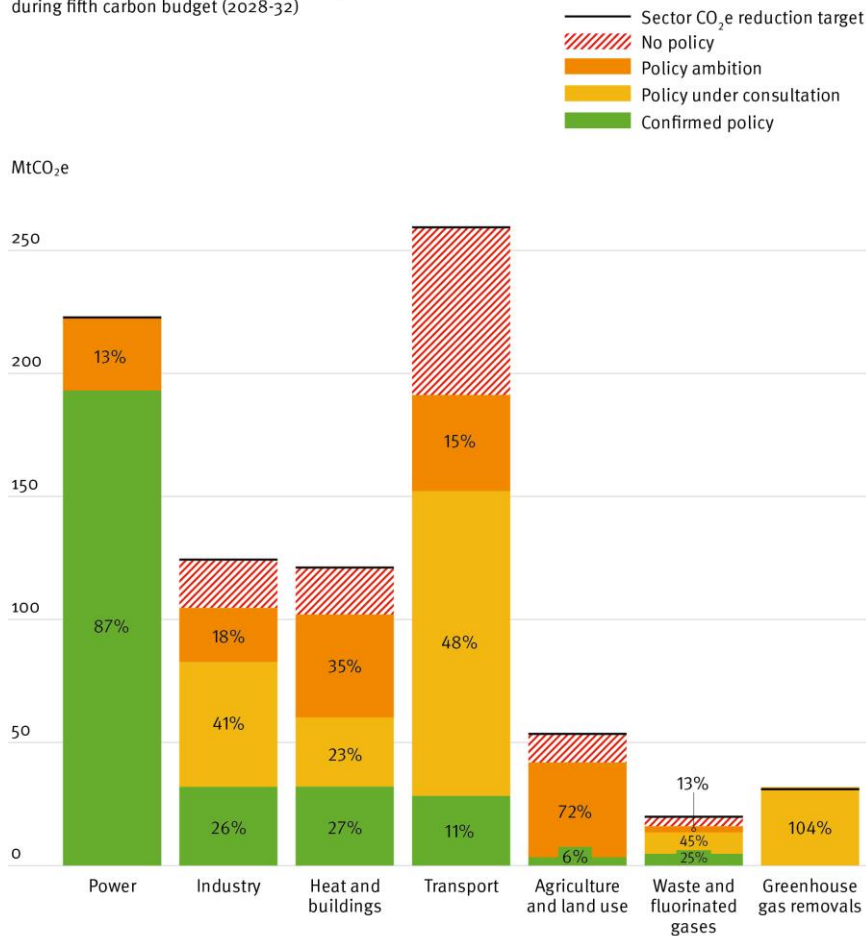


# Sectoral overview: June 2023

A significant proportion of emission cuts required are still not targeted by government policy. Over half of those (68MtCO<sub>2</sub>e) are attributed to the transport sector which has a policy gap of 26 per cent.

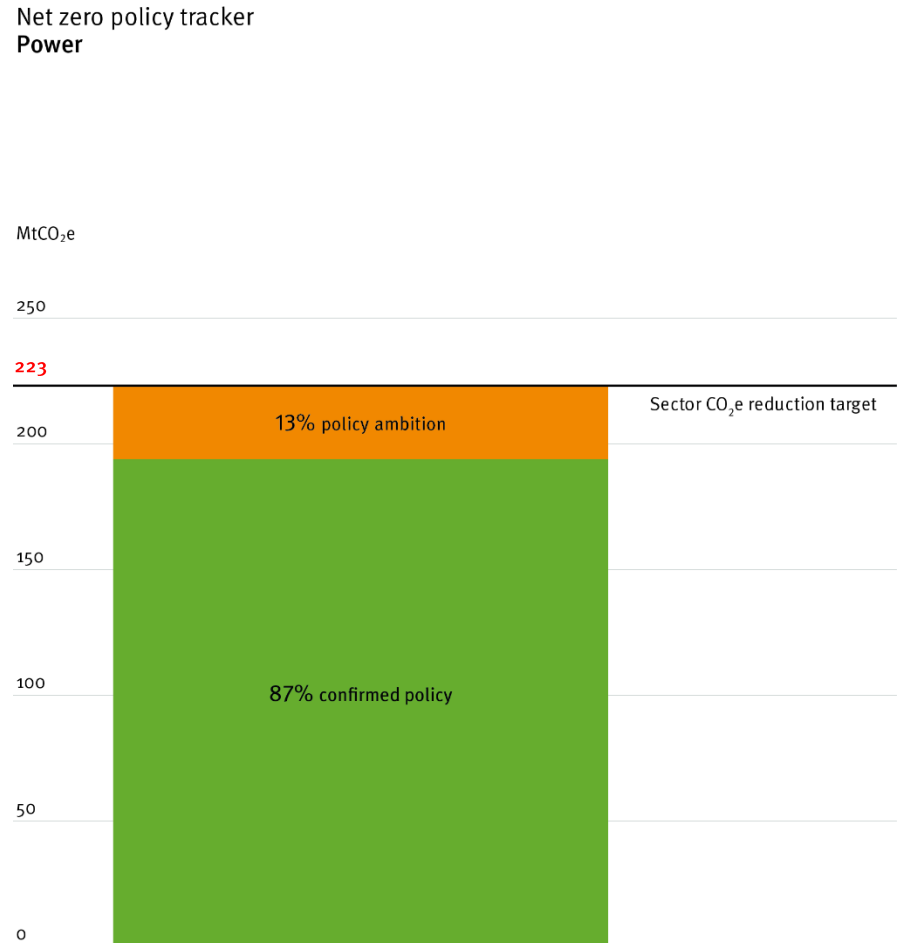
## Net zero policy tracker

Sectoral progress against net zero strategy during fifth carbon budget (2028-32)



# Power

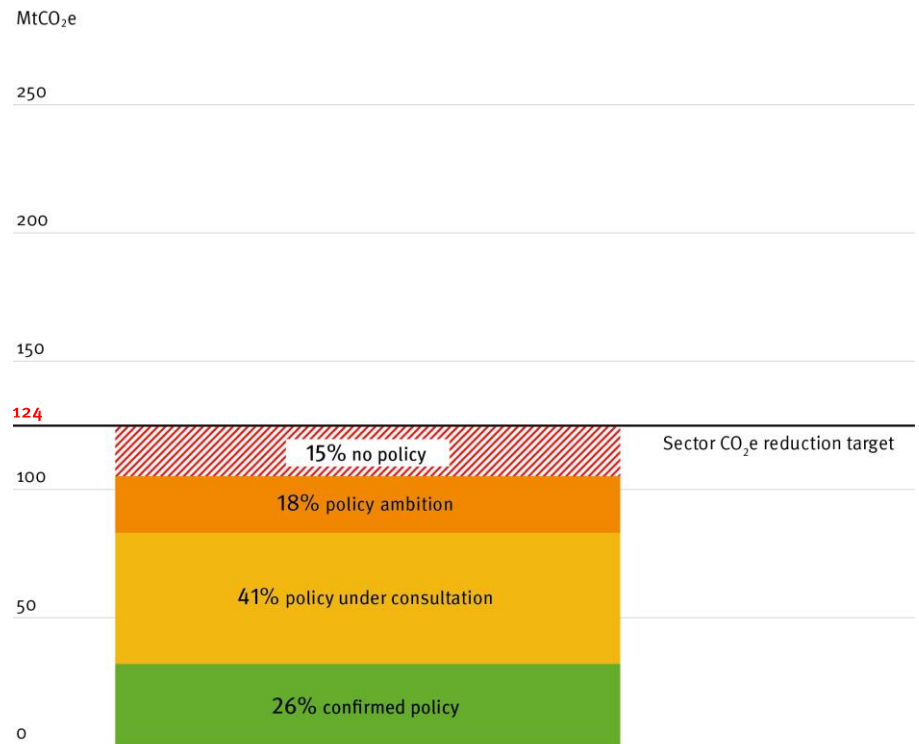
- The power sector is in the best position of all sectors to meet its required emissions reductions targets.
- All emissions reductions required are accounted for by confirmed policy or ambition.
- Confirmed policy increased six per cent, compared to our previous assessment, as the changes announced on 30 March 2023 confirmed funding for three carbon capture utilisation and storage (CCUS) plants to support a net zero power grid.
- However, 13 per cent is categorised as policy ambition with no plans outlined.



# Industry

- Changes on 30 March 2023 have improved certainty of policy delivery for industry, with 26 per cent of the emission reductions needed for the sector now covered by confirmed policy, compared to 11 per cent previously.
- This is primarily due to the confirmation of the funding of five CCUS projects related to industry.
- There were slight changes to the government's baseline assumptions for industry, with forecast emissions from oil and gas refineries being brought down due to lower expected output.
- But 15 per cent of emissions reductions needed from industry have no policy to achieve them.

Net zero policy tracker  
Industry





# Heat and buildings

- There was little new policy or progress announced on 30 March 2023 to reduce emissions from this sector.
- However, the government clarified its expectations of the emissions reductions that existing policies should achieve.
- The sector still has 15 per cent of its emissions reductions required not covered by any policy.
- Just over a quarter (27 per cent) of this sector's emissions reduction target is supported by confirmed policy.

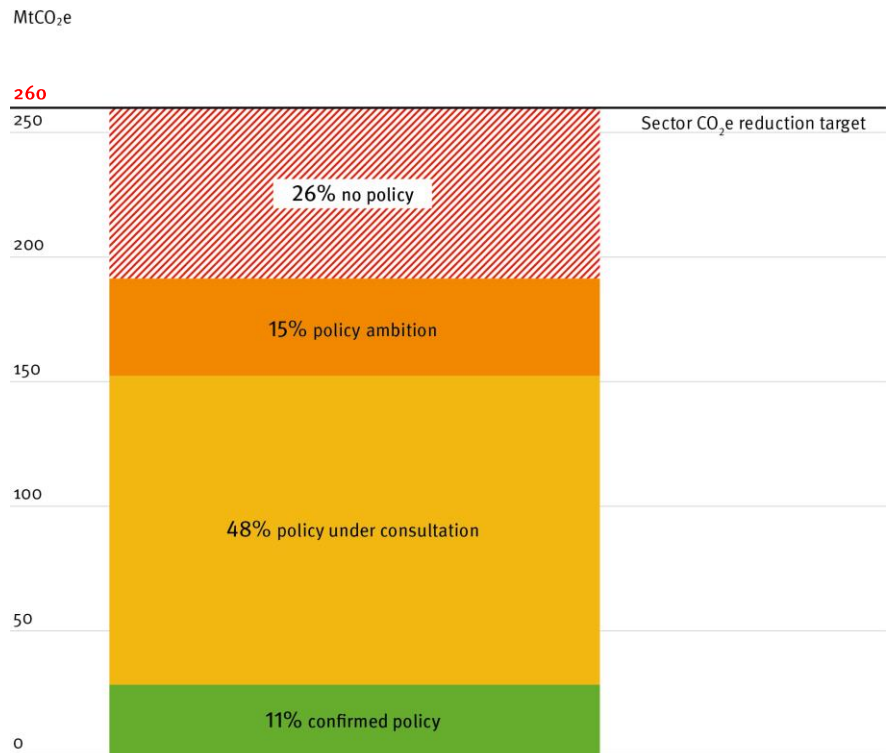
Net zero policy tracker  
Heat and Buildings



# Transport

- The government's recalculations have put the transport sector in a more challenging position than previously expected. Ambitions around fossil fuel vehicle efficiency and the emissions cuts associated with hybrid vehicles have been revised down.
- There was little new transport policy, but consultations were announced such as the long delayed final consultation for the zero emission vehicle (ZEV) mandate.
- Over half (68MtCO<sub>2</sub>e) of the whole economy's emissions cuts needed with no policy coverage are in this sector, which now has a policy gap of 26 per cent.
- A lack of ambition for demand management endangers achieving the emission reductions needed.

Net zero policy tracker  
Transport

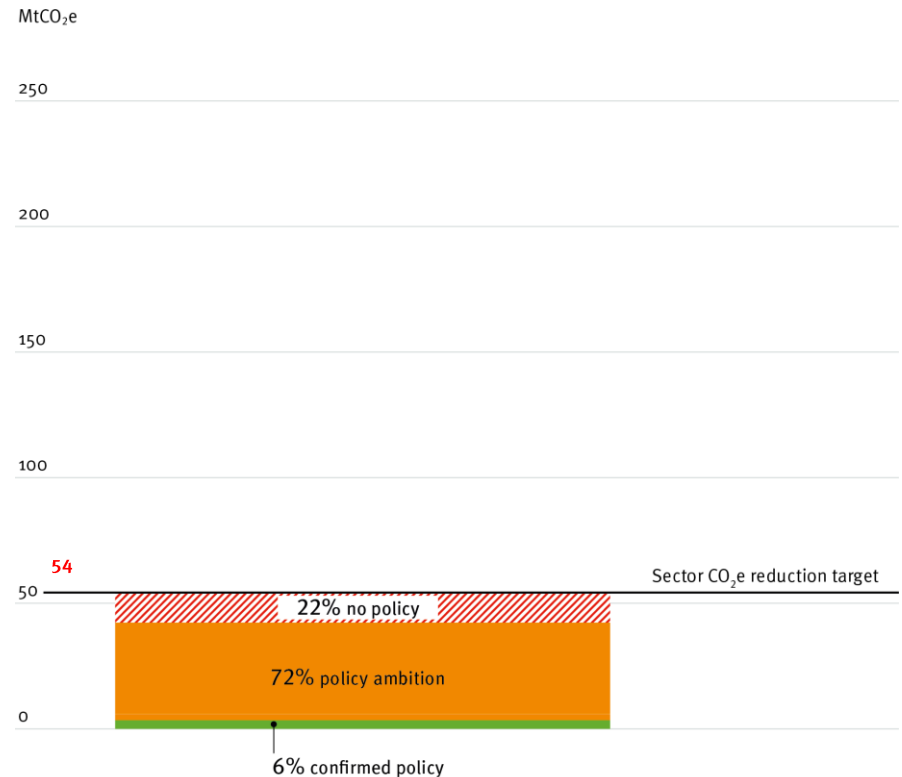


NB Our analysis of the transport sector includes surface transport and international aviation and shipping, to be consistent with the Net Zero Strategy. Expected emissions savings from aviation over 2028-32 are small and have no significant impact on this analysis. This does not mean that the government's ambition for aviation decarbonisation is sufficient, just that the government expects so few savings from aviation in the near term.

# Agriculture and land use

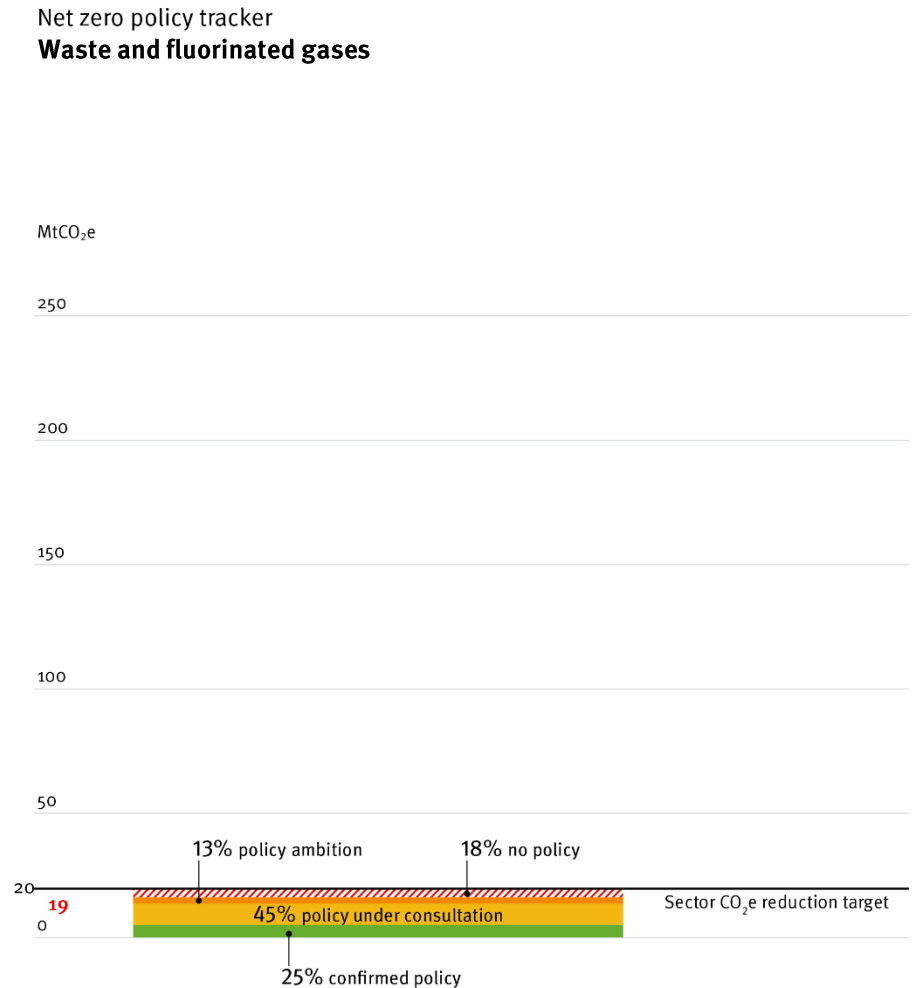
- Government policy for this sector was particularly unclear before 30 March 2023.
- Although little new policy was announced on 30 March 2023, the sector now has 78 per cent of its target emission cuts covered by policy. This is a significant increase from our March 2023 analysis (49 per cent).
- Some of this improvement is due to lower projections of future emissions, particularly from peatlands.
- Despite the government's recalculations, most net zero policy in this sector is not locked in, with only six per cent of emissions reductions needed under confirmed policy.

Net zero policy tracker  
Agriculture and land use



# Waste and fluorinated gases

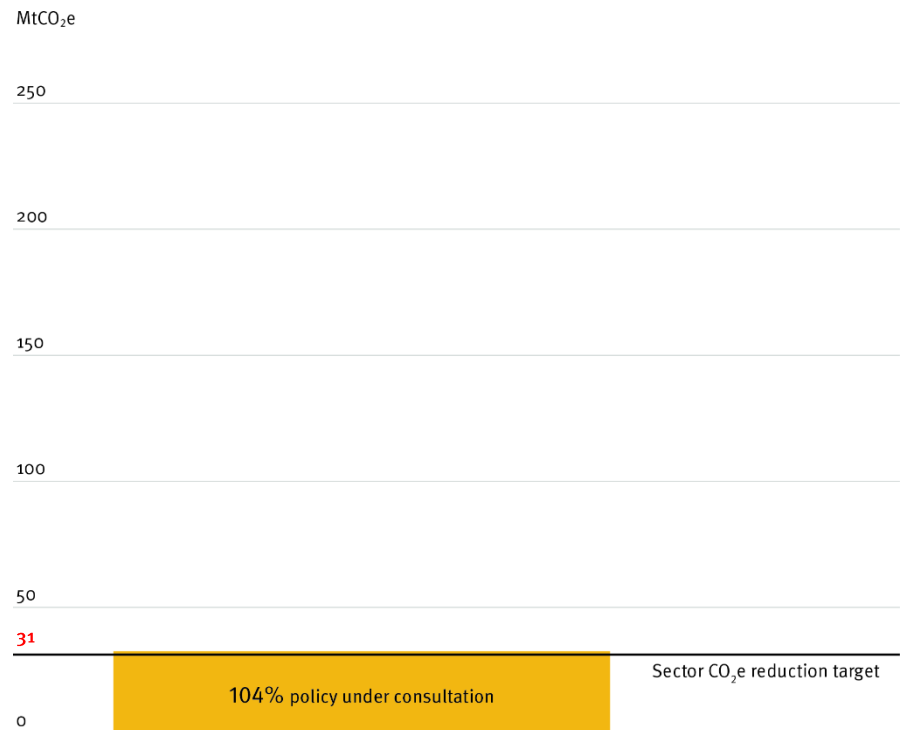
- No new policies to address emissions from waste and fluorinated gases were announced on 30 March 2023 and most of the policy plans proposed in this parliament are still under consultation.
- This is a sector where our assessment has been significantly affected by the release of more data and by recalculations of the government's baseline assumptions. In this case, it accounts for historical policies in relation to fluorinated gases.
- These changes mean there are now no policy plans to address 18 per cent of the emissions cuts needed in this sector.



# Greenhouse gas removals

- If all current policy proposals were delivered, the greenhouse gas removals sector appears to be on track to meet its net zero goal and, indeed, slightly exceeds the government's target. However, all this policy is under consultation, rather than confirmed.
- Delivery in this sector relies on business models still under development to subsidise removals.

Net zero policy tracker  
Greenhouse gas removals



# Conclusions

- This update to our net zero policy tracker, following the government’s policy announcements and clarifications on 30 March 2023, show the value of increased transparency in being able to clarify the position. However, it also shows how sensitive the results are to changes in the underlying assumptions. This highlights the risk of the government under delivering on its net zero target, even when confirmed policies are in place.
- Our assessment exposes significant policy gaps. Much more rapid action must be taken to get the UK on track to meet its legal commitments to prevent the devastating impacts of climate change. The longer policy gaps remain, the more challenging targets will be to meet.
- New policies are needed to address gaps in most sectors and faster action is vital to ensure there is no failure to develop or deliver on existing policies.
- It is worrying that policies still under consultation cover around a third of all the emissions cuts needed.
- The data released on 30 March 2023 has also not led to an update in government departments’ emissions reduction pathways. This should be a top priority to drive forward the action needed.

# Recommendations

The government should:

- recognise the risk of under delivery and identify policies for rapid implementation to mitigate this danger;
- increase departmental responsibility to cut emissions, by updating pathways for each based on the latest evidence and this should be continuously monitored;
- urgently identify measures over the remainder of this parliament to address the absence of policy and accelerate delivery, eg:
  - implement an ambitious target for heat pump sales as soon as possible through the clean heat market mechanism;
  - adopt a target to cut car miles driven across the UK by at least 20 per cent by 2030;
  - invest £1 billion a year up to 2030, through the Environmental Land Management scheme, to create woodlands and restore peatlands on the least productive ten per cent of farmed land;
  - stimulate better material use, investment in industrial decarbonisation and reducing embedded emissions, by rapidly implementing markets for low carbon products and circular economy measures, including better reporting and higher standards eg for cars and buildings.

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## **Acknowledgements**

Thanks to Luke Maxfield and Eoin Devane from the Climate Change Committee for their support with research and analysis. Also, thanks to Chris Venables, Roz Bulleid, Heather Plumpton, Lydia Collas, and Emma McKelvie from Green Alliance for their help in shaping this analysis. This work is part of Green Alliance’s Cutting Carbon Now project, supported by the Network for Social Change. It advocates for immediate action across the UK economy to drastically reduce the UK’s contribution to climate change.

## **Green Alliance**

Green Alliance is an independent think tank and charity focused on ambitious leadership for the environment. Since 1979, we have been working with the most influential leaders in business, NGOs and politics to accelerate political action and create transformative policy for a green and prosperous UK.

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Graphs designed by Howdy

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