

Briefing note – UK Government's Ten Point Plan for a Green Industrial Revolution

Updated 20.11.20

UK Government's Ten Point Plan for a Green Industrial Revolution – November 2020

Background

The Prime Minister has set out a ten-point plan for a green industrial revolution, which will create and support up to 250,000 British jobs and mobilise £12billion of government investment with over three times as much private sector investment by 2030.

This marks the beginning of the UK's path to net zero, with further plans to reduce emissions whilst creating jobs to follow over the next year in the run up to the international COP26 climate summit in Glasgow next year.

In addition, we are expecting the Climate Change Committee to produce the UK's 6th carbon budget on 9th December 2020. Lord Deben (Chair of the Climate Change Committee) has said of the government's latest announcement:

Today, the Prime Minister has laid out his vision for a net-zero UK. I am delighted to see the breadth of the Prime Minister's commitment. This must now be turned into a detailed road map – so we all know what's coming down the track in the years ahead. Our homes, the way we travel, our industries, our land, and all of us individually have a role to play as we strive to lead the world in tackling climate change. The good news is that we can also reap the rewards – improved health, a stronger economy, a boost for UK jobs and the ability to tell our children and grandchildren that the UK acted in time.

Our response

- This overall approach links well to the work we are currently undertaking in tackling climate change as a West Midlands Combined Authority in the production of our five year plan, which will give us a clear idea of the projects, programmes and investment required to get us to net zero, as well as the opportunities that this will create, and the additional jobs and skills.
- This is welcomed as a significant stimulus to investment in nationwide solutions to support the transition to net zero. Particularly important to our region is the transition to zero emission transport solutions and investment in battery technologies.
- We are also pleased to see national action on buildings through the implementation of the Future Home Standard and increased standards for non-domestic buildings, as we recognise that every building that is not built to zero carbon standards today, will require costly retrofit measures in the future.
- However, we also recognise that this huge *national* programme of activity will still not be enough. We also need to see measures in place to drive *local and regional action*:
 - Nationally funded innovation programmes (though Innovate UK) are leading to viable smart local energy system solutions and we need a mechanism for these to become integrated into business as usual in localities - the current plan makes no mention of smart local energy systems
 - The West Midlands offer to Government on how we can support decarbonisation locally, submitted to Alok Sharma this month, sets out the additional support and powers we feel are needed to support this transition in localities.

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Measures announced

The points from the Ten Point Plan have been reordered to reflect the priorities for the West Midlands.

Point 7: Greener Buildings

- Making our homes, schools and hospitals greener, warmer and more energy efficient, whilst creating 50,000 jobs by 2030, and a target to install 600,000 heat pumps every year by 2028.
- £1 billion next year into making new and existing homes and public buildings more efficient, extending the Green Homes Grant voucher scheme by a year and making public sector buildings greener and cutting bills for hospitals and schools, as part of the Public Sector Decarbonisation Scheme.

The opportunity for the West Midlands:

- The regional fuel poverty and retrofit programme is providing answers to how to address the continuing problem of fuel poverty in the region and how to scale up retrofit to create local jobs. The solutions will require government funding, so increased funding for programmes of work in this area could be accessed to support this work in the region.
- The plan states that heat pumps should be manufactured in the UK. There is an opportunity for the WM manufacturing and installation sector around green technology. Our FYP will outline further details.
- There is also the issue of the displacement of gas boilers not being installed which should form part of the WM plan as we transition.

Point 5: Green public transport, cycling and walking

Making cycling and walking more attractive ways to travel and investing in zero-emission public transport of the future.

The opportunity for the West Midlands:

- TfWM are refreshing the West Midlands Local Transport Plan, in order to meet #WM2041 goals.
- We are already delivering a number of significant improvements to the West Midlands transport system. To build on this the WMCA has also submitted plans, as part of its CSR submission, to work collaboratively with Government to develop and deliver a rolling five-year infrastructure programme. The WMCA stands ready to open discussions with Government to bring forward a number of enabling infrastructure programmes. These would allow transformational schemes with transport improvements alongside the reimagining of local centres and neighbourhoods e.g. 20-minute city concepts - providing people better local access to opportunities and services and reducing the need to travel.
- TfWM and Local Authority partners have also adopted plans to boost investment in zero emission public transport vehicles and infrastructure programmes. Our submitted £50m All-Electric Bus Town bid to DfT can be accelerated; and deliver more than 250 fully electric buses in Coventry - reducing carbon, cleaning air and cutting operating costs. This would be a way of resetting our transport system and builds on the recent Devo Next submission.
- TfWM and Local Authority partners have secured £16.85m from DfT's Active Travel Fund to deliver new and improved walking and cycling routes and conditions in the region. This builds on the £23.5m already allocated from our devolved Transforming Cities Fund to help deliver the Starley cycle network.

- The refresh of the Local Transport Plan is considering the ways of urgently reducing the energy used for transport to make up for the fact that a transition to ULEVs will not reduce carbon emissions at sufficient pace for either the Climate Change Act 2008 obligations or WM2041 carbon reduction targets. In addition to mode shift to public transport and active travel, changes to private vehicles used for personal mobility will be important. We are already conducting e-scooter trials across the West Midlands. We will continue to collaborate with Government on how micromobility can be further developed and deployed – this would be conducted through a Transport Regulatory Sandbox.
- A West Midlands Clean and Intelligent Freight & Logistics programme is being developed to explore how we mitigate against: Road freight has 2x carbon impact of other road transport, No Electric Vehicle technology solution for Heavy Good Vehicles (HGVs) and not enough EV charging points for Light Goods Vehicles (LGVs).
- It is important to note that making these modes attractive as alternatives to the car will require measures to further support behaviour change, Options that will need to be considered will be a set of both physical (roadspace reallocation, traffic management) as well as fiscal measures such as road user charges, fuel tax and workplace parking levies. This will need to be an ongoing discussion with Government. Spatial planning and digital technology also have a critical role in maintaining and improving accessibility whilst reducing the overall need to travel.

Point 4: Accelerating the shift to zero emission vehicles

Backing our world-leading car manufacturing bases including in the West Midlands, North East and North Wales to accelerate the transition to electric vehicles, and transforming our national infrastructure to better support electric vehicles. Specific measures include:

- The sale of hybrid cars and vans that can drive a significant distance with no carbon coming out of the tailpipe is allowed until 2035.
- £1.3 billion to accelerate the rollout of chargepoints for electric vehicles in homes, streets and on motorways across England, so people can more easily and conveniently charge their cars.
- £582 million in grants for those buying zero or ultra-low emission vehicles to make them cheaper to buy and incentivise more people to make the transition.
- Nearly £500 million to be spent in the next four years for the development and mass-scale production of electric vehicle batteries, as part of our commitment to provide up to £1 billion, boosting international investment into our strong manufacturing bases including in the Midlands and North East.

The opportunity for the West Midlands:

- The West Midlands currently leads on the Industrial Strategy's Future of Mobility grand challenge building on its existing strengths in automotive innovation (e.g. the UK Battery Industrialisation Centre), and connected supply chains in rail, automotive and aerospace. Cementing this position will attract new investment and create and sustain highly-skilled jobs while boosting the international competitiveness of the region. These productivity benefits are complemented by inclusivity benefits when new technologies are applied to reduce fuel poverty and improve household energy conservation.
- This presents a significant opportunity for a Gigafactory in the West Midlands to develop state-of-the-art batteries linked closely to the work of the UKBIC based in Coventry. There is no mention of the support for jobs and skills which will be key to realise this opportunity or the route to secure sufficient power supply to meet the needs of the factory itself.
- The CCC has already advised Government that a transition to ULEVs will not be sufficient to decarbonise transport in line with the Climate Change Act 2008; more needs to be done to manage demand. For this reason, a decarbonising transport strategy that focusses resources on

and encourages a like for like swap out of petrol/diesel cars for EV cars risks undermining achievement of the aims of the Paris Agreement (avoiding catastrophic climate change). There is an urgent need for clarity on the policy position on the need for managing overall levels of travel and the actions that will be needed to achieve this.

- The WMCA, Energy Capital and TfWM are working together to produce strategies and action plans to support the region's transition to electric vehicles. This work will take into account the urgent need to reduce transport energy consumption and the implications that will have for the vehicles people will be using. This work will be linked to the refresh of the Local Transport Plan as well as the WM2041 5 Year Plan(s). Greater political focus on these issues going forward will facilitate regional investment to take this work forward.
- The region is considering the equitability of access to electric vehicle charging infrastructure with our constituent and non-constituent members and the WMCA has developed an investment model to provide a spine of electric vehicle charge points across the region to support the transition to EVs. Increased funding for the provision of charging infrastructure may increase the chances of this programme securing investment.
- The Mayor is seeking powers and funding to undertake the groundwork necessary to ensure the electricity network is able to deliver affordable connections to support the transition. This involves undertaking local area energy planning, developing integrated smart local energy systems and working closely with the Distribution Network Operator to feed into Distributed future energy scenario planning and the price control mechanisms processes through the Energy Capital partnership. The need to deliver at a local scale to support this national programme may provide a useful context for lobbying for these powers.

Point 8: Investing in carbon capture usage and storage

Becoming a world-leader in technology to capture and store harmful emissions away from the atmosphere, with a target to remove 10MT of carbon dioxide by 2030, equivalent to all emissions of the industrial Humber today.

The opportunity for the West Midlands:

- The government specifically say there will be four industrial sites in NW England, Scotland, Wales and the NE but this might also include the funding stream for industrial cluster decarbonisation being accessed by the Repowering the Black Country programme..

Point 9: Protecting our natural environment

Protecting and restoring our natural environment, planting 30,000 hectares of trees every year, whilst creating and retaining thousands of jobs.

The opportunity for the West Midlands:

- The West Midlands Virtual Forest is a platform that is bringing tree planting groups together with tree suppliers and landowners (ultimately) to plant 4 million trees as part of our plans to reach net zero. We would want to seek clarity on how Government plans can work alongside our efforts with local partners.
- We are working to develop the delivery programme for the West Midlands National Park (led by Birmingham City University) in order to expand access to green space for people across the West Midlands.
- We have done some work with the New Economics Foundation to identify where there is currently deficit of access to green space by people across the West Midlands based on a number of

socio-economic characteristics (household income, age and ethnicity) with a view to putting a programme of community grants in place to help deliver better outcomes.

- Jobs and skills form a key part of our work on the delivery of 2041. We are looking to understand what types of jobs are needed and in what timeframes. In this sector particularly, there has traditionally been an over-reliance on volunteers and we are exploring the potential for things like natural capital apprenticeships to begin to redress this.
- We are working with Defra to explore the possibility of being a sixth pilot area for a Local Nature Recovery Strategy.

Point 10: Green finance and innovation

Developing the cutting-edge technologies needed to reach these new energy ambitions and make the City of London the global centre of green finance.

The opportunity for the West Midlands:

- There is quite a lot here that would be relevant to WM although the London centric focus here ignores the opportunity for levelling up and bringing green finance skills to the WM.
 - £1bn for Net Zero innovation Portfolio – Ten areas, some of which WM will be well-placed for.
 - £222m for nuclear fusion – Repowering the Black Country link
 - Accessing finance through the UK's first green bond in 2021
 - Taskforce on Climate-related Financial Disclosure reporting mandatory from 2025
 - Green Jobs Taskforce – detail is vague, but the analysis from our FYP should feed into this

Point 2: Driving the growth of low carbon hydrogen

Working with industry aiming to generate 5GW of low carbon hydrogen production capacity by 2030 for industry, transport, power and homes, and aiming to develop the first town heated entirely by hydrogen by the end of the decade.

The opportunity for the West Midlands:

- Energy Capital are working with TfWM and Midlands Connect on a strategy for alternative fuels in the region, particularly for use in transport. It is recognised that alternative fuels will have an important role to play particularly in the decarbonisation of larger transport vehicles such as HGVs. As logistics form an integral part of the West Midlands economy, employing ~100,000 and generating ~£9.5B GVA then a strong focus on developing appropriate infrastructure to support this industry should be considered.
- National Express are deploying 20 hydrogen buses in Birmingham in a world's first for zero-emission hydrogen fuel-cell double deckers. The buses will be introduced to the West Midlands from April 2021 taking hydrogen from a new refuelling hub in Tyseley. With the spotlight on hydrogen, there may be opportunities to build new programmes off this world first.

Point 3: Delivering new and advanced nuclear power

Advancing nuclear as a clean energy source, across large scale nuclear and developing the next generation of small and advanced reactors, which could support 10,000 jobs.

The opportunity for the West Midlands:

- The Repowering the Black Country project is technology-neutral and will support adoption of all and any clean technologies (including modular nuclear) which deliver competitive clean power for industry, provided they are appropriate to the application and cost-effective.
- The Black Country LEP Board has also expressed interest in hosting the next pilot stage of the UK's nuclear fusion programme, working in partnership with Staffordshire.

Point 1: Advancing offshore wind

Producing enough offshore wind to power every home, quadrupling how much we produce to 40GW by 2030, supporting up to 60,000 jobs.

The opportunity for the West Midlands:

- This commitment to the decarbonisation of the national electricity grid through increased offshore wind generation ensures that electrification will remain one of the quickest and easiest options for certain aspects of regional decarbonisation. The implications of this option from a running cost perspective and consideration of the rising issue of fuel poverty in the region must however also be addressed. The WMCA are developing a regional fuel poverty programme to demonstrate how this can be achieved and how the redirection of ECO funding in round 4 to regions, could support the alleviation of fuel poverty.
- Offshore wind expertise is likely to be one of the UK's key export strengths in the energy sector over the coming decades, in addition to the opportunities in the UK that this programme presents. This is clearly recognised by the grid partners in their skills plans, something which local skills providers are aware of, however, unfortunately the West Midlands is not one of the key locations where offshore wind skills are being developed, but we remain focused on core/multi skills that will support the wider decarbonisation transition.

Point 6: Jet Zero and green ships

Supporting difficult-to-decarbonise industries to become greener through research projects for zero-emission planes and ships.

The opportunity for the West Midlands:

- Sonihull based in Coventry is a leading green tech business in marine biofouling, reducing shipping emissions by up to 30%. Their Director Darren Jones chairs the IMO/UN Marine GloFouling project.

Other key parts of the plan

Other key parts of the plan will be driven forward by significant investment set out over the last year, including the £1 billion energy innovation fund to stay ahead of the latest technologies needed to reach new energy targets, £5 billion for alternative greener ways of travel including cycling, walking, and buses, and £5.2 billion to create for new flood and coastal defences in England by 2027.

Opportunities for the West Midlands:

- We are working to develop a regional climate change adaptation plan to ensure the region is resilient to climate change.

Others who openly take a similar position

UK100

The Prime Minister outlines his Ten Point Plan for a Green Industrial Revolution for 250,000 jobs. While the plan answers the calls for ambition and action from local leaders across the UK – the litmus test will be in whether additional long-term funding, policies and powers needed to support delivery on-the-ground locally will come in the anticipated UK Government Spending Review.

<https://www.uk100.org/the-pms-ten-point-plan-why-additional-long-term-funding-policies-and-powers-are-vital/>

Regen, energy transition experts

Regen have four key policy asks to deliver the goals in the 10 point plan:

- publish the Energy White Paper as soon as possible, setting out a vision for a smart, flexible, decentralised energy system. This should include commitments to annual CfD rounds to support solar, offshore and onshore wind
- introduce a long-term support mechanism to underpin energy efficiency and heat decarbonisation, with funding coordinated at a local level
- provide incentives to switch to low carbon heating and upgrade energy efficiency, starting with redistributing distorted carbon levies between electricity and gas bills
- ensure price controls and local energy planning allow energy network operators to invest in infrastructure to enable net zero, including increased demand from electric vehicles and heating

<https://www.regen.co.uk/regen-responds-to-the-10-point-plan/>

Dr Jeffrey Hardy, Senior Research Fellow, Grantham Institute – Climate Change and the Environment at Imperial College London, said:

“The 10-point plan is welcome and ambitious. Many of the elements (electric vehicles, warm homes, etc) are inherently local. Our work in the Energy Revolution Research Consortium suggests adopting a smart, local energy systems approach could unlock more benefits, deliver faster and in a way that suits the needs of different places in the UK.”

<https://www.imperial.ac.uk/news/208933/imperial-experts-react-plan-green-industrial/>

Lord Deben, chairman, Climate Change Committee

“Today, the Prime Minister has laid out his vision for a net-zero UK. I am delighted to see the breadth of the Prime Minister’s commitment. This must now be turned into a detailed road map – so we all know what’s coming down the track in the years ahead.”

“Our homes, the way we travel, our industries, our land, and all of us individually have a role to play as we strive to lead the world in tackling climate change. The good news is that we can also reap the rewards – improved health, a stronger economy, a boost for UK jobs and the ability to tell our children and grandchildren that the UK acted in time.”

<https://www.edie.net/registration/regwall.asp?mid=153875&origin=https%3A%2F%2Fwww%2Eedie%2Enet%2Fnews%2F11%2F%2DAn%2Dambitious%2Dplan%2Dfor%2Da%2Dgreen%2Dindustrial%2Drevolution%2D%2D%2DGreen%2Dgroups%2Dreact%2Dto%2DGovernment%2Ds%2DTen%2Dpoint%2Dnet%2Dzero%2Dplan%2F&title=%27An+ambitious+plan+for+a+green+industrial+revolution%27%3A+Reaction+to+Bo+ris+Johnson%27s+Ten+Point+net%2Dzero+plan>

Further information

Details on the Ten Point Plan are available at -

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/936567/10_POINT_PLAN_BOOKLET.pdf

Further Information

Lead Officer

Jackie Homan, Head of Environment
jacqueline.homan@wmca.org.uk