

Chris Skidmore MP was commissioned in September 2022, under Liz Truss' government, to lead a review of the UK's Net Zero target of 2050. Published on Friday 13 January 2023, Skidmore's "Independent Review of Net Zero" was finalised in just a few months, and consulted widely with stakeholders including investors, industry, the public sector and experts across 1,800 submissions and 50 roundtables.

The report not only criticises the government's "inconsistent policy commitment" but confirms that the government must act decisively and quickly in order to seize opportunities in a "global race" to ensure their Net Zero target is achieved by 2050.

Perhaps the most eye-catching comment is that "the Review has heard loud and clear that *Net Zero is the economic opportunity of the 21st century.*"

Key Recommendations

The report sets out a total of 25 key actions that could be realised by 2025, a so called "25 by 2025". Below, we take a look at some of the key recommendations from the report.

Local action – It is clear that Net Zero initiatives must be supported at a local level if the effect is to be seen on a wider scale. It is thought that locally based schemes will be instrumental in guiding people to make positive changes. Skidmore suggests backing one "Trailblazer Net Zero City" – as well as a local authority and community – that can look towards reaching Net Zero by 2030.

Supporting businesses to "go green" – Specifically, through tax incentives and by launching a "Help to Grow Green" campaign, providing advice and information to businesses on the ways in which they can make a difference.

Cleaner, greener homes – By introducing legislative dates, Skidmore suggests banning any new gas boilers in homes over the next 10 years to ensure more energy efficient homes. He would also like to see certainty from the government that, by 2024, there will be a "phase-out" date as part of the new and replacement gas boiler phase-out programme. The report emphasises the role of heat pumps in providing a cleaner method to heat British homes, and the potential introduction of Net Zero performance certificates. Domestic homes contribute to 14% of emissions and play an important role in the delivery of climate reform.

"Clean" energy – Skidmore suggests that, by the end of 2023, the government needs to develop an "ambitious and pragmatic" plan for the scaling up of hydrogen production. He continues by suggesting that a taskforce is set up to deal with accelerating our use of renewable energy, and that reforms should be set out to ensure the UK achieves its nuclear baseload requirement.

Using infrastructure to meet targets – In his review, Skidmore notes that the review heard from hundreds of innovative companies that were keen to bring new technology to market, but that felt they were being hampered by "slow, ponderous bureaucracy." Skidmore goes on to recommend that the government needs to reform its approach to planning by streamlining its planning processes, looking towards using a cross-sectoral infrastructure strategy by 2025, and accelerating the implementation of the "British Energy Security Strategy". An "Office for Net Zero Delivery" is recommended.



Economic opportunity – “The Review has heard loud and clear that Net Zero is the economic opportunity of the 21st century”. The UK is leading on low carbon industries, and is therefore well placed to take advantage of such Net Zero opportunities. For those from an infrastructure or energy finance background, this will be a key period of growth, which has led to infrastructure being described in the report as the “Key to Net Zero”. Readers focusing on Net Zero infrastructure opportunities will be encouraged by the recommendations on grid, solar, wind, nuclear, CCUS and hydrogen, and the potential role to be played by the UK Infrastructure Bank. Recommended objectives include:

- A new forum to coordinate the activity and messaging of all UK regulators – Ofwat, Ofgem, the Environment Agency, *et al*
- Long-term policy commitment and funding certainty for major priority areas/projects
- CCUS – A clear roadmap to 2030 and beyond, including cluster selection
- Solar to reach 70 GW by 2035
- A 10-year delivery roadmap for hydrogen production
- Expediting the setup of Great British Nuclear and implementing the reforms in the British energy security strategy
- An overarching financing strategy that will include a role for private finance and also take in the UK Infrastructure Bank, British Business Bank and the Infrastructure and Projects Authority
- A research and development (R&D) roadmap, detailing decision points for developing and deploying R&D and technologies critical to achieving Net Zero by 2050

UK as an international leader – Skidmore observes that the UK has had a leading role in global climate action over the past decade, due to our roles at COP26 and the recent G7 presidency. He challenges the government and UK businesses to retain their position, set the direction for decarbonisation internationally and for UK businesses to exploit the opportunities that arise.

What next?

Despite being wrapped in constructive feedback, it is clear from the report that Skidmore considers the government needs to be faster and more robust with its policies if the UK has any chance of hitting its targets by 2050. Ambitious targets require drastic steps, and the government will want to consider Skidmore’s recommendations carefully if, as he asserts, the UK is to meet its climate goals.

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