Julie James AS/MS Y Gweinidog Newid Hinsawdd Minister for Climate Change



Ein cyf/Our ref: JJ/PO/356/2023

Llŷr Gruffydd MS Chair Climate Change, Environment and Infrastructure Committee Welsh Parliament Cardiff Bay Cardiff CF99 1SN

20 October 2023

Dear Llŷr,

Thank you for your letter of 25 September 2023 regarding the impacts of the Prime Minister's 20 September announcement on net zero policies on the delivery of Wales' climate change commitments.

In my Oral Statement to the Senedd, I highlighted the Prime Minister's watering down of net zero policies in his 20 September announcements lacked any long-term thinking and misunderstood the costs and benefits of leading the transition. The evidence is clear. The earlier we act, the lower the cost of our interventions to reach net zero, and the more social, environmental and economic benefits we will see. After the recent global weather events and the hottest year on record, it is not the time to weaken climate commitments.

In Wales we have declared both nature and climate emergencies and are committed to tackling these through a range of policies, engagement and actions. However, we cannot do this alone and rely on a range of actors, including UK Government, to play their part. I have called on UK Government to maintain its trajectory and commitment to net zero by 2050. Both the UK and Devolved Governments need each other to meet our ambitious climate targets. Any change which delays our progress towards net zero must be balanced by something else which reduces emissions. Otherwise, we leave ourselves a mountain to climb in later years and risk a more expensive, inequitable transition to net zero.

The lack of consultation and engagement with Devolved Governments on the PM's announcements showed the weakness of current inter-governmental arrangements and has not allowed the Welsh Government to fully assess the impact of this policy roll-back.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

Wales and Scotland have jointly requested the UK establish a high-level four nation summit chaired by our statutory advisers, the independent Climate Change Committee, to address the impacts of PM's watering down of net zero policies on all nations' legally binding net zero targets.

I have also written to the Secretary of State for Energy Security and Net Zero to formally request an analysis of the impacts of the policy changes on Wales. Welsh Government is still developing our understanding of the changes to policies which impacts on devolved and reserved areas.

For instance, despite the Prime Minister's 20 September announcements, the Zero Emission Vehicle Mandate, which will ensure that 80% new cars and 70% of new vans sold in 2030 will be zero emission remain intact. Whilst this is positive, the message the Prime Minister sent to industry and the public is harmful and will delay important actions which will benefit the economy, society, and environment.

Decarbonisation of housing is one of our greatest challenges. Many of the regulatory powers are reserved, such as the Minimum Energy Efficiency Standard, which sets a minimum energy efficiency level for domestic private rented properties. However, we are using our limited powers in a number of ways. Through Leasing Scheme Wales and the Optimised Retrofit Programme we are making grant funding available to improve the energy efficiency of properties towards an EPC C, which will help to make bills more affordable for lower income tenants. In the owner occupier, private rented sector, the new Warm Homes Programme will further accelerate the move away from gas and oil boilers to low carbon alternatives.

The Climate Change Committee published their own high-level assessment of the changes on 12 October and urged "the Government to adopt greater transparency in updating its analysis at the time of major announcements". Whilst recognising, they "did not have enough information to assess the full effects of some of the proposed policy measures", the CCC concluded that whilst recent decisions, such as actions to support decarbonisation of steel-making in Port Talbot were positive, there remained concerns the UK Government are not on course to meet future targets, stating:

- While a 2035 phase-out date for fossil boilers is potentially compatible with Net Zero, the exemption of 20% of households from the phase-out will have an impact on emissions all the way out to 2050 – making Net Zero considerably harder to achieve.
- Delaying the fossil car phase-out date to 2035 is expected to have only a small direct impact on future emissions.

The Welsh Government will continue to press UK Government for the analysis of the impacts of the policy changes, particularly as they relate to Wales. We will also continue to build our understanding of the impact of these changes on Wales in the absence of UK Government clarity and evidence.

Yours sincerely,

Julie James AS/MS

Y Gweinidog Newid Hinsawdd Minister for Climate Change