



# WeldingWorld

## Five key takeaways from the Clean Growth Strategy

Turning ambition into action - five key takeaways from the Clean Growth Strategy. There is much for business to welcome in the Clean Growth Strategy; it's now key that the government's ambition turns into action. The CBI has set out 5 key takeaways from the document, looking at how it compares to the business vision of a 2030 low-carbon economy set out in the CBI report, *Stepping up to the Challenge*.

### **There is clear cross-government support for delivering climate targets**

From the Prime Minister's foreword to the re-launch of the Clean Growth Inter-Ministerial Group, it is clear that the Strategy has commitment from the top, and will be embedded across many government departments. It is equally welcome that clean growth will be at the heart of the UK's Industrial Strategy, as set out in the CBI's report, *Stepping up to the challenge*. The clean growth commitment must also go all the way from Whitehall through to townhalls to ensure that our low-carbon transition is embedded across the UK.

### **Innovation will be a key enabler to low-carbon growth**

The government has committed £2.5 billion between 2015-2021 towards innovation for meeting our carbon targets, with the majority directed towards transport and power. As set out in the CBI's report, with the right plan, and support for innovation, the UK could become a global leader in the low-carbon economy; maintaining the UK's industrial competitiveness, while also building advantages in low-carbon markets. To do so support for innovation must translate into new, exportable goods and services that can deliver prosperity across the UK, while meeting our carbon targets.

### **Progress has been made across several areas...**

The UK has made significant progress in decarbonising its power sector where we have seen record-breaking prices in the most recent offshore wind auction, with future projects coming in under £60/MWh. It is right that the Strategy celebrates the progress the UK has made but, as stated in the CBI's report, it is important to keep the foot on the accelerator to deliver secure, affordable and low-carbon energy through to 2030 and beyond. To this end, the announcement of a further Contracts for Difference auction in 2019 is welcome news, and should be part of a clear pipeline of regular auctions going into the 2020s.

### **...but there are still policy gaps that must be addressed across a range of sectors**

As set out in the CBI's report, more heavy lifting is needed across a range of sectors, specifically low-carbon heat and tackling the challenge of energy efficiency. The Clean Growth Strategy recognises the barriers in these areas, specifically the challenge presented by such a mixed housing stock in the UK. However, the plan lacked the details about how the UK could unlock the benefits that come from decarbonising heat and driving energy efficiency. More detail is expected in 2018, which business looks forward to engaging on as it comes out.

### **Getting consumers on board remains a challenge, which government and business must address together**

Ensuring that consumers remain engaged in the low-carbon transition will be fundamental to its success, something the government addressed within the Strategy. Claire Perry MP announced the launch of a Green Great Britain week which seeks not only to celebrate of the success of the low-carbon transition to date, but also raise awareness across households about the value this sector brings to the UK. Beyond that, the Clean Growth Strategy referred to the need for consumer-driven innovation to create a range of new and exciting products and



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services to get consumers on board throughout this transition. As set out in Stepping up to the challenge, government, business and consumers must all drive, and benefit from, this change.