



HM Treasury

HM Treasury's Net Zero Review

Presentation to the Sherpas (Coalition of Finance Ministers for Climate Action)

18 November 2019

Objectives

To consider how the transition to net zero will be funded and assess options for where the costs will fall. This will involve:

- Analysing the range of choices for how households, businesses and the taxpayer could contribute towards different elements of the transition to net zero.
- Identifying mechanisms to create an equitable balance of contributions.
- Maximising opportunities for economic growth as we transition to a green economy.
- Evaluating the trade-offs between cost, competitiveness, effects on consumers and impacts on the taxpayer.

From this we will develop a framework of principles to guide future decision making.

Working across HM Treasury

Chancellor of the Exchequer and
Exchequer Secretary

Steering Board

Net Zero Review team

Teams responsible for: tax, spend,
distributional analysis, growth

- Reports to Chancellor of the Exchequer and Exchequer Secretary (Minister within HM Treasury responsible for environment, economic growth and productivity, research and development)
- Senior oversight through Steering Board drawn from across HM Treasury
- New Review team working with teams across HM Treasury

Split of work

Net Zero Review

- Medium to long-term (30yrs) strategic work on costs, how to minimise them, how they should be distributed, opportunities for economic growth

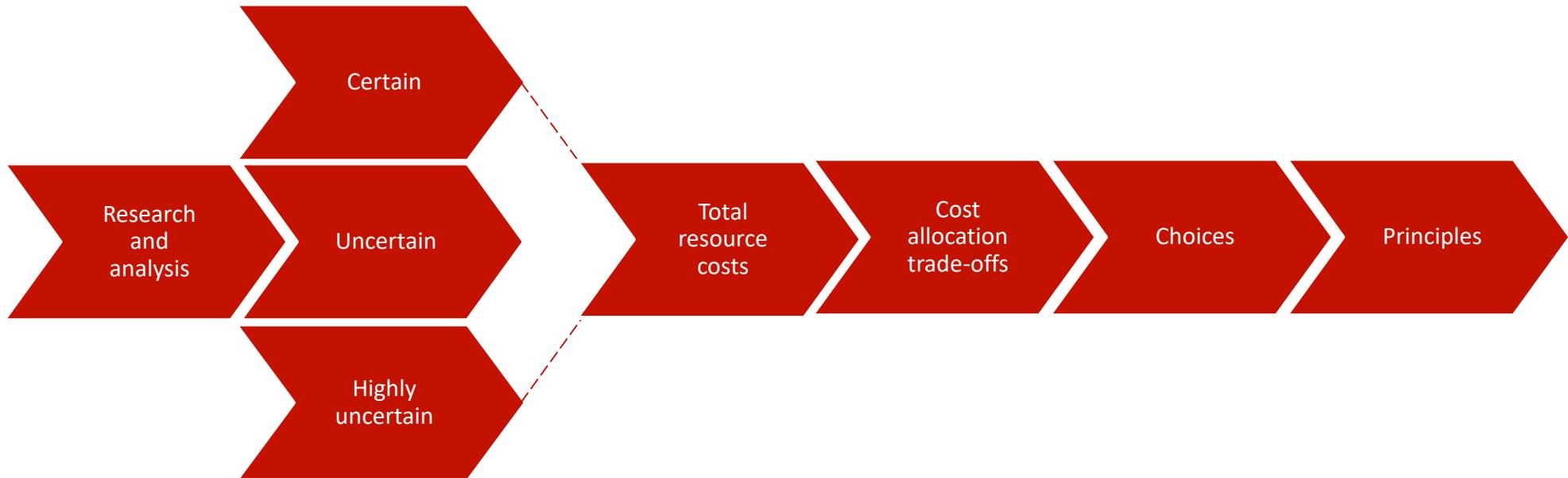
Other HMT teams

- Shorter-term work e.g. meeting interim carbon budgets, environmental taxes, support development of energy/ environmental policy

Departments

- Shorter-term work on policies to help meet interim carbon budgets AND long-term thinking on policies to deliver net zero

Our approach



Outputs of the review

- Public report in Autumn 2020
 - Principles - framework for decision making
 - Analysis
- Exchequer implications
 - Growth policy
 - Fiscal planning
 - Decision making and budgeting