



**POLITICAL
INTELLIGENCE**

Sunak's new approach to net zero: Key details and reactions

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Introduction

On the 20 September 2023, Prime Minister Rishi Sunak announced changes to the UK's net zero policy, including pushing back a ban on the sale of new petrol and diesel cars by five years to 2035. Billed as the start of a series of announcements of long-term decisions designed to deliver change in the UK, Sunak said it was not right to impose the significant costs of climate transition on people already facing price pressures. But while the prime minister reaffirmed the government's commitment to reach net zero by 2050, stakeholders have questions whether the changes would make it harder for the UK to hit that target while others raised concerns about the impact on investment from shifting deadlines.

This Dods Political Intelligence report outlines the key measures announced in the prime minister's speech on net zero and a range of stakeholder reactions including hyperlinks to original sources.

Key policy changes in Sunak's net zero speech

In June 2019 the UK became one of the first major economies to pass a net zero legislation making a [legal commitment](#) to reach net zero by 2050. Since this target there have been questions about whether the UK is on track to meet this goal. On 18 July 2022, the UK's High Court ruled that the government had breached the Climate Change Act because it had failed to show how its policies would reduce emissions sufficiently to meet its legally binding carbon budgets. This judgement required the release of new detail on the government's plans with the publication of the [Carbon Budget Delivery Plan](#) in March 2023. However, in its most recent analysis of the government net zero plans published in June 2023, the Climate change committee, the independent statutory advisory body, [warned](#) that the chance of the UK meeting its medium-term targets had decreased in the past year.

On the 20 September, 2023, Prime Minister Rishi Sunak [announced](#) some changes to the UK's net zero policy, saying he wanted to ease the financial burden of climate transition on working people. The speech, which was made after a series of media reports on the proposals, was billed as the start of a series of announcements of long-term decisions designed to deliver change in the UK. "This country is proud to be a world leader in reaching Net Zero by 2050. But we simply won't achieve it unless we change. We'll now have a more pragmatic, proportionate, and realistic approach that eases the burdens on families," he said.

Key policy changes in Sunak's net zero speech included:

- Ban on sale of new petrol and diesel cars pushed back to 2035 from 2030. Second-hand petrol and diesel cars will still be able to be bought and sold after the delayed deadline.
- Introduce a new Boiler Upgrade Scheme which increases grants for people transition to heat pumps from gas boilers to £7,500 from £5,000.
- Pledge to never force anybody to rip out an existing boiler. This included a new exemption from switching out a gas boiler for households "for whom this will be hardest" and that people will only have to make the switch to a heat pump when replacing a gas boiler and not until 2035.
- Scrap plans to force households to implement energy efficient measures, and for new tenancies to require properties with an Energy Performance Certificate (EPC) of C or above.
- Reaffirms pledge that UK will meet international climate commitments and hit net zero by 2050.
- Chancellor and Energy Security Secretary will shortly bring forward new reforms to energy infrastructure, including the UK's first spatial plan for infrastructure and accelerated planning for the most nationally significant projects. Also plans to raise the bar for those wanting grid connections to ensure those ready first will connect first, rather than on the existing first-come-first-served basis.
- Create a new £150m Green Future Fellowship to support at least 50 scientists and engineers to develop breakthrough green technologies.
- Rules out a range of climate proposals which were not government policy, including taxes on eating meat, taxes on flying, compulsory car sharing, rules for separating household rubbish into seven separate bins.
- Prime minister to set out the next stage of government's environmental agenda ahead of attendance at COP28.

Stakeholder reaction

Political

Ed Miliband (Shadow Secretary of State for Energy Security and Net Zero), [said](#):

"Today is an act of weakness from a desperate, directionless Prime Minister, dancing to the tune of a small minority of his party... Delaying the phase-out of new ICE cars will add billions in costs to families and damage investor confidence, as we have seen from the furious business reaction."

Wera Hobhouse, Liberal Democrat spokesperson for Energy, Net Zero & Transport, [said](#):

"Today's proposed U-turns are utterly unacceptable, and I will continue to use my voice to be a champion for protecting our planet."

SNP Dave Doogan, the party's energy spokesman at Westminster, [said](#) "We will have to move to 2035 because even if the Scottish government did have the authority to intervene in that particular legislation, which is reserved to the Department for Transport and its agencies, principally the DVLA, we are snared in the United Kingdom into the Internal Market Act, which would see the UK government intervene in any policy undoubtedly which created a difference between the market in Scotland and the market in the rest of the United Kingdom."

Green Party MP, Caroline Lucas, [said](#):

Called any rollback on net zero "economically illiterate, historically inaccurate and environmentally bone-headed".

Former environment minister and Conservative Peer, Zac Goldsmith, [said](#):

"Around the world, one of the few areas where the UK really is looked up to is on climate and the environment. Today Sunak is dismantling that credibility, not by accident but by choice...His short stint as PM will be remembered as the moment the UK turned its back on the world and on future generations. A moment of shame."

Environmental Audit Committee Chairman, Rt Hon Philip Dunne MP, [said](#):

"The Prime Minister's speech this afternoon, contrary to prior media speculation, reinforced his clear commitment to net zero Britain...The very welcome 'rabbit in the hat' is the 50% increased grant for the Boiler Upgrade Scheme to £7,500 for any household scrapping their fossil fuel boiler.... Delaying the ban on sale of new petrol and diesel cars is disappointing, but reflects the reality that this is where most of the major car manufacturing nations are."

Baroness Parminter, Chair of the House of Lords Environment and Climate Change Committee, [said](#):

"I am dismayed by today's announcement and will be writing to the Prime Minister, on behalf of the committee, outlining our... concerns and seeking clarification on his roadmap to net zero."

The overwhelming evidence we have received so far in our current Electric Vehicles (EVs) inquiry is that both industry and the public need policy certainty, consistency, and clear leadership on the journey to net zero...

The Prime Minister's change of direction and delaying targets for EVs and heat pumps mean that the Government will not provide the leadership, certainty or consistency needed. "

SDLP Leader Colum Eastwood MP, [said:](#)

"Rishi Sunak's shameless U-turn on the scale of action needed to halt the irreversible breakdown of our climate is a cynical stunt by a Prime Minister who hasn't yet realised that his days in government are numbered...

"While other advanced economies are meeting on the fringes of the UN General Assembly to discuss how the international community can accelerate the move to net-zero, it is astounding that Britain is pulling the brakes on urgent action to challenge the greatest threat that our planet faces."

Former Prime Minister, Boris Johnson, [said:](#)

"Business must have certainty about our net zero commitments... Business and industry – such as motor manufacturing – are rightly making vast investments in these new technologies. "It is those investments that will produce a low-carbon future – at lower costs for British families... We cannot afford to falter now or in any way lose our ambition for this country."

Former Prime Minister, Liz Truss, [said:](#)

"I welcome the delay on banning the sale of new petrol and diesel cars as well as the delay on the ban on oil and gas boilers. This is particularly important for rural areas.

I now urge the Government to abolish the Windfall Tax on oil and gas and lift the fracking ban, which would reduce people's energy bills and make the UK more competitive."

Chris Skidmore MP, Former UK Cabinet Minister for Energy, [said:](#)

"Delaying carefully planned and proportionate net zero measures will only cause economic pain and cost householders more. We cannot afford for 'not zero' to damage businesses and jobs."

Leader in Westminster of Welsh nationalist party Plaid Cymru, Liz Saville Roberts, [said:](#)

"Not only is it environmentally absurd, but there is also no economic case for increasing our reliance on fossil fuels, with industry calling out for policy consistency from government.

The emphasis must be on ensuring transition technologies so that families in Wales can afford to heat their homes. Future generations will not forgive Rishi Sunak if he does not reconsider."

Lord John Deben, an ex-Tory environment minister and former chair of the Climate Change Committee, [said:](#)

"This is not swapping one policy for another in order to get to net zero, it's a question of going back on your word, which itself is..."

extremely dangerous. These were pledges committed and they are necessary to reach net zero by 2050, which is a statutory requirement, so the government will be in the courts."

Lord Nicholas Stern, head of the LSE's Grantham Research Institute on Climate Change, and author of the Stern Review: The Economics of Climate Change, [said:](#)

Said that dropping essential climate policies was "the opposite of good economics" and that delaying change would "make the pathway to net zero more expensive, not less".

"Chopping and changing" would also undermine investment and jeopardise economic growth, because businesses would "see a government who cannot be trusted to follow through on policy commitments, be they climate or otherwise."

Former US vice president, Al Gore, [said:](#)

"I find it shocking and really disappointing ... I think he's done the wrong thing. I've heard from many of my friends in the UK including a lot of Conservative party members who have used the phrase, 'utter disgust'. And some of the young people there feel as if their generation has been stabbed in the back. It's really shocking to me."

Director of the Conservative Environment Network, Sam Hall, [said:](#)

"This was an unnecessary speech that risks damaging the Conservative Party's hard-won reputation on environmental issues. Today the PM has changed little of substance besides delaying the transition to

electric cars. Sticking to the 2030 deadline would have saved UK motorists money, supported car firms that have invested in new EV factories, and unlocked crucial investment in charge point infrastructure. New measures to speed up grid infrastructure and incentivise heat pump uptake are very welcome."

Business

Richard Burge, Chief Executive Officer at London Chamber of Commerce and Industry, [said:](#)

"The Government's decision to suddenly back track and delay the ban on petrol and diesel cars makes us look flakey, unreliable, and incapable of leading the green energy revolution. The real world achieves success by sticking to workable plans. We can't be a pendulum on issues that deter the confidence of our businesses who are key stakeholders on green energy issues. To hit the 2050 target, the Government must focus on improving net zero transport infrastructure. After all the delays with HS2, this is yet another lost opportunity for the UK to lead a green carbon economy."

TUC General Secretary Paul Nowak [said:](#)

"The climate challenge can be an opportunity to build a fairer, more prosperous UK.

"But hundreds of thousands of auto, steel and other industrial workers' jobs and livelihoods are now at serious risk because of the Conservatives' reckless and incoherent politicking."

Chris Cassley, Policy Manager of the Construction Plant-hire Association (CPA) [said](#):

"CPA members want clarity and consistency in government policy when it comes to long established policies that impact on investment decisions, and the development of new diesel free technologies in construction plant. The Prime Minister's speech does nothing to help this process and further throws into doubt future investment decisions and efforts to decarbonise the construction plant fleets of the future,"

The Royal Institute of British Architects President Muyiwa Oki [said](#):

"Millions of people in the UK are living in draughty, damp homes that are leaking energy and money. Today's announcement reverses the little policy progress the Government has made in upgrading our ageing and inefficient housing stock. Without consistent government signal, support and investment, our homes will remain the least efficient in Europe for years and decades to come. It's time for leadership and ambition."

The Road haulage association [said](#) that "We seek urgent clarity from government on what today's announcement means for the future of HGVs and coaches. Businesses looking to play their part on the road to net zero need certainty, not delays."

Stephen Phipson, Chief Executive of Make UK, [said](#):

"The announcement that the Government will be watering down its net zero policies is a huge setback for manufacturers who

require stability and confidence in order to invest. Many companies will have spent time and money planning on the basis of firm targets and we now run the risk of falling behind our international counterparts as a home for green technologies if we persist in frequently altering policies that impact businesses directly. This will hit SME businesses in the automotive supply chain particularly hard."

Rocio Concha, Which? Director of Policy and Advocacy, [said](#):

"Which? research has shown a majority of consumers are concerned about climate change and recognise their role to reduce their own impact. We welcome the increased grants for heat pumps but this needs to be delivered alongside firm targets that give businesses the confidence they need to invest."

"Consumers need businesses to continue investing in new low carbon products and services, so the transition is as affordable and easy as possible."

Chemical Industries Association Chief Executive, Steve Elliott [said](#):

"Increased and extended uncertainty does nothing to encourage net zero related investment for companies and sectors that are critical to its delivery. Businesses are already faced with increasingly competitive location choices for those investments, so anything that delays clarity over U.K. policy, regulation and funding will further challenge positive decisions on much needed investment for our country and economy".

Paul Szyszczak, Country Manager, Danfoss Climate Solutions, UK and Ireland, [said](#):

"Those with power over policy should be driving us towards a greener and more efficient future. If the UK is going to meet its climate goals, boosting energy efficiency and electrifying transport will play vital roles. The technology already exists to make this all possible. But to ensure these changes are achievable and affordable, we need the right regulatory framework - one which incentivises long-term investment, encourages efficiency and creates an accessible market for electrified transport."

Society of Motor Manufacturers and Traders (SMMT), Chief Executive, Mike Hawes, [said](#):

"The automotive industry has and continues to invest billions in new electric vehicles as the decarbonisation of road transport is essential if net zero is to be delivered. Government has played a key part in bringing some of that investment to the UK, and Britain can – and should – be a leader in zero emission mobility both as a manufacturer and market. To make this a reality, however, consumers must want to make the switch, which requires from Government a clear, consistent message, attractive incentives and charging infrastructure that gives confidence rather than anxiety. Confusion and uncertainty will only hold them back."

Lee Marshall, Chartered Institution of Wastes Management, Policy & External Affairs Director, [said](#):

"CIWM also feels that the Government is relinquishing its leadership responsibility on climate change and net zero with this raft of announcements. There is a danger it will move from leading the way to a world

beyond waste to a place that will fail to generate the investment, green jobs and opportunities the UK wants and needs.

Dan Wilson Craw, deputy chief executive of campaign group Generation Rent, [said](#):

"Cancelling higher standards for rented homes is a colossal error by the government. Leaving the impact on the climate to one side, it makes the cost-of-living crisis worse and damages renters' health."

Kate Henderson, chief executive of the National Housing Federation, which represents housing associations, [said](#):

"England's homes are among the oldest and draughtiest in Europe. Making homes more energy efficient is a win-win, not only helping to save our planet, but also boosting our economy by creating jobs and, crucially, saving money."

RAC, head of policy Simon Williams [said](#):

"This announcement risks slowing down both the momentum the motor industry has built up in switching to electric powertrains and ultimately the uptake of electric vehicles (EVs) that is so important when it comes to decarbonising road transport in the UK. But, as cost remains one the biggest barriers to going electric, there's surely no reason why the Government can't help many more drivers into EVs by reintroducing a form of the plug-in car grant that incentivises the cheaper end of the car market."

Institute of Directors, Principal Policy Advisor for Sustainability, Skills, and Employment, Alexandra Hall-Chen:

'Business is looking for certainty and consistency from government in its measures to meet our national climate change targets. It is vital that government provides clarity to businesses so that they can make the long-term plans and investments needed to decarbonise their operations'.

Lisa Brankin, Ford UK Chair, [said](#):

"This is the biggest industry transformation in over a century and the UK 2030 target is a vital catalyst to accelerate Ford into a cleaner future. Our business needs three things from the UK government: ambition, commitment and consistency. A relaxation of 2030 would undermine all three. We need the policy focus trained on bolstering the EV market in the short term and supporting consumers while headwinds are strong: infrastructure remains immature, tariffs loom and cost-of-living is high."

Regulatory and others

Climate Change Committee chair, Professor Piers Forster, [said](#):

"The government not only has a legal obligation to meet its net zero 2050 target. It also has a commitment to hit the interim emission reductions targets it has put into law...We need to go away and do the calculations, but today's announcement is likely to take the UK further away from being able to meet its legal commitments. This, coupled with the recent unsuccessful offshore wind auction, gives us concern."

Luke Murphy, associate director for energy and climate at IPPR, [said](#):

"The Prime Minister has today made a historic mistake that's likely to cost consumers in higher bills, put jobs and our economic prosperity at risk, and undermine our energy security. Rishi Sunak has misread the mood of the public who overwhelmingly back net zero and want to see more climate ambition and action from government not less. The decisions announced today will make households poorer, colder, and more reliant on volatile, dirty, and expensive fossil fuels. They also potentially put the UK off track to meet its legally binding climate commitments, including net zero by 2050."

Andy Mayer, Energy Analyst at the Institute of Economic Affairs, [said](#):

"Sunak's Net Zero rebalance is a welcome step. Government policies like petrol and diesel car and gas boiler bans, have gone too far in hurting families and businesses for minimal environmental gain. Delaying these measures, ruling out costly new policies like a 'meat tax,' and speeding up planning for nationally significant projects are entirely sensible steps. Now Sunak must go further by abandoning the legally binding Net Zero target and ending costly subsidies for unproven 'green' technology."

Chris Norbury, CEO of E.ON UK, [said](#):

"There is no 'green vs cheap' debate, it's a false argument that only serves to delay the vital work of transforming our economy – work that creates more affordable and secure energy while also boosting jobs and skills, often in the areas of the country most at risk of being left behind. This is a mis-step on many levels. From a business

perspective, companies wanting to invest in the UK need long term certainty to create the jobs and economic prosperity the country needs. Equally, in our homes and communities we risk condemning people to many more years of living in cold and draughty homes that are expensive to heat, in cities clogged with dirty air from fossil fuels, missing out on the economic regeneration this ambition brings."

current package is weakened further, and in a way that's not transparent about delivery risks, then further legal challenges are inevitable."

Jess Ralston, Energy Analyst at the Energy and Climate Intelligence Unit, [said](#):

"This looks chaotic and not the way long-term policy should be made around important issues, with emergency cabinet meetings and investors spooked.

The implication that any of these policies were going to affect the cost of living here and now is untrue. In fact, the PM has sided with landlords over renters, putting their energy bills and cost of living up by ducking the improvement of rules on energy efficiency."

Tanya Steele, WWF-UK Chief Executive, [said](#):

"Abandoning these targets and delaying action to get us to net zero is incoherent at a time when other countries are turbocharging their efforts to attract the industries and jobs of the future. The evidence couldn't be any clearer that acting on net zero will be a net benefit to society and the economy."

Mike Childs, head of policy at Friends of the Earth [said](#):

"The government is already being taken to court over its weak and feeble climate action plan, which we say is unlawful...If this