

What is the Carbon Budget & Growth Delivery Plan?

This is the UK Government's recently published **plan to reduce UK emissions**. This plan sets out how the Government will cut emissions across all sectors of the economy up to 2037.

We know that last year the green economy grew three times faster than the rest of the economyⁱ. Choosing the right strategies to continue to accelerate this growth while unlocking direct benefits for people today is crucial.

The good news is that we have already seen a 50% reduction in emissions (from a 1990 baseline), helped largely by successive governments' commitment to the Climate Change Act.

This new plan addresses the climate, nature, and cost-of-living crises head on. It creates a package of policies that will help bring cleaner, more secure forms of energy into our homes and communities. It will also build a more resilient economy which is less exposed to price shocks and external crises.

Why is this plan important?

This is the third attempt to get this right. This new plan comes in direct response to a High Court Ruling that concluded that the last two plans, produced under previous governments, were [insufficient](#)ⁱⁱ. This plan was designed to respond to these challenges.

Why is it important for business?

There are different ways we can reduce our emissions, and some policies are hotly debated. This plan will help business to understand the Government's priorities and how they can play their part in meeting our climate commitments (here and on the global stage).

Without the Climate Change Act providing this long-term vision for the UK, future governments could take a very different approach and dismantle the progress made, driving us into a very uncertain future. This delivery plan helps to provide policy certainty and clear long-term signals to investors and boards on the direction of travel to net zero, including the government support available.

What is the Climate Change Act?

The UK's groundbreaking Climate Change Act set a global precedent. Established under Gordon Brown's Labour Government in 2008, it is one of the leading pieces of climate change legislation in the world. Many countries have now followed our lead. Thanks to overwhelming public and cross-party support, the Act has been strengthened over time.

In 2019, Teresa May's Conservative Government updated the Act from the original 80% reduction in greenhouse gases, setting the goal of reaching net zero by 2050. These goals were enshrined in law to give a long-term vision and the policy stability necessary to deliver on such globally important commitments.

To meet our legally binding goal, five-yearly 'carbon budgets' are set to keep plans on track. These budgets are overseen by an independent advisory body (the Climate Change Committee), who report on progress and advise how best to achieve the end goal. This latest delivery plan sets out reduce GHG emissions across the UK economy between now and 2037. It's an essential tool to help us meet our legally binding targets and show continued global leadership.

Key takeaways and benefits of the CBGDP

Under the plan, the Government has pledged to deliver a range of policies to reduce emissions and grow the economy. These include reaffirming its commitment to decarbonise the UK's electricity supply by 2030; providing an electric car grant and increasing the number of electric vehicle charging points; helping households to install heat pumps to bring energy bills down; and protecting energy-intensive industries.

The plan will deliver a range of benefits. Four we'd like to highlight are:

1. Higher living standards and improved quality of life, including through lower and more stable energy bills, warmer homes, and cleaner air.
2. Greater energy security, due to shifting from imported fossil fuels to homegrown clean energy. This will reduce the impact of global gas price spikes on businesses, farmers and households.
3. Increased jobs and growth in the sectors that will form the bedrock of a vibrant 21st century economy.
4. Thriving nature and species, upon which we, and our economy, fundamentally rely and which can be our greatest ally in tackling climate change.

What can business do?

There are many ways that businesses can support and accelerate the UK's efforts to tackle climate change. Business action and attention on these issues helps the government to go further and faster.

We've seen a 227% jump in companies setting comprehensive climate targets, as corporate climate planning accelerates. Plus in the 18 months since the release of the TNFD recommendations, over 500 organisations, representing more than USD 17 trillion in assets under management, have committed to tackling their nature-related exposure. This shows there is strong desire from the business community to tackle environmental challenges and bring these into core strategy.

At an operational level, switching to homegrown clean energy can help businesses to [reduce](#) their utility bills as well as their exposure to volatile imported fossil fuels. Green energy, energy efficiency, and waste reduction can all reduce operational costs.

Here's what else you can do

1. Talk to government and policymakers and make it clear increased ambition is crucial.
2. Ensure you have a robust corporate transition plan to help support the UK's goals.
3. Invest in climate action and nature recovery as a business.
4. Showcase your own improvements and create case studies for others to follow
5. Talk to your board to ensure they understand the risks of inaction to your business. TNFD has created [training resources for boards](#) to help.
6. Create strategies help your business [adapt and mitigate](#) the impacts.

ⁱ The UK's green economy helped add £83.1 billion in value to the UK economy last year, growing by over 10%.

ⁱⁱ The legal challenges brought by Client Earth, the Good Law Project and Friends of the Earth helped draw attention to shortcomings in government action and sought to drive up ambition and transparency to enable the UK to hit its targets.