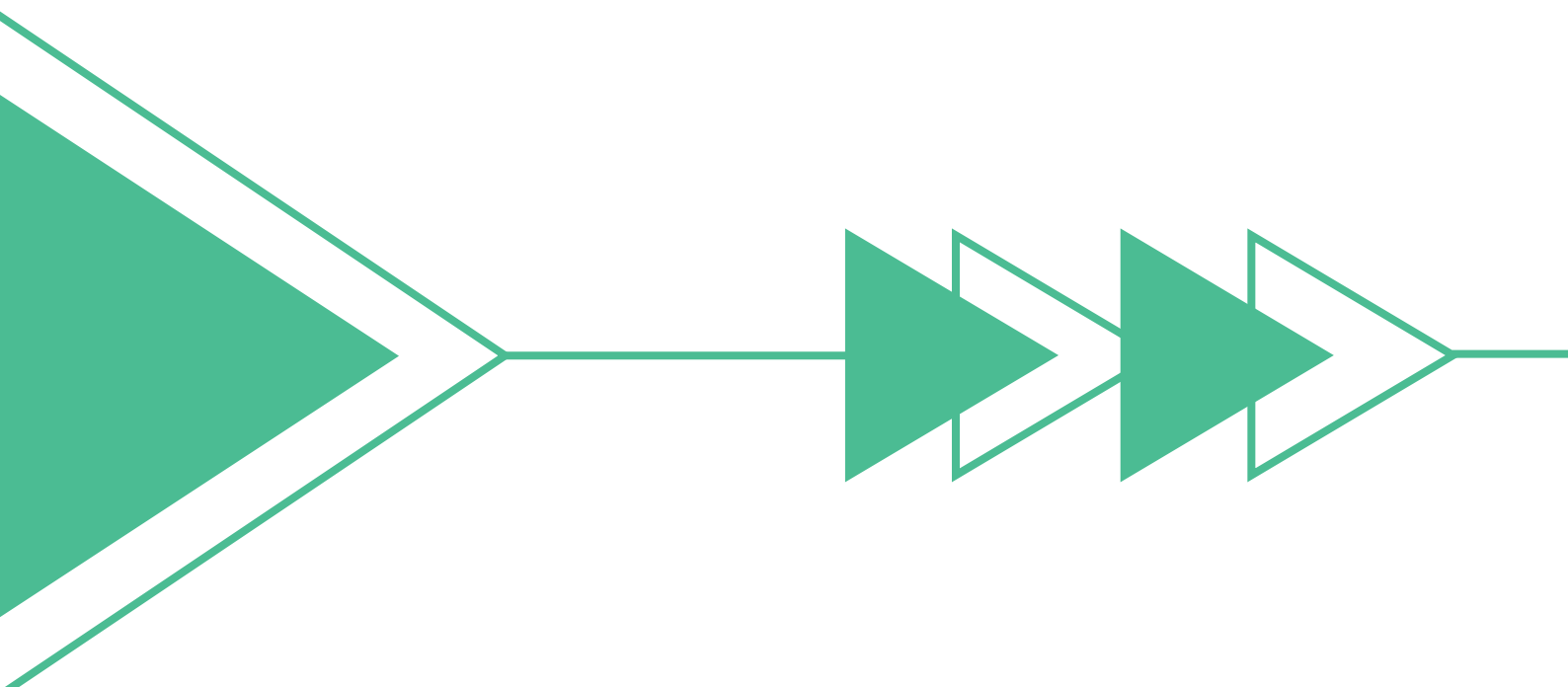# Leaving no one behind in transition to net zero

Report capturing contributions at a policy roundtable, 8 February 2024

Overview of the event and aims

The Foundation for Science and Technology (FST), with The Young Foundation's Institute for Community Studies, brought together a cross-departmental and cross-sector group of thought leaders and policymakers to focus on the human and community side of the UK's transition to net zero.

The roundtable was prompted by the FST's event in November 2023 charting progress to date on net zero transition in the UK policy, science and innovation context, which identified that a gap exists in terms of policy interventions; public strategies; and holistic, person-centred research into the design of household and community policies to build a just transition to net zero. In 2019, an independent review proposed that a public participation strategy for the UK's transition to net zero was essential to the successful adoption of low-carbon measures by UK communities and to the fulfilment of the government's UK policy for net zero. However, no such public participation or public engagement strategy exists as yet. This roundtable, under Chatham House rules, asked how we can bring household and community policy together with net zero policy, technology, innovation and investment.

Lord David Willetts chaired the event in his role as Chair of the FST and the chair of the APPG on net zero. Attendees heard from chief scientific advisors and senior policymakers from three government departments. Emily Morrison, Director of Sustainability and a Just Transition at The Young foundation's Institute for Community studies, presented an overview of new research funded by the Nuffield Foundation looking at ***Our Journey to Net Zero*** in the round. The roundtable brought together representatives from across national government departments, local authorities, the business and investment sector, academia, trusts and foundations, and the community and voluntary sector, recognising that transition to net zero is a necessarily boundary spanning policy and interdisciplinary issue.

The Institute for Community Studies' research *Our Journey to Net Zero* was funded by the Nuffield Foundation. Special thanks to the British Academy who kindly hosted the event and who also shared relevant and complimentary upcoming ***research*** focused on the governance arrangements needed to make net zero a success. Thanks too to Professor Andy Jordan FBA, who presented an overview of the British Academy's research as part of the opening discussions.

Attendees

Lord David Willetts (Chair)

Prof Paul Monks, Chief Scientific Advisor, DESNZ

Prof David Halpern, Head of Behavioural Insights Behavioural Insights Team

Prof Tom Crick, Chief Scientific Advisor, DCMS

Paul Vickers, Head of Net Zero, DLUHC

Susie Stevenson, Head of Environment, ESRC

Wil Stewart, Director of Investment, Climate Change and Planning, Sheffield City Council

Jo Wall, Senior Strategy Director – Climate Response, Local Partners LLP

Eamon Lally, Principal Policy Adviser, Local Infrastructure and Net Zero, Local Government Association

Simon Brammer, Head of Cities, Ashden

Stuart Leslie, Director of Local Authority lending and carbon infrastructure, UK Infrastructure Bank

Rosa Foster, Interim Chair Yorkshire Climate Commission

Gavin Costigan, CEO, Foundation for Science and Technology

Helen Goulden, CEO, The Young Foundation

Hetan Shah, CEO, British Academy

Emily Morrison, Director Sustainability and Just Transition, The Young Foundation

Alex Beer, Head of Grant Programmes Nuffield Foundation

Prof Andy Jordan FBA, University of East Anglia

Dr Anna Valero, London School of Economics and Economy 2030 enquiry

Prof Mari Martiskainen, Co-Director, Energy Demand Research Centre

Prof Stefan Bouzarovski, EU Energy Poverty Observatory

Tim Chapman FREng, Director of Infrastructure Design, ARUP

Prof Sherilyn MacGregor, Environmental Politics, University of Manchester

Prof Joe Ravetz, Co-Director, Centre for Urban Resilience and Energy

Overview of the discussion

The discussion focused firstly on understanding the case and the challenge for building the public participation necessary for the UK's transition to net zero, recognising that successful decarbonisation of the UK to a carbon-neutral society by 2050 (the UK government target) requires action by the public, alongside governments, businesses, all aspects of the economy, and the public and voluntary sector. The challenge of how the changes necessary in decarbonising society can be made inclusive for all households and local communities across the UK, including the poorest households – was set out, recognising the challenges of building participation in low-carbon living and ensuring inclusivity and equity of impacts, are intertwined and part of the same policy challenge.

The nature of the challenge

The challenge of reaching the level of decarbonisation required for the UK to be 'net zero' by 2050, was set out in human terms. Evidence and calculations by the sixth report of the Climate Change Committee found that 32% of the action needed for net zero requires change by households; and a further 64% requires indirect or other forms of public involvement. The argument was framed as needing to move on from making the case for what the purpose of net zero was, to needing to now focus on the 'how' of enabling the public to participate.

Focus on levers for technology adoption

The importance of public participation to the efforts of government departments responsible for scientific, technology and innovation policy and to the energy brief was set out simply; green technologies, adaptation measures and incentives schemes are only effective and inclusive if they are accessible to and used by people around the UK.

It was identified that the Department for Science, Innovation and Technology (DSIT) needs to be an 'adoption' department as well as a cutting-edge policy and production department for technology, and to focus on user-centred engagement in technologies for net zero transition.

Early adopters vs excluded groups

The human dimensions of the magnitude of change required to decarbonise daily lives, homes and local communities was set out, alongside the risks of leaving households and communities behind as policy, technology, financing, information and incentives are currently unequally distributed and have unequal access points. It was set out that early adopters will pay more for new green technology initially, but also gain the benefits of future savings and a shift to their quality of life sooner; while poorer households who are unable to afford the upfront costs of retrofit or technologies, or the ongoing shift to running costs of going greener, or unable to access quality information and choice, will be 'left behind', on increasingly high or non-resilient energy tariffs, food and fuel prices, and with the risk of fines and sanctions for running carbon-heavy cars, homes, or other technologies.

This was described as a 'Matthew Effect' specific to net zero, where the poor become poorer, but also left in colder, less efficient and less resilient homes and jobs due to an economic transition, as the wealthier benefit and their lives become cleaner, cheaper and greener, with the ability to access jobs and economic benefits in the green transition. The risk of this as a new significant inequality that has social, class, ethnic and spatial dimensions in the UK, was set out and evidenced as a key part of the challenge of ensuring a 'just' or inclusive net zero transition in the UK.

Understand 'boosts' to adopting green choices

The problem was defined as one that consists not of 'nudging' households as individual agents, but of system design where the challenge was how to make net zero interventions *accessible*, *appealing* and *affordable* to households. It was framed that net zero transition requires not a series of nudges but of 'boosts' to aid adoption, if the system could be designed better to support households and communities to make green choices. It was described that there are many existing frictions in the system affecting people making green choices; with some affecting collective reservations and some affecting individual reservations against acceptance and adoption. A case was made that if we take out the frictions in the system, the UK can do net zero quite smoothly.

Identifying relevant narratives for engagement

Net zero was described as an example of the 'Gibbons paradox', where there is a time lag in terms of people recognising the impact on their lives and on policy. It was stressed that the co-benefits as well as the justice arguments are key to bringing the changes required under net zero, and participation in the measures, closer to the public; and for the need to set these out in human terms; and for it to be well understood and the report ***Our Journey to Net Zero*** shows what the benefits are to local communities. Yet public opinion is split on who leads – between local government, who tend to be more trusted; and national government, with the experience of Covid 19. There is also discussion regarding the responsibility required of individual households.

Supporting the poorest 20%

It was highlighted that a particular challenge exists in ensuring the poorest 40% of households are able to transition to net zero. While the government's social housing pledge supports decarbonisation for those in social housing, living in social housing is not the sole marker of poverty or of low access to making green choices.

The changes that are likely to affect households include not only those necessary for decarbonising the home and wider daily activities – including personal transport, commuting, waste management and recycling, leisure and workplace energy saving, consumer habits and diet – but also changes brought about by how public services need to operate in low-carbon ways, and how the technologies, infrastructure, economics and policy schemes need to be designed to ensure they are accessible, affordable and adoptable by all – not just those with the economic spending power, savings, information, education and support structures to adopt these measures. It was raised that *poorly designed policy* risks making people lose out from net zero transition, not that switching to a greener society will make people poorer, or their lives and jobs more precarious.

Accounting for social cohesion

The potential societal reactions when the 'rubber hits the road' of needing to build compliance, rather than choice, if we are to meet our decarbonisation targets and not miss out on the green prosperity market – are that the public is either prepared and ready, or it is not ready and then react, rebuke and push back. Reactions to low traffic zones and '15-minute neighbourhoods' are examples of what can happen if the latter dominates, and communities react.

The policy context

Net zero was described as being a 'systems problem'; discussed through the metaphor of a three-legged stool, encompassing systems, economy and people. It was outlined that the evidence base points to significant benefits from the UK achieving net zero to households and to communities, as well as to the economy, and the environment.

It was referenced that the political class sometimes has a problem with the phrase 'behavioural change', and that supporting people to make 'green choices' is preferable language in national government. This was discussed as giving a sense of empowerment for the individual, important in the net zero context where multiple technologies, incentives schemes, and scenarios for household decarbonisation and energy saving, are currently being considered.

The challenge of supporting the 28.2m households in the UK to decarbonise and become more energy efficient was discussed as being a problem of plentiful old infrastructure and housing stock requiring differing approaches to adaption, and an issue of how to ensure all new builds will meet net zero criteria. The Future Homes Strategy, held by the Department for Levelling Up, Housing and Communities (DLUHC), is in charge of this and there are trade offs that still need to be reconciled with how to build the level and quality of new housing needed to support the housing crisis, improving housing conditions and support prosperity to areas with a housing deficit – without breaking the targets of using less carbon, by virtue of building.

It was discussed that the challenge for departments such as DLUHC involves how to switch attention between the place and the people dimensions – housing, as the primary place-based challenge, and then the issue of the absence of a proper skills strategy for net zero.

Financing net zero transition with and for households and communities

The question of 'who pays' was discussed, as well as the split of financing adaptations and change for net zero that would be reasonable and effective between government and the public, recognising peoples' differing incomes; the diversity of housing stock, energy supply and efficiency; and the diversity of 'green' transport availability. This was additionally discussed as being mediated by changeable political will, and particularly for the local authorities delivering the housing adaptation – a highly challenging fiscal environment. The need for other forms of investment in net zero alongside public finance was made clear, as was the potential contribution of households switching to greener technologies, energy systems and use.

Consistency of policy

This related to the second challenge raised; that what hinders progress and co-investment is uncertainty. Governments 'chopping and changing' was raised as being a significant block to policy areas and financing progressing; the building and construction industry; financiers and investors, and the public. All need certainty in order to commit to net zero. And it was raised that government departments also need certainty. There is no consistent approach from government in terms of a business environment or a regulatory environment for net zero, and no public participation strategy for net zero, and this was said to significantly hold back progress on the UK's household and community-based targets for decarbonisation and the possibility of making the transition more inclusive for the poorest.

Public-private financing

Considered from the other side of the sector, financing an inclusive net zero transition for households and communities was described by those in investment and financing circles as being split into two principle perspectives, which drive two main business cases for institutions' investment: a *new homes* perspective; and a *fuel poverty* perspective. These were described as being very different, with different economic cases and audiences in the investor community. The focus on decarbonising new homes was described as an incentive for private capital dictated by strong return on investment and risk principles, but with some pioneering models led by pension funds and consortiums of investors. The fuel poverty business case was seen, conversely, as cross-cutting public finance and social investment, with close working with the voluntary and community sector and trusts and foundations.

The role of local networks of business 'angels', and the work of the Chambers of Commerce in galvanising learning between business networks and building trust in net zero approaches, was seen as important to the proliferation of both business cases: the 'new homes' case and the 'fuel poverty' case, as well as to financing job transition, upskilling and reskilling schemes into green industries, and to engaging the workforce in green choices locally.

However, it was discussed that barriers exist to financing a diversity of net zero transition policies for the private sector, business sector and the public finance sector working together. The particular barriers raised were how to overcome risk; how to secure return on investment in alignment with usual principles; and how to encourage investments beyond easier business cases - or so called 'low hanging fruit' investments'. These challenges affect how to invest in the 'people' side of net zero transition schemes (such as skills, job creation, education, social infrastructure, and collaborative community schemes) and how to invest in the poorer areas with less strong local institutions, less prosperous markets, and weaker, less resilient or mono-economies.

It was raised that further collaborative enquiry and research is needed to identify how to overcome these barriers to ensure progress is accelerated – and equitably financed across the country. If research identifies how to overcome these barriers, there is awareness and appetite from investors and businesses to find confident ways to invest and support more inclusive net zero technologies and transition opportunities.

Delivering a more inclusive net zero policy for households and communities

Policy design at national and local level

It was raised that the Institute for Community Studies' research has identified common factors that contribute to participation – and therefore a need to look at common pathways by which different profiles of household can participate. How to build *and keep* trust was defined as a triumvirate process of ensuring *accessibility*, *adoption* and *acceptance*; and that these three elements are of critical importance to net zero strategy.

The role of local power and local organising, as well as neighbour-to-neighbour and familial social relations, were raised as very powerful. Research shows clearly that people are likely to access information through their neighbours, through local civic, educational and community institutions, and through local networks. It also shows they are likely to be inspired by what their neighbours are doing and more likely to trust interventions if they have seen their success and relevance locally.

The role of local delivery and devolution

At the roundtable, the perspective and experience of local authorities, and of the bodies financing and working alongside them were that there are three categories of challenge for strategy and delivery of net zero: *consistency*, *agility*, and *longevity*. If national government does not promote the opportunity consistently across the national level, it is hard to sell the opportunity locally. There needs to be consistency and greater alignment across layers of government. The strategy for engagement needs to be designed locally, in order to be specific, relevant and tenable to the local community, and local authorities need to be empowered to do this. There needs to be an agility of shaping different local narratives for different audiences, and in how they boost different pathways – where the partners will vary according to different local authorities.

In terms of longevity, the importance of treating this as a long-term project that surpasses political administrations is key, with models of how to take the public on that journey discussed. Examples were given of combined authority level and local authority level citizen assemblies, which were said to be valuable for raising awareness but limited in their value for robust local policymaking or policy setting.

The role of devolution in the delivery of pioneering net zero strategies was made by a number of attendees – but the challenge of unequal patterns of devolved powers could contribute to some regions being able to move further ahead in net zero innovation and in addressing elements of the household and community challenges – while other regions were unable to design and deliver.

A case was made that it was cheaper to deliver net zero locally, through local supply chains that could be more efficient, and through the ability to sustain public trust and acceptance. The national electoral cycles and the U-turns over national government policy were seen as having a direct impact on meeting targets, with local authority leaders saying the national government had produced a 400-page strategy (in Mission Zero) – but, as yet, no delivery plan for net zero transition.

The importance of localising the issue was frequently emphasised and strongly evidenced, with attendees saying the more locally-informed and locally-relevant plans are, the more they make more sense and the more feasible they seem to households, due to trust and acceptance increasing.

Role of Social Infrastructure

It was discussed that research and policy has found social infrastructure is vital. Attendees shared that seeing how cultural institutions, community and public services, and social infrastructure are adapting to be sustainable is inspiring and engaging for the public's understanding and adoption of net zero practices. The importance of decarbonising the heritage sector equally so, with examples of pioneering models including net zero swimming pools, green tourism, biodiversity schemes engaging the public, and the cultural brief to public engagement all cited as key, cross-cutting the responsibility of the Department for Digital, Culture, Media and Sport.

Role of culture in behavioural change

It was also raised that we must think about culture in approaches to public engagement and in policy and incentives design for net zero, whether for adapting the home or building trust in communities. It was raised by several attendees that culture and different practices influence perspectives on behaviour change, and on access and adoption of green choices. There have been many studies of the multicultural impact of practices of low-carbon living as having 'snowball effects' that build – or break – trust in and adoption of green technologies, retrofit and energy switching, in particular, with a number of notable, diverse studies raised.

Decision-making for net zero

The question of decision-making on local and national strategies was raised, with the Chair asking for experiences of the efficacy of citizen assemblies, which have become an increasingly popular approach for discussing net zero transition at a devolved nation, city and regional level. It was raised and endorsed by several attendees that the Irish model of deliberative democracy or 'citizen assemblies' shows that civic consultation and deliberative democratic mechanisms have to be consequential, or they mean nothing; and the public and ministers may not accept them or their recommendations unless they have consequences and direct policymaking powers. The value of citizen assemblies was strongly questioned if they do not have consequential mechanisms that bypass politics and have legislative power in government, as in the UK context – indeed in harming peoples' trust in such processes and in net zero transition.

It was highlighted that other approaches that are longer term, more localised, and more 'system-focused' exist for working collaboratively with the public in deciding and designing net zero transition policies, technologies and incentives; and that these may be more effective in the context of ensuring the poorest and most divided communities can inclusively access, benefit from and accept net zero transition.