

OBR £50,000 net zero costs beyond means of average income families



GMB, the energy union, has responded to a recent report by the Office for Budget Responsibility (OBR) saying the overall costs to the economy of achieving net zero carbon emissions in the UK are estimated to be £1,400 billion over the next 30 years.

Read this article [here](#).

Gary Smith, GMB General Secretary, said:



“Achieving net zero will on average cost more than £50,000 for every family in the UK or more than £32 each week every week for the next 30 years.

“These costs are way beyond the means of families on average incomes or below.

“Tax cuts for all workers except the higher paid and benefit increases are needed to offset carbon taxes and charges and carbon replacement technology costs.

“GMB recognises the OBR cost of £1,400 billion is an estimate based on a range of scenarios from the CCC and the Bank of England and while the report says some savings could be made, these are highly uncertain.

“This amounts to £46.7 billion each year every year for 30 years. The real costs could be higher or lower as there are so many unknowns. It is not yet known how much of £1,400 billion will be incurred when during the 30-year period.

“The phasing of these costs is in the hands of the Government and Parliament. It is essential that both should respond now with a range of policy changes on costs of this magnitude.

“For the 27.8 million households in the UK, the annual costs of £46.7 billion over 30 years add up an average cost per household of £1,680. This amounts to £32.30 each week every week. Over the 30 years this is £50,400 per household.

“There must be tax cuts to offset the increase in both direct and indirect taxes and charges for carbon and for meeting additional running costs of carbon replacement technology for all workers except those on higher incomes.

“The costs of retro fitting and insulation and new heating systems must be tax deductible and subject to a huge regime of consumer subsidies and grants and be zero rated for VAT.

“For those wholly dependent on benefits there has to be equivalent changes to enable them to pay the additional costs.

“In addition to maximise the positive economic benefits of this huge spending, the Government must link the payment of subsidies to renewable energy operators to using a UK based supply chain.

“On the technical and financial engineering challenges to the economy and to develop a UK supply chain, Ministers must establish two further bodies in addition to the CCC to achieve net zero.

“The first should be a Technical and Financial Engineering Board comprising of relevant engineers, technical specialists, economists, industrial and commercial financiers, consumer financial experts and



energy workers to advise the on all options identified by developments at home and abroad and in CCC reports.

"The second should be a Renewables Development Authority. It should have two aims; first to develop the necessary capacity in the UK for fabricating towers, jackets, blades and all the equipment required for the installation of the 8,000 plus giant offshore wind turbines needed for net zero.

"It should have responsibility for procuring private sector capacity to build new factories and yards and work with training bodies to develop the necessary renewables skills base in our local economies.

"Second it should have powers to coordinate bringing on stream the **infrastructure required for wind and solar energy to be connected to the grid.**

"One of biggest responsibilities of the is determining the pace of changes in the UK are economically and technically sensible.

"UK emissions are a tiny fraction of the total global emissions that have to be phased out, but the UK has to be in the forefront of solving what is a global problem.

"The UK should lead in promoting collaboration in research across nations into technologies such as carbon capture, hydrogen-based fuels and battery storage and the options for new nuclear power stations. The UK Technical and Financial Engineering Board should have a role in this collaboration.

"The UK should lead in promoting multinational agencies like the IMF and World Bank helping poorer nations get funds from global capital markets to fund the transition to green energy.

"There is a lot of very expensive pathfinding to be done to solve all the engineering and financing issues fully at scale. Pathfinding at scale should be done where possible in cites in the countries with the highest GDP per capita.

'Liechtenstein, Luxembourg and Monaco, for example, should be ahead of Liverpool, Glasgow and Leeds as they are much wealthier.

"Those nations at the top of GDP per capita league should be the test beds used to demonstrate at scale the technical and financial engineering and costs for the whole world.

"On GDP per capita UK is ranked 37th in the world. The UK should be fully involved and invested in all the technical and financial issues involved in the pathfinding. The UK should move to scale when there are practical solutions demonstrated and when we have developed a UK supply chain to support the development to scale.



“This probably means the UK should be in the main pack behind the cities pathfinding to scale front runners and make changes when we know that there are technical and financial solutions that safeguard our heavy industries, aviation and living standards.

‘Phasing out coal is an essential and necessary step in the global programme to cut carbon emissions – but there is little that the UK can do directly on this.

“Using natural gas as an alternative to coal an intermediate energy source is something the UK could advocate for in international forums like COP 26.”

Press office

07958 156846

press.office@gmb.org.uk

Member requiring help?

[Click to contact your local GMB Region](#)

info@gmb.org.uk

