

United Kingdom: Technical Assistance Report-Public Investment Management Assessment: Climate Change Module



UNITED KINGDOM

September 2022

TECHNICAL ASSISTANCE REPORT – PUBLIC INVESTMENT MANAGEMENT ASSESSMENT: CLIMATE CHANGE MODULE

This Technical Assistance Paper on the United Kingdom was prepared by a staff team of the International Monetary Fund. It is based on the information available at the time it was completed in October 2021.

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International Monetary Fund
Washington, D.C.

United Kingdom

Public Investment Management Assessment: Climate Change Module

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Technical Report

March 2022

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ABBREVIATIONS

ALB	Arms-Length body
C-PIMA	Climate PIMA
CCA	Climate Change Act
CCC	Climate Change Committee
CCUS	Carbon Capture, Use and Storage
CCRA	Climate Change Risk Assessment
CfD	Contracts for Difference
CGS	Clean Growth Strategy
DBEIS	Department for Business, Energy and Industrial Strategy
DEFRA	Department for Environment, Food and Rural Affairs
DfT	Department for Transport
DLUHC	Department for Levelling Up, Housing and Communities
EIB	European Infrastructure Bank
Eurostat	Statistical Agency of the European Union
GHG	Greenhouse Gas
GMPP	Government Major Projects Portfolio
HMT	Her Majesty's Treasury
IPA	Infrastructure and Projects Authority
NAP	National Adaptation Programme
NAO	National Audit Office
NI	Northern Ireland
NIC	National Infrastructure Commission
NPPF	National Planning Policy Framework
NZ	Net Zero
NZS	Net Zero Strategy
OBR	Office of Budget Responsibility
ONS	Office of National Statistics
OSCAR	Online System for Central Accounting and Reporting
PC	Public Corporations
PFI	Private Finance Initiative
PF2	Successor Framework to the Private Finance Initiative
PIMA	Public Investment Management Assessment
PPP	Public-Private Partnership
RAB	Regulated Asset Base
SOE	State Owned Enterprise
UK	United Kingdom
UKIB	UK Infrastructure Bank
UKGI	UK Government Investments
VfM	Value for Money

PREFACE

At the request of the Chancellor of the Exchequer, a team from the IMF's Fiscal Affairs Department (FAD) undertook a remote Climate Public Investment Management Assessment (C-PIMA) during September 20 to October 5, 2021. The assessment also incorporates information from relevant strategic documents that were later published, the Net Zero Strategy (October 19, 2021) and the Autumn Budget and Spending Review 2021 (October 27, 2021). The assessment was conducted remotely given health and travel related restrictions in place due to the COVID-19 pandemic. The mission team was led by Ms. Carolina Renteria and included Mr. Bryn Battersby, Ms. Michelle Stone, Mr. Tjeerd Tim (all FAD), Mr. Carlos Mulas Granados (European Department) and Mr. Murray Petrie (FAD short term expert). Mr. Tommy Chrimes from the UK IMF ED Office joined some meetings.

The mission team met from the HM Treasury with the Director for Climate, Energy and the Environment Mr. Steve Field, Deputy Director, Climate Policy, Mr. Joe Taylor, Deputy Director, Energy, Environment and Agriculture, Mr. Jon Fuller, Mr. Ant Parham and Mr. Tom Gourd. From the Green Book team, the mission met with Mr. JP Spencer (Head of Green Book and Major Projects Unit), Mr. Joseph Lowe, Ms. Liz Cronin and Ms. Ibitoye Ibukunoluwa. The mission also met Mr. John Arnold and Mr. Harry Fallowfield of the Infrastructure Strategy Branch, Ms. Dominique Lam (Head of Innovative Finance Branch) and Mr. Harry Pellegrini (Head of Green Finance Legislation) and staff from their teams.

From Departments and Agencies, the team met the Department for Business, Energy and Industrial Strategy (BEIS) Mr. Henry Green, Ms. Gemma Mabin; from the Department for Environment, Food and Rural Affairs (DEFRA) Mr. Tom Handysides, Mr. Nigel Miller; Ms. Caroline Povey and team members; from the Department for Levelling Up, Housing and Communities (DLUHC) Mr. Aaron Gould; from the Department for Transport (DFT) Mr. Bob Moran; from National Highways Mr. Ivan LeFevre, and Mr. Elliot Shaw; and from Network Rail, Mr. Steven Hart and Ms. Helen McAllister.

In addition, the team met with the Climate Change Committee (CCC), Mr. Michael Thompson; from the Infrastructure and Projects Authority (IPA) with Ms. Hariom Newport, Mr. Mark Hunter, Mr. Simon Lawrence, Mr. Daniel Byrne, Mr. William Varah and Mr. Matthew Vickerstaff; from the National Audit Office (NAO) Ms. Katy Losse, Ms. Shoko Okamura and Ms. Emma Taylor; from the National Infrastructure Commission (NIC) Mr. Ed Beard, Ms. Joanna Campbell, Mr. Jonathan Chappel; from the Office for National Statistics (ONS), Mr. Ian Townsend, Ms. Nicole Shearman and team members; from UK Government Investments (UKGI) Ms. Lucie Lambert, Mr. Patrick Daniel, Ms. Siobhan Duffy; from the UK Infrastructure Bank, Ms. Alison Doyle, Mr. Mark Howat, Ms. Helen Williams; from the UK Office of Budget Responsibility (OBR), Mr. Richard Hughes, Mr. Andy King, Mr. Thomas Wickstead and team members.

The mission team would like to thank the UK government for their cooperation and their participation in constructive discussions during the mission. The mission would especially like to thank Mr. Mark Anderson, Ms. Heather Britton and Mr. Ant Parham for their support in organizing the mission.