Department of Energy Security and Net Zero

1 Executive Summary

The UK Government's cabinet reshuffle of 7 February involved the Department for Business, Energy and Industrial Strategy (BEIS) splitting into three new departments: a dedicated Department for Energy Security and Net Zero (DESNZ), a new Department for Science, Innovation and Technology, and a Department for Business and Trade.

Focusing on the Department for Energy Security and Net Zero, this briefing outlines the Department's mission, and considers what the implications of its creation could mean for local government climate action.

2 Announcement

On Tuesday 7 February, The UK Prime Minister Rishi Sunak reshuffled his cabinet after a turbulent period. The reshuffle included the breakup of the Department for Business, Energy and Industrial Strategy, the Department for Digital, Culture, Media and Sport (DCMS), and the Department for International Trade.

Downing Street explained that much of the rationale behind Tuesday's reshuffle lay in creating the new DESNZ. The Prime Minister announced the news saying:

"A new Department for Energy Security and Net Zero, has been tasked with securing our long-term energy supply, bringing down bills and halving inflation. The move recognises the significant impact rising prices have had on households across the country as a result of Putin's illegal war in Ukraine, and the need to secure more energy from domestic nuclear and renewable sources as we seize the opportunities of net zero."

3 Department's mission

Though DESNZ has yet to be incorporated into GOV.UK, a webpage related to the Department notes that, in the short-term, the department will *"focus on easing the cost of living and delivering financial security by bringing down energy bills and keeping them down - better insulating consumers*

from external impacts." [1]

The Department's longer-term objectives include

- Coordinating net zero objectives across government
- Ensuring properly functioning energy markets
- Seizing the opportunities of net zero to lead the world in new green industries
- Bringing external delivery expertise to bear on its portfolio of major projects.

4 Initial response

4.1 A step forward

The reboot of the Department of Energy and Climate Change, which was abolished in 2016 by the then Prime Minister Theresa May[2], has been welcomed by several politicians, think tanks and business leaders. Conservative MP, Chris Skidmore, who recently published a major review for the Government on the UK's Net Zero Strategy, welcomed the creation of the department, hailing it as *"a clear sign that Government is aware of the increasing importance of co-ordinated net zero delivery as a priority"*.

Mr Skidmore's endorsement of DESNZ spoke more about concerns as to BEIS in driving the green agenda insofar as *"The size of [BEIS] could mean that the delivery of specific policies to realise these [net zero] ambitions were often delayed."*

Tony Danker, director-general at the CBI, also gave the reorganisation a pretty warm welcome, arguing the creation of DESNZ, alongside the new Departments for Business and Trade, Culture, Media, and Sport, and Science, Innovation, and Technology, should result in four departments that are laser focused on delivering growth.[3]

4.2 A step sideways/backwards

Support for the newly created department has been far from universal, with many adding numerous caveats to their endorsements. The Greenpeace UK's Director of Policy, Dr Doug Parr, invoked the argument of 'function over form' when he commented that:

"It's Government policy and underinvestment that is holding back real action on the climate and energy crises, not the departments or minister in place. Unless the new-look Department for Energy is given the freedom and funding to rapidly scale up renewable energy production – both offshore and on – to sure up domestic supply, as well as roll out a nationwide scheme to insulate the tens of millions of energy-

[1] https://www.gov.uk/government/organisations/department-for-energy-security-and-net-zero
[2] May disbanded the Department for Energy and Climate Change (DECC) in an attempt to give the business sector more of a say in low-carbon transition planning and to encourage the private sector participation. Critics of the BEIS layout argued at the time that having a separate place at the Cabinet Office for climate and energy would give the issues more resource and a higher profile.
[3] https://www.businessgreen.com/blog-post/4074099/debating-desnez

wasting homes across the country, what's the point?"[4]

Others have defended the old BEIS model, noting the size of the Department as useful in improving cross-departmental dialogue and joined-up thinking. According to Aldersgate Group's executive director Nick Molho,"It is important that the creation of the DESNZ does not obscure the fact that achieving net zero will require business model and infrastructure changes across the whole economy – this must be reflected in how responsibilities are split across government departments and how they interact with one another."[5]

5 APSE Comment

The creation of the Department of Energy Security and Net Zero comes at a critical time for the UK's energy and climate policy landscape. Ministers are required by the High Court to deliver an updated Net Zero Strategy by the end of March. Many business groups also worry the UK is failing to seize the opportunities of net zero and lead the world in new green industries clean tech investment. In other words, a sense of malaise and drift has begun to surround the Government's commitment to climate action, especially when the economy is expected to head into recession, with families facing the biggest drop in living standards for decades.

Changes in the machinery of government are only as good as the political will that lies behind them. Though it is encouraging to hear the Government reiterate its commitment to, in the words of the Prime Minster, *"securing our long-term energy supply, bringing down bills and halving inflation",* this should not come at the expense of UK net zero targets.

For APSE, our advice to the Government as it wrestles with the twin challenges of securing national energy needs and hitting net zero targets, is to think big and act local. Councils need to be given parity of esteem in the fight against climate change alongside central governments. Many councils have led the way in the green agenda by making their own declarations on achieving net zero in their areas and set off with action plans aimed at achieving this goal. Many local authorities are using their local plans to take a fabric first approach and demand that new housing built in their local area is built to Passivhaus or equivalent standards.[6] Others are utilising their assets and land for generation from a range of renewable sources.[7]

With the contribution of housing assets to emissions it is also disappointing that we see yet a further change in the Housing Minister. The appointment if Rachel Maclean represents the fifteenth housing minister since 2010 and the sixth to hold the post in the past 12 months. The housing sector, and in particular local authority led housing issues, need some Ministerial continuity to ensure that housing is not placed on the policy backburner and indeed are calling for housing matters to be integrated into climate change strategies with better planning,

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[4] https://electricalreview.co.uk/2023/02/08/uk-government-forms-new-energy-security-net-zero-department/
[5] https://www.edie.net/six-policy-priorities-for-the-uks-new-department-for-energy-security-and-net-zero/
[6] https://apse.org.uk/index.cfm/apse/news/articles/2022/homes-as-power-stations/
[7] https://apse.org.uk/index.cfm/apse/news/articles/2021/telford-wrekin-outstanding/

development and retrofit schemes at the heart of climate actions.

5.1 Climate Change and Renewable Energy Network: Free for APSE members

APSE understand the energy sector, we are part of it and we know what is happening across local government.

This Network looks at strategic, operational and technical issues which impact on local council actions in response to climate change. Covering a range of topics from green finance, to decarbonisation of frontline services, through to transport, housing and planning to support climate action, this Network also supports the development of council renewable energy schemes including energy management and efficiencies. Topics covered include examples of alternative energy sources, such as air and ground source heat pumps, solar PV, biomass and wind turbines. The Network considers the benefits and problems of installing, using and maintaining these technologies and outcomes for the service provider and wider community.

For information on how you can get involved, please visit the APSE website.

APSE Energy works closely with Government departments to make the case for energy and renewables matters and you may also find it useful to visit APSE Energy using this link to access more information.

Matt Ellis
Acting Principal Advisor
mellis@apse.org.uk

Sign up for APSE membership to enjoy a whole range of benefits.

APSE member authorities have access to a range of membership resources to assist in delivering council services. This includes our regular advisory groups, specifically designed to bring together elected members, directors, managers and heads of service, together with trade union representatives to discuss service specific issues, innovation and new ways of delivering continuous improvement. The advisory groups are an excellent forum for sharing ideas and discussing topical service issues with colleagues from other councils throughout the UK.

Advisory groups are a free service included as part of your authority's membership of APSE and all end with an informal lunch to facilitate networking with peers in other councils. If you do not currently receive details about APSE advisory group meetings and would like to be added to our list of contacts for your service area please email enquiries@apse.org.uk.

Our national advisory groups include:-

- Building cleaning
- Catering
- Cemeteries and crematoria
- Environmental Health
- Commercialisation network: Local authority trading, charging and income generation
- Housing, construction and building maintenance
- Parks, horticultural and ground maintenance
- Renewables and climate change
- Roads, highways and street lighting
- Sports and leisure management
- Vehicle maintenance and transport
- Waste management, refuse collection and street cleansing

Visit www.apse.org.uk for more detail

Association for Public Service Excellence
3rd floor,
Trafford House,
Chester Road, Manchester M32 0RS.
telephone: 0161 772 1810
fax: 0161 772 1811
web: www.apse.org.uk