

May 2025

CCC Seventh Carbon Budget advice

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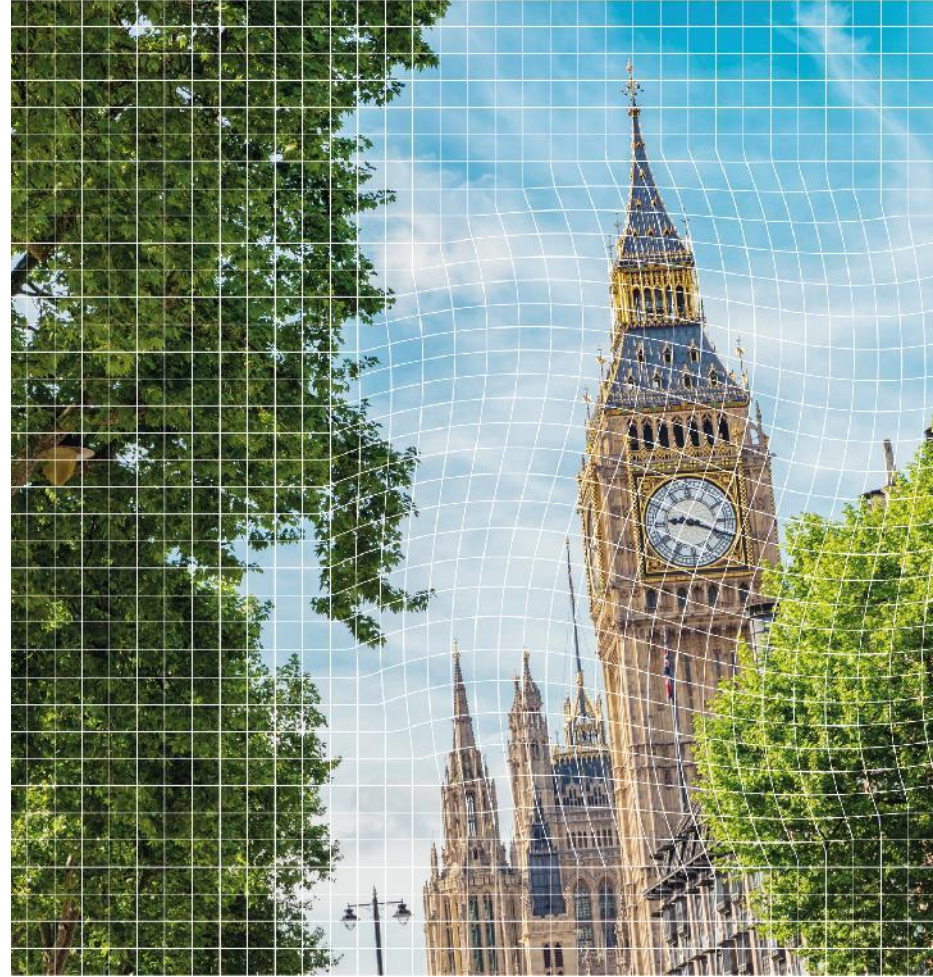
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The CCC's statutory remit

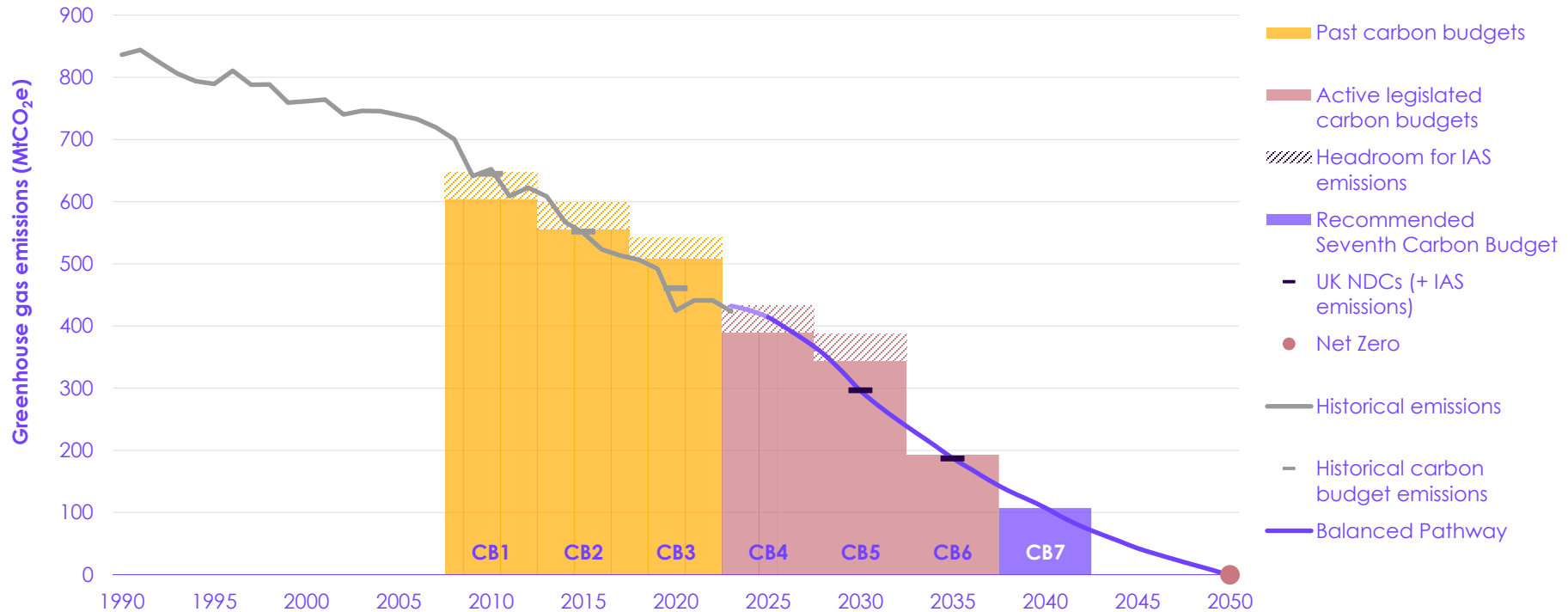
Set out in the Climate Change Act 2008

The CCC's statutory remit requires us to produce reports to Government, Parliament and their devolved equivalents.

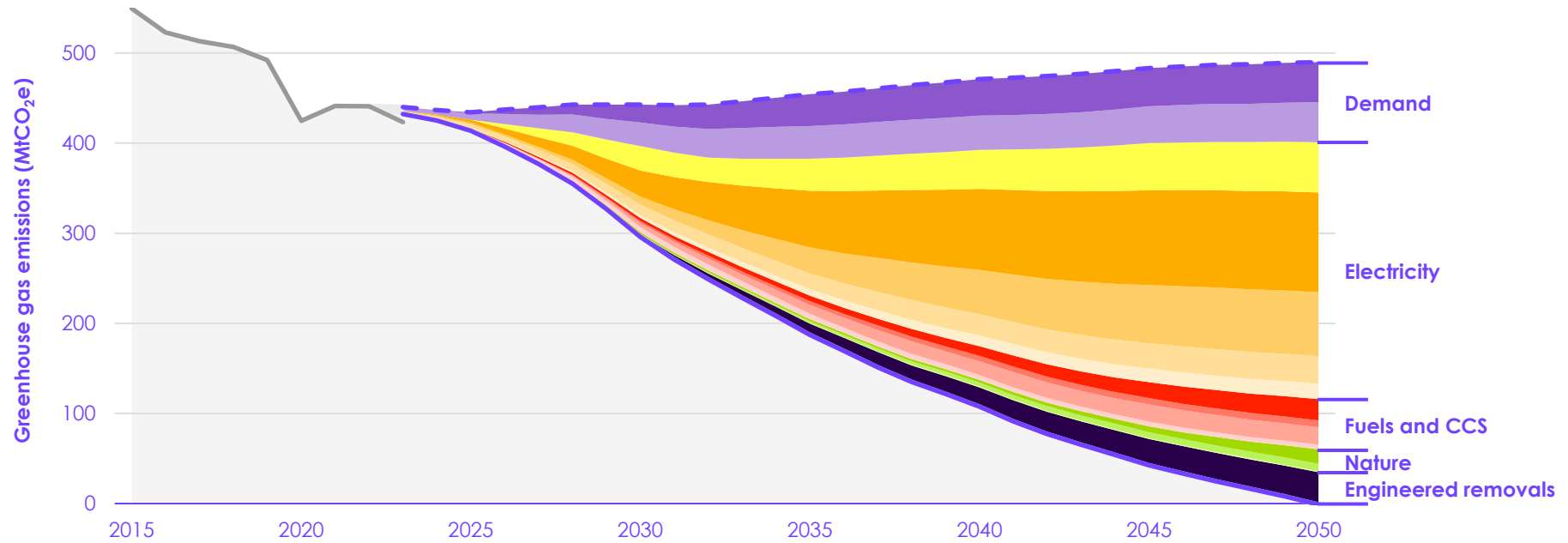
- **Carbon budgets:** Produced on a five-year basis and set a legal limit for the UK's emissions over a five-year period.
- **Climate Change Risk Assessments:** Produced on a five-year basis and inform the Government's assessment of the risks of climate change (the next to be published in 2026).
- **Progress reports:** For the UK Parliament these are annual (for mitigation) and biennial (for adaptation).



UK targets and the recommended Seventh Carbon Budget



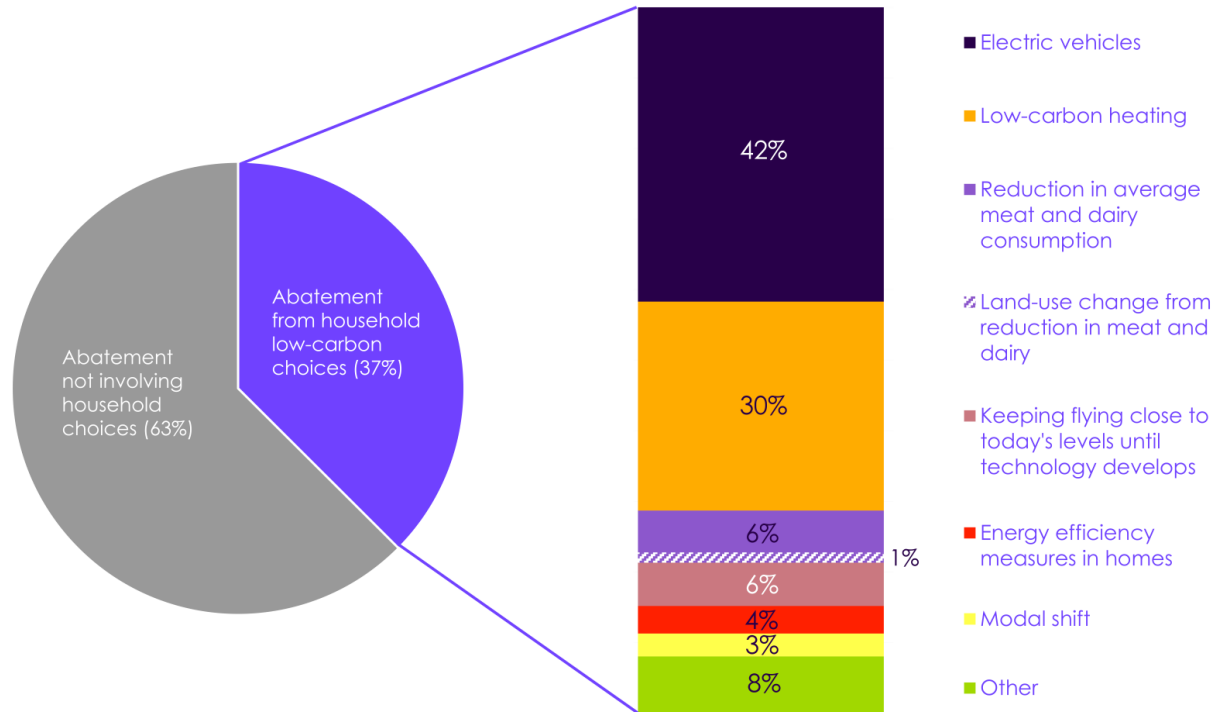
Sources of emissions savings in the Balanced Pathway



- | | | | | |
|--|---|--|--|--|
| <p>Demand:</p> <ul style="list-style-type: none"> Low-carbon choices Efficiency | <p>Electricity:</p> <ul style="list-style-type: none"> Low-carbon supply Electric vehicles Heat pumps | <p>Low-carbon fuels and CCS:</p> <ul style="list-style-type: none"> Industrial Other SAF and shipping fuels Hydrogen CCS | <p>Nature:</p> <ul style="list-style-type: none"> Tree planting Peatland restoration Other | <p>Engineered removals:</p> <ul style="list-style-type: none"> Engineered removals |
|--|---|--|--|--|

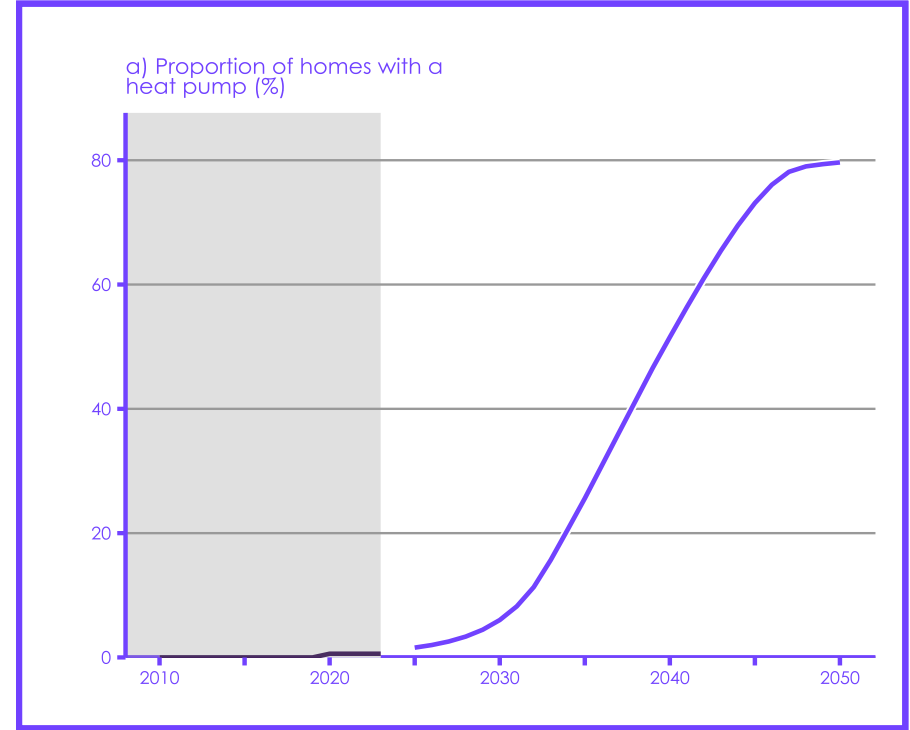
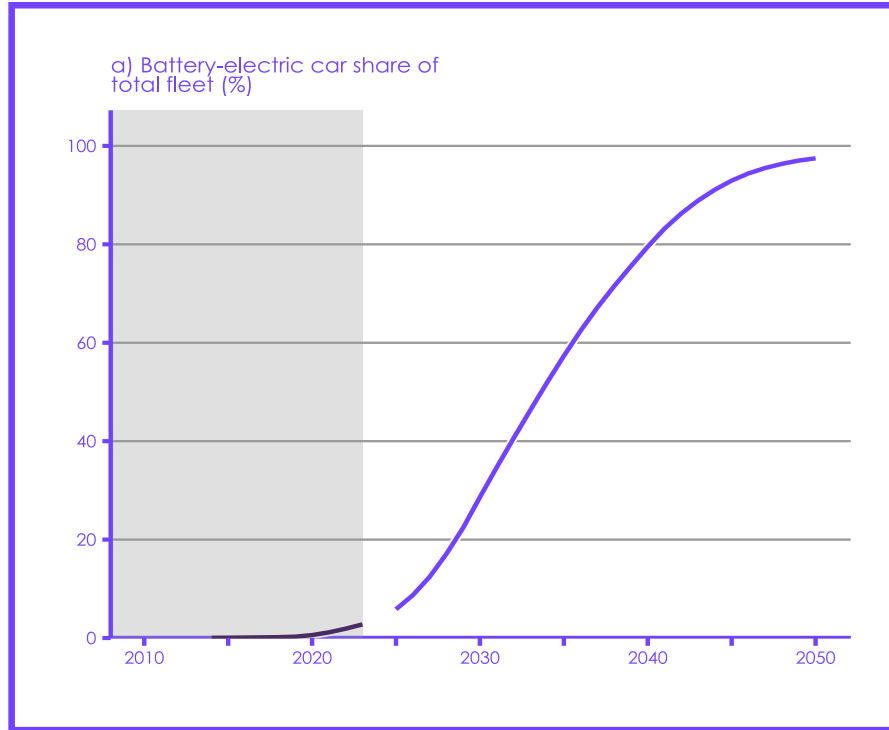
Source: CCC analysis

Households contribute to around a third of emissions reduction in 2040 72% of that is from just two actions: switching to an EV and a heat pump

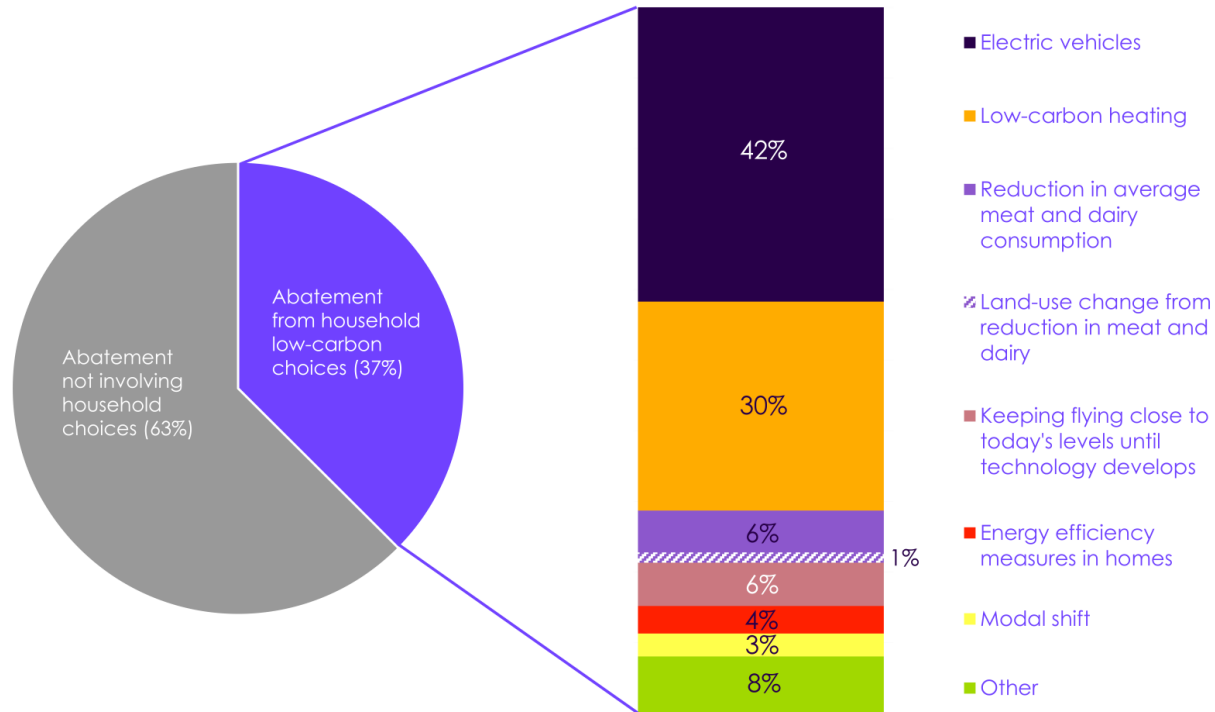


Source: CCC analysis.

Household choices in surface transport and home heating



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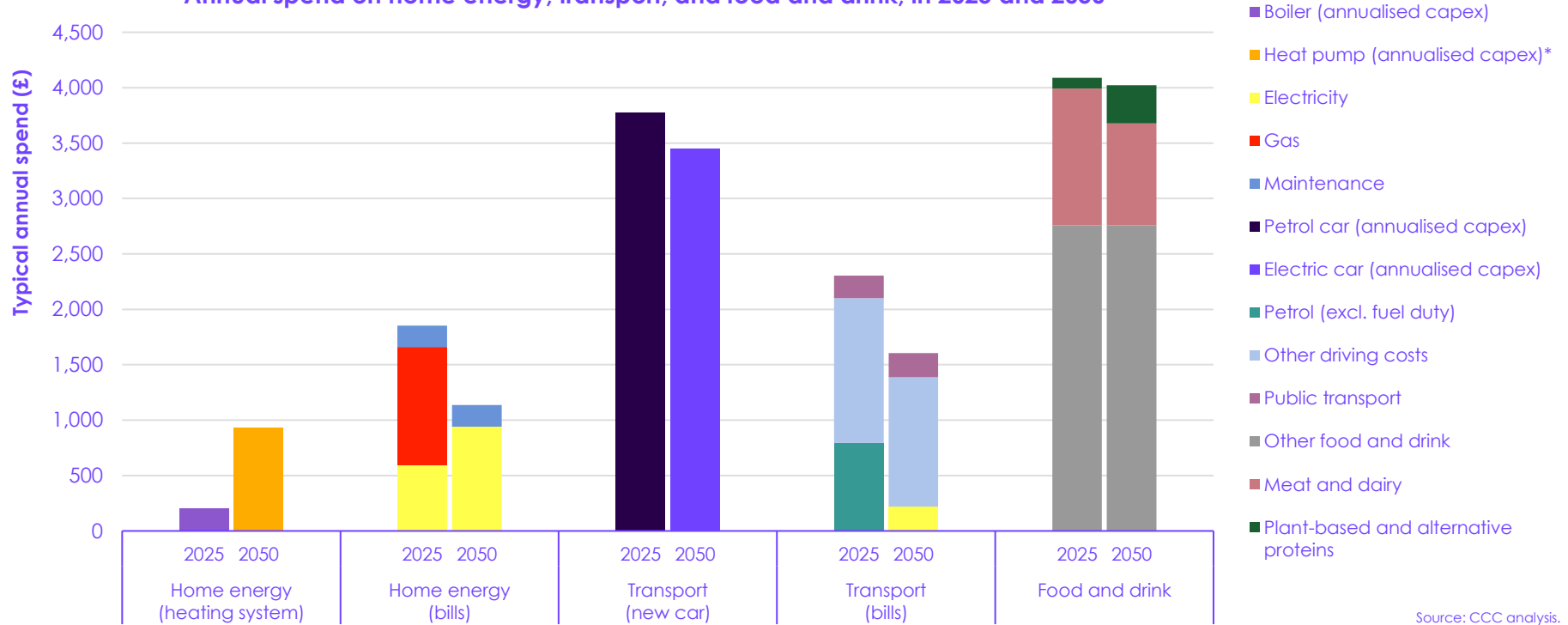
Source: CCC analysis.

Wider social impacts

Impacts for a 'typical' household

Overall household costs should fall as we switch to more efficient technologies

Annual spend on home energy, transport, and food and drink, in 2025 and 2050



Source: CCC analysis.

Impacts for households

What policy packages do we test?

Policy package one

- Home heating grants: for low-income households
- Funded: levies on gas and petrol cars
- Introduce obligations for boiler manufacturers

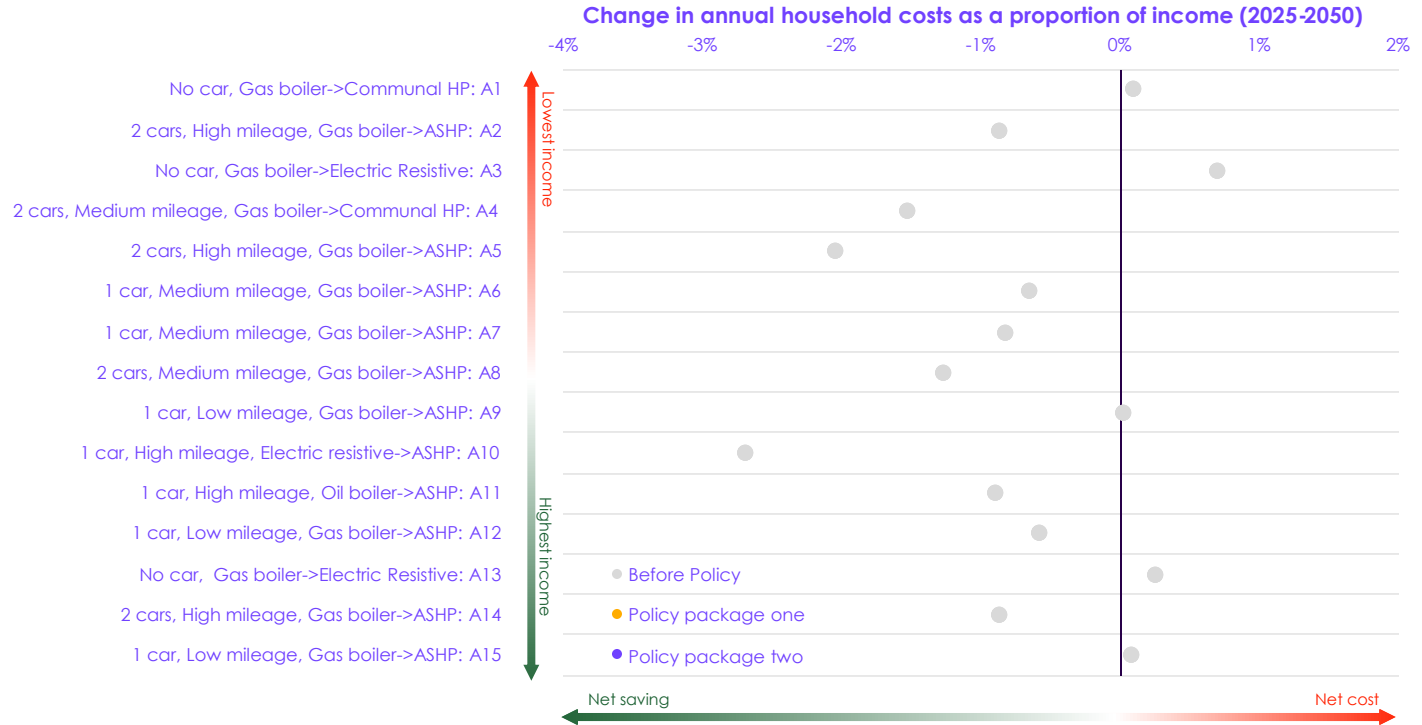
Policy package two

- Home heating grants: for everyone
- Funded: raise general taxation

- Invest in public, active, EV travel
- Phase out dates
- Decrease electricity prices

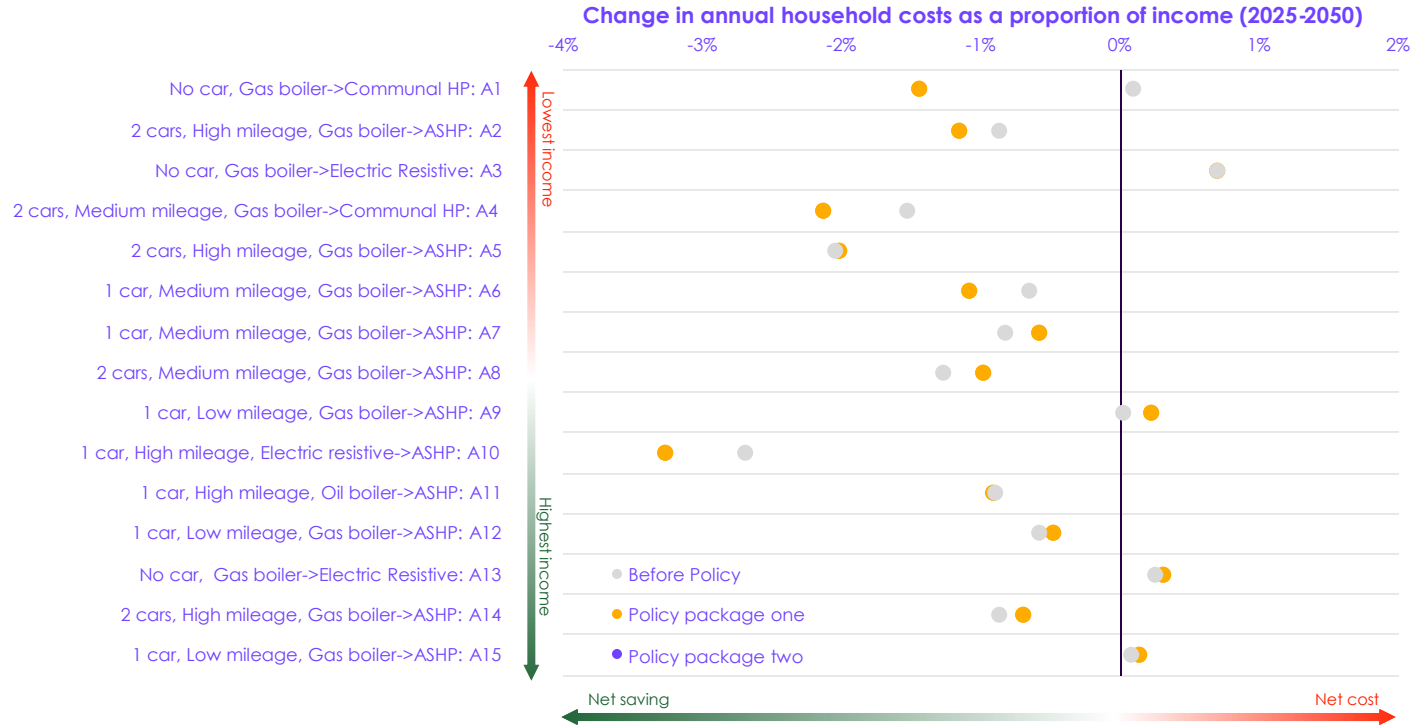
Impacts for households – buildings and transport

Overall, with the right policy support, most households can save over the transition



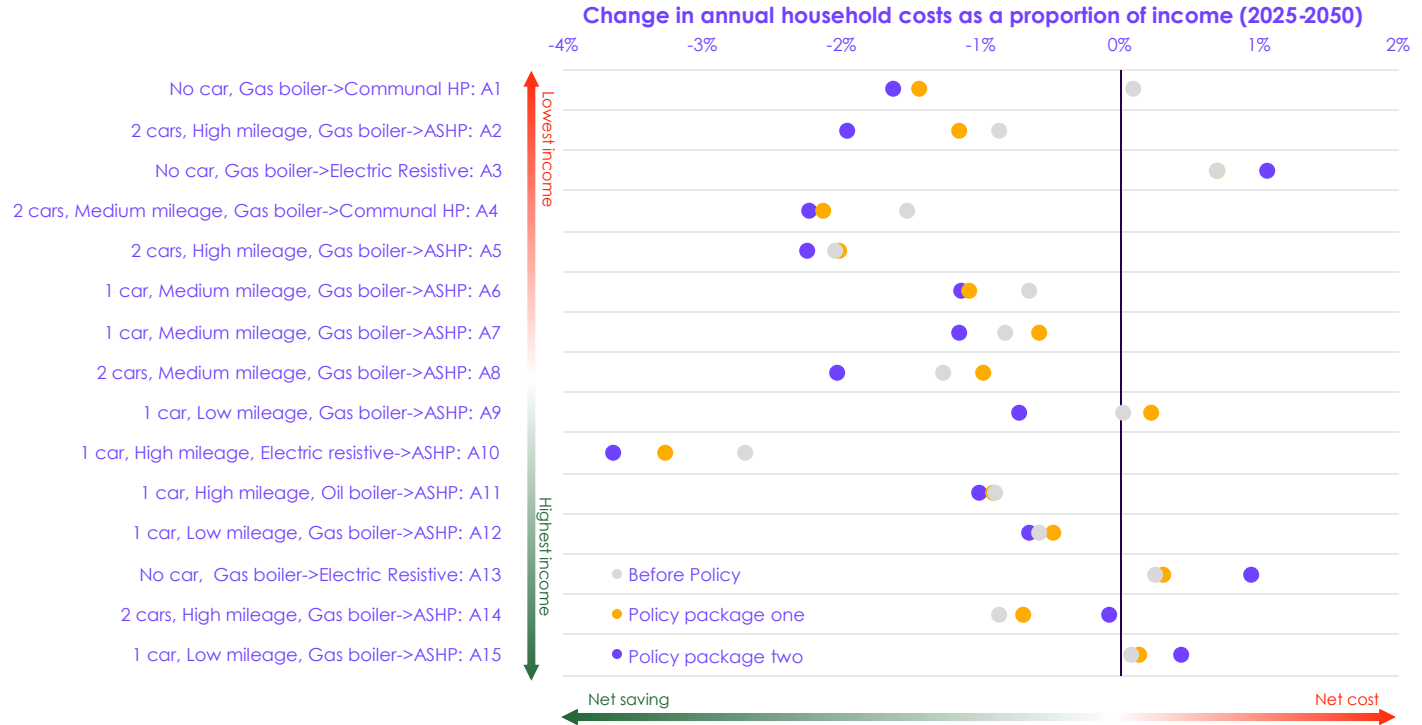
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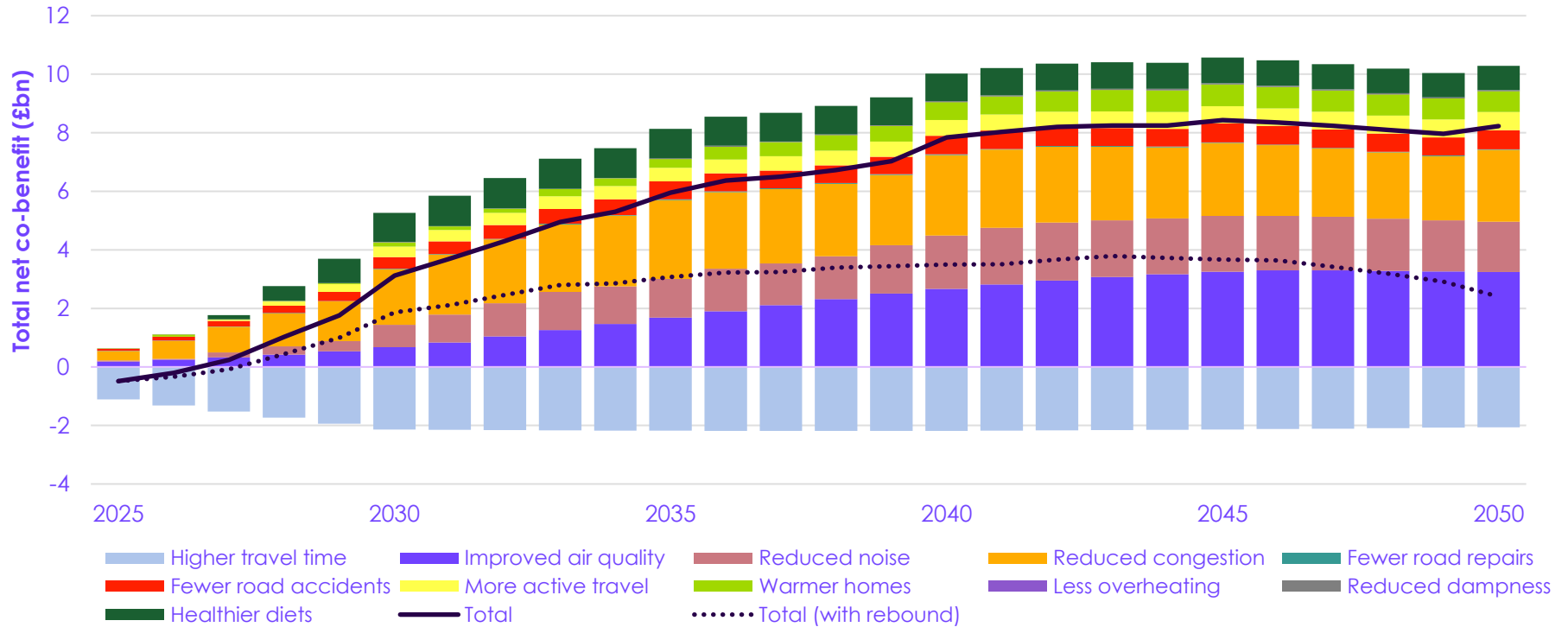
Impacts for households – buildings and transport

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Impacts for households

Wider impacts

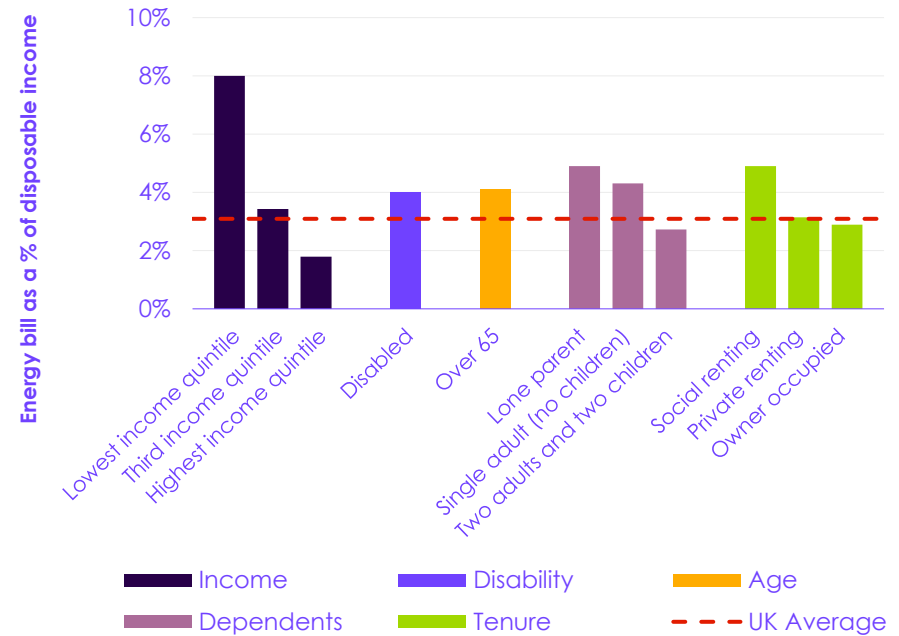


Key considerations

Other considerations for policymakers

- Early vs late movers
 - Access to finance
 - Tenancy status
- Access to off-street parking
- Access to flexible energy demand
- Air quality
- Jobs

Figure 6: Proportion of income spent on energy, by household characteristics from 2021 to 2022



Source: CCC analysis

Citizens' panel

We convened a citizens' panel

An accessible and affordable vision for Net Zero

- 26 members of the public from Birmingham and the surrounding area, reflective of the UK population gathered over seven sessions.
- The panel learnt about climate change, Net Zero, household low-carbon choices and heard from a series of experts on policy options to support household choices.

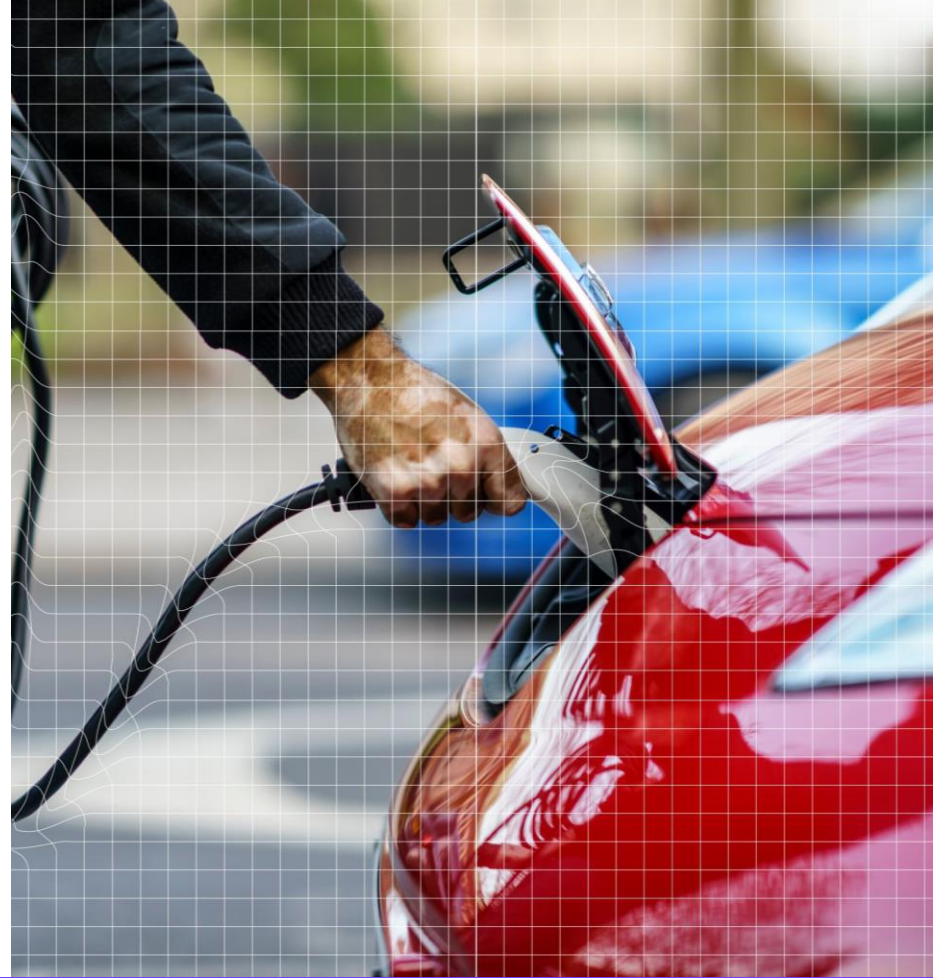


Cross-cutting findings

People want government support

Participants thought that:

- Proactive information on the most impactful choices and to combat misinformation about low-carbon technologies is important.
- Upfront costs are key and much more important than overall savings.
- Government should explore ways in which the private sector can contribute.
- Protecting those with limited choice and/or income and farmers' livelihoods is important.



Home heating and car use

Heat pumps, EVs, insulation, and modal shift

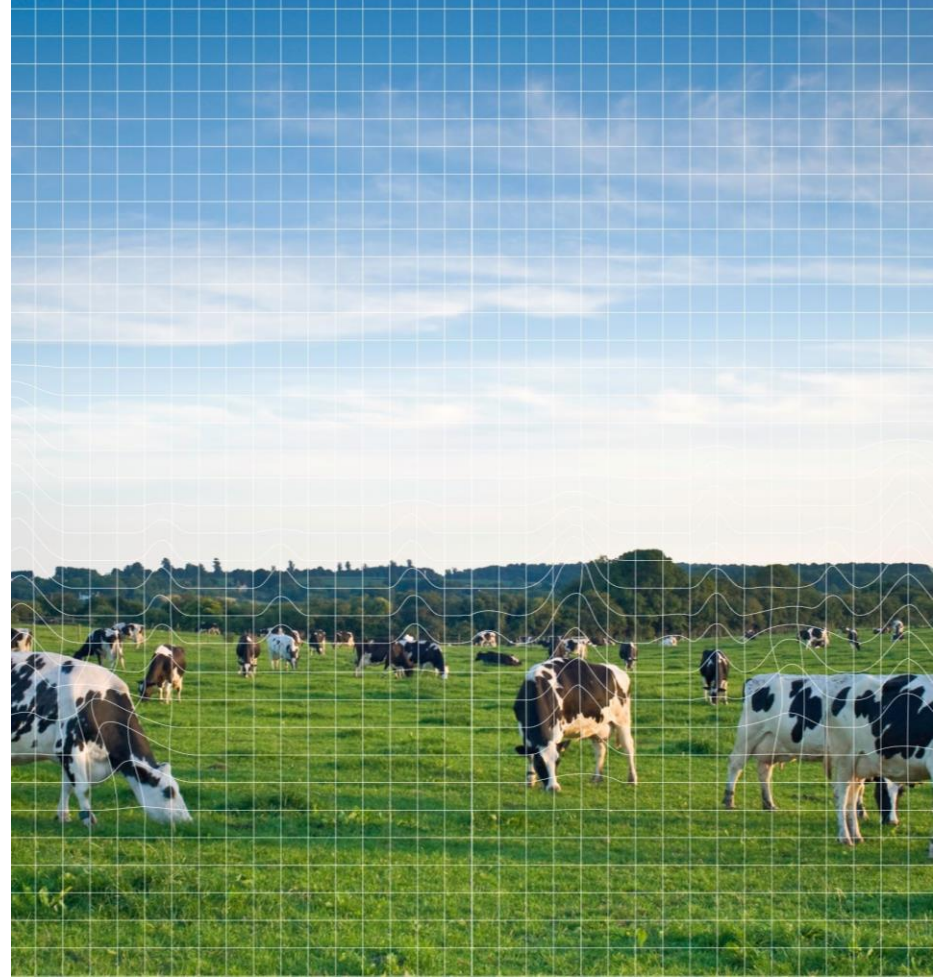
- The panel learnt how different policies for these choices impact household bills (upfront costs, heating and transport bills and taxes) of five different household archetypes.
- Strong support for phase-out dates for gas/oil boilers and petrol/diesel cars, minimum energy efficiency standards and rules for new homes.
- A need for significant help with upfront costs of home heating for everyone, and support for making electricity cheaper. Grants for EVs less of a priority, instead e.g. interest free loans.
- A need for a plan for renters and the second-hand car market.



Diet change

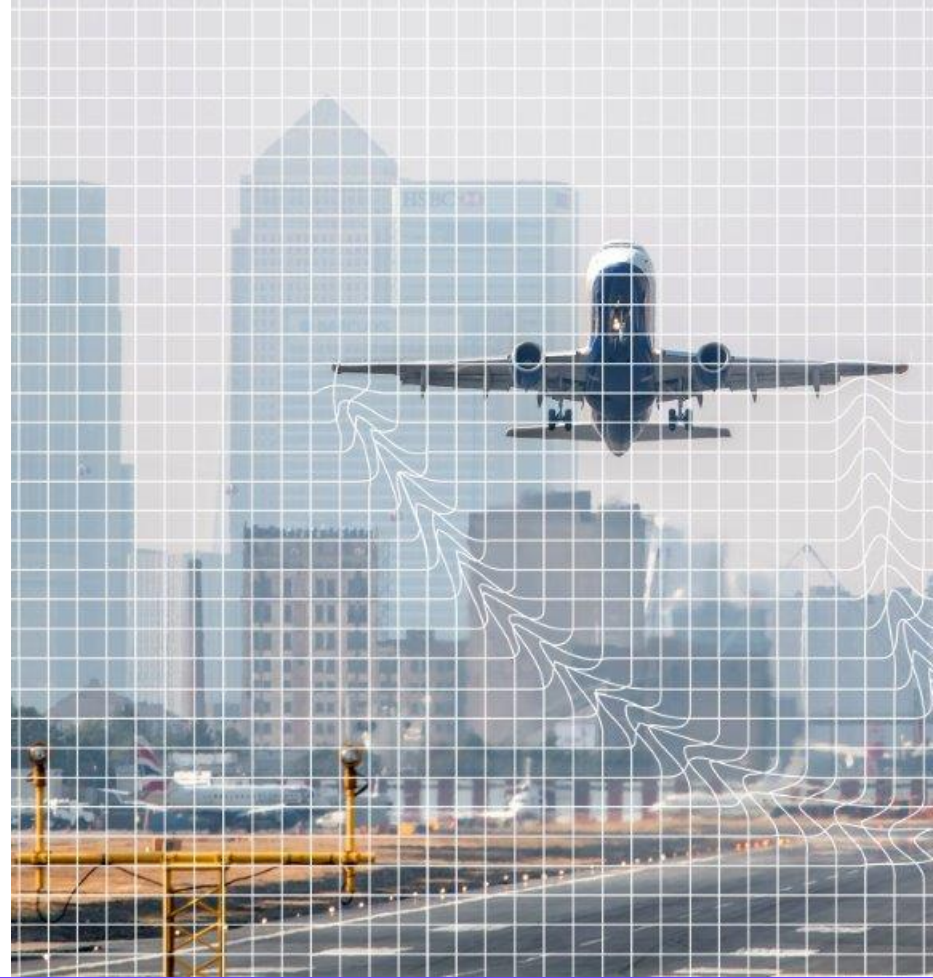
An average reduction in meat and dairy

- Most of the panel were willing to reduce meat and dairy consumption, and some said they already did not eat much meat.
- Interest in health and queasiness around more novel alternative proteins.
- Strong support for information and education and a need to ensure alternatives are cheaper.
- Support for changes to supermarket layouts, portion sizes, and investment to support the development of alternatives.



Keeping flying close to today's levels (Until technology develops)

- The panel tended to see flying as a valued but 'luxury' choice and supported managing how much we fly.
- Generally accepting of the need for ticket prices to increase.
- Most popular approach was a combination of a frequent flier levy and an emissions-based tax.
- Interest in targeting private jets and business flights despite small impact.
- Scepticism about the role of removals.



Implications for local authorities

Local authorities have a key role across many areas, including household choices

- Local authorities are important for a wider range of areas:
 - Planning for infrastructure
 - Waste and recycling
 - Tree planting and peatland restoration
 - Skilled workforce
- Communication around key household choices
 - Touch points/windows of opportunities
 - Role models/experience technologies
- Local authorities should focus on key actions
 - Feedback on policy design implications for distributional impacts
 - CCC commissioned work to translate the Seventh Carbon Budget advice for local actors and areas
 - Survey to come soon via APSE

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