Energy and Environment

Competition for £1bn of CCS funding scrapped

Day-to-day spending cuts of 22% for DECC and 15% for DEFRA

DECC’s innovation programme funding doubles to £500m, with focus on nuclear R&D

RHI continued, but with reforms saving £700m from the programme

“The government faces an uphill struggle to meet decarbonisation objectives”

Analysis
“The increase in innovation funding reflects a strong feeling within DECC that taxpayers money should be shifted from energy subsidy and towards R&D, with future spend concentrated in revitalising the UK’s nuclear industry. The shock removal of funding for carbon capture and storage (CCS) has been described as ‘devastating’ by the industry. Without CCS in the future energy mix, the government faces an uphill struggle to meet key decarbonisation objectives. Furthermore, the effect on broader investor confidence in the UK energy sector – already bruised by the summer’s policy changes – could be long lasting.”

Robert Ede
Political Consultant