

# Summary

**1** The UK has a commitment, under the Climate Change Act 2008, to meeting a series of targets to cut carbon emissions by at least 34 per cent by 2020<sup>1</sup> and at least 80 per cent by 2050 compared to the 1990 baseline. The Climate Change Act required the Government to publish a set of interim five-year carbon budgets to monitor progress towards these long term targets. The Environmental Audit Committee published a report on the UK's carbon budgets in January 2010. In the report, the Committee concluded that the management of the carbon budget was as vital as the management of the fiscal budget. The Committee suggested it required the same level of political attention and civil service commitment, and the same degree of parliamentary scrutiny. The Committee recommended that their successors should lead the way in rigorously monitoring the robustness of the carbon budgets and the progress the UK made in meeting them.<sup>2</sup> In its response to the Committee's Report in March 2010, the previous Government agreed that careful management of the carbon budgets was vital.<sup>3</sup>

**2** This briefing has been prepared by the National Audit Office to provide the Environmental Audit Committee with an overview of the pilot departmental carbon budget system as outlined by the previous Government in March 2010. The pilot system of departmental carbon budgets was introduced as the proposed performance management system for government collectively to manage delivery of the UK's carbon budgets. The system is currently at an early stage of implementation, and the new Government is reviewing the approach. The review is being led by the Department of Energy and Climate Change, in consultation with other Departments. The new Government intends to agree a revised approach to managing the delivery of the UK's carbon budgets by the end of this year.

**3** Part 1 of this briefing sets out the pilot system of departmental carbon budgets developed by the previous government. Part 2 sets out the review of the system, and includes findings from previous NAO work on performance management systems, which are relevant to the further development of the system for managing and monitoring delivery of the UK's carbon budgets.

<sup>1</sup> Percentage as amended by The Climate Change Act 2008 (2020 Target, Credit Limit and Definitions) Order 2009 No. 1258

<sup>2</sup> Environmental Audit Committee, *Carbon budgets*, Third Report of Session 2009-10, HC 228, January 2010, Recommendation 27

<sup>3</sup> Environmental Audit Committee, *Carbon budgets: Government Response to the Committee's Third Report*, Second Special Report of Session 2009-10, HC 479, March 2010