

ESG in 3D: Environment

The Growth Plan 2022: The end of green growth?

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Digest:

- The new Growth Plan sets “economic growth [as] the government’s central mission”.
- It appears to move away from concept of green growth and appears to position planning and EU derived environmental law as ‘burdens’ impacting growth.
- Development of new deregulated areas, called investment zones. The extend of proposed deregulation is not yet clear.
- Infrastructure projects are going to be prioritised, with a reduced ‘burden’ of environmental assessments and reform of the habitats and species regulations.
- The Growth Plan contains a number of priority infrastructure projects, the vast majority of which are roadbuilding projects. It is unclear how it is compatible with the government’s net zero agenda.

Source/Context:

On 23 September 2022 the Chancellor presented his [Growth Plan](#). His aim was to kickstart growth, with “economic growth [as] the government central mission”.

However the plan was not well received, with the value of the pound falling to its lowest ever level against the US dollar and the RSPB describing it as “an attack on nature”.

What does this mean for the FS and other industries?

The Growth Plan sets out its proposals for Investment Zones. These aim to drive growth and unlock housing through tax incentives and planning liberalisation (including “disapplying legacy EU red tape where appropriate”).

In addition new legislation will be brought forward ‘in the coming months’ to reduce the burden of environmental assessments and reform habitats and species regulations in relation to infrastructure projects.

It also sets up an independent review into how to deliver net zero whilst maximising economic growth and investment.

This marks a subtle but significant departure from current government policy, with the previous government seeing net zero as the biggest economic growth opportunity since Industrial Revolution, and the new government seeing it potentially as burden on growth.

In the immediate term impact of this in practical terms is relatively limited, as we yet to see specific statutory and policy changes. However it has created significant uncertainty for those wanting to invest in the UK, as there is a real risk that there may be significant legislative

and policy changes ahead.

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