Cast Iron or Cast Adrift:

Making fiscal decisions work for the people

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Public First is a global strategic consultancy that works to help organisations better understand public opinion, analyse economic trends, and craft new policy proposals.

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Executive Summary

The UK is stuck as a low-investment country. Both state and private investment have continually failed to reach the levels of other countries in the G7 or OECD. This has real impacts. The concrete in our schools is crumbling. We are off track to reach net zero. The poor connections between and within our towns and cities are holding back growth and opportunity. But capital requirements across the economy are only growing as we fail to address historic underinvestment, climate change threatens resilience, and new political or policy goals are layered on top of already creaking infrastructure. Without tackling this the UK risks being cast adrift from other countries, unable to compete.

Yet neither government nor the opposition are currently squaring up to this challenge, and how to deal with it. The next parliament will not be able to solve all these spending needs, but it must make a start. That creates choices, both in what to fund and how to do it. In order to boost investment, Governments have three options: they can incentivise the private sector to invest more, invest more themselves through higher borrowing or taxes, or cover costs through higher consumer bills.

We need a more politically robust way to make fiscal interventions and start tackling the UK's underinvestment.

The public wants clear plans. In addressing huge and diverse capital requirements, there is a need to focus. That means picking clear goals, for example decarbonisation or increasing connectivity. Political parties need to focus on selling the product, not just its price tag. Even within those goals there will be choices; different spending lines will have different economic and political outcomes. Solidifying wavering votes before the election means providing the public with these priorities.

The public want action more than they fear borrowing. Our focus groups found the public quickly rationalises borrowing and government spending as necessary to achieve the change they're after. Borrowing to invest in infrastructure is supported by 39% with 38% opposed, rising to 46% vs 33% for those intending to vote for Labour.

This means a focus on year one. With a clear, limited set of goals the next government can spell out to the public what it wants to invest in. Bringing the time horizon closer for voters makes credibility easier and prevents accusations of over-promising. Year one is also important fiscally – choosing the right projects can mean more headroom later. Building credibility and if pay off is fast, fiscal headroom allows politicians to be more ambitious later. High potential options with short turnarounds include decarbonising transport and some urban public transport projects. These must sit alongside vital areas of investment to reduce emissions notably home energy.

Fiscal policy needs to underpin better decisions. Our current fiscal rules aren't fit for purpose. They are both too tight, not allowing room to invest, and too loose, with a timeline that is never hit. The Office for Budget Responsibility (OBR), unlike other independent agencies such as the Climate Change Committee, doesn’t ask for evidence on *how* fiscal pledges will be met. While it may be sensible, politically, for Labour not to bind itself to implausible Conservative spending plans, beefing up the OBR's remit could help prove that the plans *are* implausible.

Chapter 1 - Introduction

The UK is a low-investment country. Both public and private investment lag our peers and competitors. That has meant both a build up of problems in our infrastructure, whether that's tardy trains or crumbling concrete, and an increasing vulnerability to challenges like climate change and increased economic competition abroad.

Rather than address this under-investment and the myriad issues it has caused, Westminster is having a conversation about fiscal conservatism. This is not a conversation the public wants. They instead are looking for action and for a government willing to step up and likely pay for it.

Fifteen years ago, the Conservatives were preparing to win an election on a fiscally conservative budget proposition. At this time, voters really did believe budgets needed to be balanced in traditional ways. This is no longer the case in the same way.

After the massive expenditure on the pandemic - furlough payments, vaccine development and all the rest - people in focus groups told us we'd have to pay this back and that we should prepare for a period of major retrenchment. But then came the energy bill support programme. Together, these projects destroyed public belief in the certainty of balanced budgets. They are now much, much more open to the idea that spending is possible, even in difficult times, and that bills can be paid back later. This is a huge shift, largely unnoticed in Westminster.

The next election will therefore not be won by the party with the strongest fiscal rules and the greatest reverence for the national debt, but by the party willing and able to address the UK's problems.

To do that politicians need a more sensible, and more political, approach to addressing capital spending.

This report sets out a strategy for how to do that. It begins with a canter through the major areas of capital requirements and where they have come from, before an analysis of where the public are. We then turn to a new way for politicians to assess spending requirements more in line with the public's views and the country's economic ills. It closes with a look at how this can form part of a political strategy in the run up to the election.

The UK has big capital requirements

There are two driving forces behind our capital requirements. The first is a long history of under-investment. This has led to a build-up and backlog of problems - and increased costs by delaying spending to when things are both harder to deal with and more expensive. The second is driven by climate change, both addressing its impacts, for example increased flooding or coastal erosion, and reducing emissions to halt further change, i.e., reaching net zero.

We've underinvested for a long time

The UK has not hit the OECD average investment since 1990.[1] This has led to a steady accumulation of problems manifest in both public services and UK infrastructure. There are few areas you can point to where current spending meets needs.

The state of public buildings has been exemplified by the RAAC scandal affecting schools and hospitals. Capital expenditure in these areas is already significant, but insufficient. For example the schools capital budget is £5.65 billion a 2025-26, and the annual NHS capital allocation £4 billion.[2] However according to the National Audit Office there is a annualised NHS maintenance backlog of £2 billion, while meeting the government's New Hospitals Programme ambition will require between £16 and 26 billion in the next parliament (mid-range average £4.2 billion per year).[34]

This is not limited to schools and hospitals. Meeting the increased costs of incarceration is expected to require an additional £4 billion a year into the prison estate.[5] Yet capital spending for the whole of the Ministry of Justice, is £2.3 billion.[6]

The UK has failed to build enough houses, particularly social and affordable housing. According to the National Housing Federation it will need to average £12 billion over the next parliament.[7] Government's current affordable housing programme is £2.3 billion a year.

Required transport investment is vast. According to the NIC, road enhancements and renewals require £4.4 billion a year in the next parliament. Rail requires £5.8 billion with the Integrated Rail Plan costing £6.1 billion. When including local and urban transport, the NIC expects this to total £27,850 billion a year between 2025-29.[8] Even if the PM spends 'every penny' of the £36 billion cancelled HS2 funds, that would cover 15 months of spending.

Climate change adds costs and challenges

The cost of net zero is significant, but not necessarily to the government and not in the next parliament. We are currently mid-way through the Climate Change Committee's carbon budget cycle. This poses two challenges. First, the Sixth Carbon Budget (6CB) is in 2019 prices, and second, it doesn't account for any underinvestment delivered in the years since.

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[1] IPPR, *Now is the time to confront the UK's investment phobia*, June 2023
[2] HM Government, *School capital funding*, Oct 2023
[3] National Audit Office, *Managing NHS Backlogs*, Nov 2022
[4] National Audit Office, *Progress with the New Hospital Programme*, Jul 2023
[5] HM Government, *Prisons Strategy White Paper*, July 2022
[6] House of Commons Library, *Estimates Day: the spending of the MoJ on HM prison and Probation*. June 2023
[7] Inside Housing, *Investing in social housing could add over £50bn to economy, NHF and Shelter find*, Feb 2024
[8] National Infrastructure Commission, *The second national infrastructure assessment, impact and costings*, Oct 2023

Table 1: *The 6th Carbon Budget cost estimates in 2024 prices, with an implied level of public investment given varied leverage ratios across subsectors.*

	£b/y 2024 prices				
	2025	2026	2027	2028	2029
Total	52.05	52.58	67.39	60.39	62.17
Implie d Govt	8.54	9.28	11.73	12.37	11.81

Source. Climate Change Committee, Sixth Carbon Budget, Author's calculations

Updating to 2024 prices suggests an average of £59 billion per year of *additional* CAPEX required to meet the 6CB (Table 1). This is likely to be an underestimate. As noted in the CCC's progress report, investment is off track in nearly all sectors, and will need to 'catch-up' in the next parliament. This is not just a case of replacing investment, it will need to be delivered to a faster time schedule, and in a more costly world.

According to the OBR's July 2023 Fiscal Risks report (Table 2), the Government has so far committed £22.5 billion of investment to reach net zero up to 2024-2025.[9] That's an average of £4.6 billion per year. From 2025, if we assume existing spending is frozen in cash terms, this figure will grow to include the £6 billion pledged for energy efficiency in Autumn 2022, and the £0.96 billion to green industries in last year's autumn statement (HM Treasury 2023). This could mean just under £30 billion in green investment over the course of the next parliament. Labour's own commitments stand at £23.7 billion total in capital spend, or £.4.74 billion per year.

The CCC does not take a view of the balance of public and private investment, this is a political judgement. The level of public investment in a given sector will vary by the level of market development. Our literature review implies a high leverage ratio in fuel supply or surface transport, and therefore lower state investment. Whereas the state is likely to carry, for now, the costs of agricultural or industrial decarbonisation. Other areas such as decarbonising non-residential buildings or the construction of zero carbon new homes require no public finance.

Take transmission infrastructure. Network costs are currently funded through energy bills. While the costs of investment need to be weighed against the savings, for example from reduced constraint costs, they are still borne by the consumer. The sixth carbon budget (in 2024 prices) recommends additional CAPEX of £2.95 billion in 2025, rising to £5.2 billion in 2030. This is on top of the Holistic Network Design's existing £9 billion a year to 2030. As Public First has previously written, existing government plans require a seven-fold increase in the pace of transmission infrastructure.

The next government may choose to provide some upfront investment from the Exchequer. In our Green Grid report, transmission owners expressed some scepticism that

[9] OBR, Fiscal risks and sustainability, July 2023

this would increase the pace of delivery.[10] However, there are two potential advantages: the first is that government can potentially release money faster than the current financing process; the second is that, although levies to pay for transmission represent a small portion of bills (~3%), moving this into general taxation is more progressive.

The next government may also choose to do things differently, faster or add new priorities. This will change the balance of capital requirements. Meeting Labour's 2030 clean power target for example will bring investment forward from the 2030-2035 parliament to the next one. Wanting a greater share of manufacturing in the UK will similarly add capital costs in building factories. Whilst this is an admirable ambition any funding pledged to do that is *adding* capital requirements not addressing existing ones.

***Table 2**: Net zero public investment plans are off track from the OBR's central scenario to mitigate the fiscal risks of climate change.*

	Announced Govt Investment	**Central OBR investment scenario (2021 fiscal risks)**	**Difference**
Total ***of which:***	**22.5**	**25.4**	**-2.9**
Surface transport	6.4	6.2	0.2
Buildings	8.6	10.9	-2.2
Power	3.8	2.4	1.4
Industry	1.2	1.0	0.2
Other	2.5	4.9	-2.4

Source: OBR Fiscal Risks and Sustainability 2023

Government money is often used to incentivise new markets and thus is frontloaded. This is particularly the case in energy efficiency and clean heat. According to the NIC, this requires an average of £3.5 billion a year until 2030. However, cash is on a steep trajectory and hits £8 billion a year beyond that.

However, existing government spending is currently only allocated up until the year 2027-28 and is on a downward trajectory. The public sector decarbonisation scheme, for example, is only renewed to 2027/2028 and at a lower level of £1.14 billion over three years as opposed to £1.41 billion over two currently. This highlights the risk of both taking existing plans at face value, and predicating Labour's potential spend on uncertain numbers.

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[10] Public First, *Hitting the ground running; how Labour can prepare the grid for decarbonisation by 2030*, October 2023

There is less consensus on the costs of adaptation. Estimates range between £5 billion and over £10 billion depending on the number of risks considered and the desired level of protection against them.[11]

[11] Committee on Climate Change, *The Costs of Adaptation, and the Economic Costs and Benefits of Adaptation in the UK (Paul Watkiss),* Feb 2023

Chapter 2 - What do the public think?

Luckily for the next government, the public wants a government to prepare for the future. Crucially since the public concerns over national debt in the 2010s, and following the high spending due to Covid and the energy crisis, they are also willing to see higher spending and borrowing for government to prepare.

This is unexpected and something Westminster is unprepared for. Initially our groups post Covid suggested that voters were worried about the sums spent and the debt accumulated. But when energy bills began to increase it confirmed to voters that if something needs to happen then voters expect government to pick up the tab.

The public want change

The public wants to see *something* happen, anything really. Many view the next election as a 'last roll of the dice' in hope that change finally comes. Almost half (48%) of the voters planning to pick Labour next time agree that they are doing so because it is "just time for a change in government" - level pegging with the proportion who believe that Labour would "deal with issues that matter to people like me".

In focus groups with marginal voters in the North and Midlands, it was clear that there is a credibility deficit between change promised by parties, and the belief it will happen. Participants want to see more clarity about what promises will mean in the near-term, backed up by plans on how that will be achieved. Voters do appear to think that a Labour government would bring some change to the UK. Almost half (47%) of respondents think things would genuinely change if Labour won the election, compared to 26% who disagreed: 77% of those intending to vote for the Labour party think there would be genuine change.

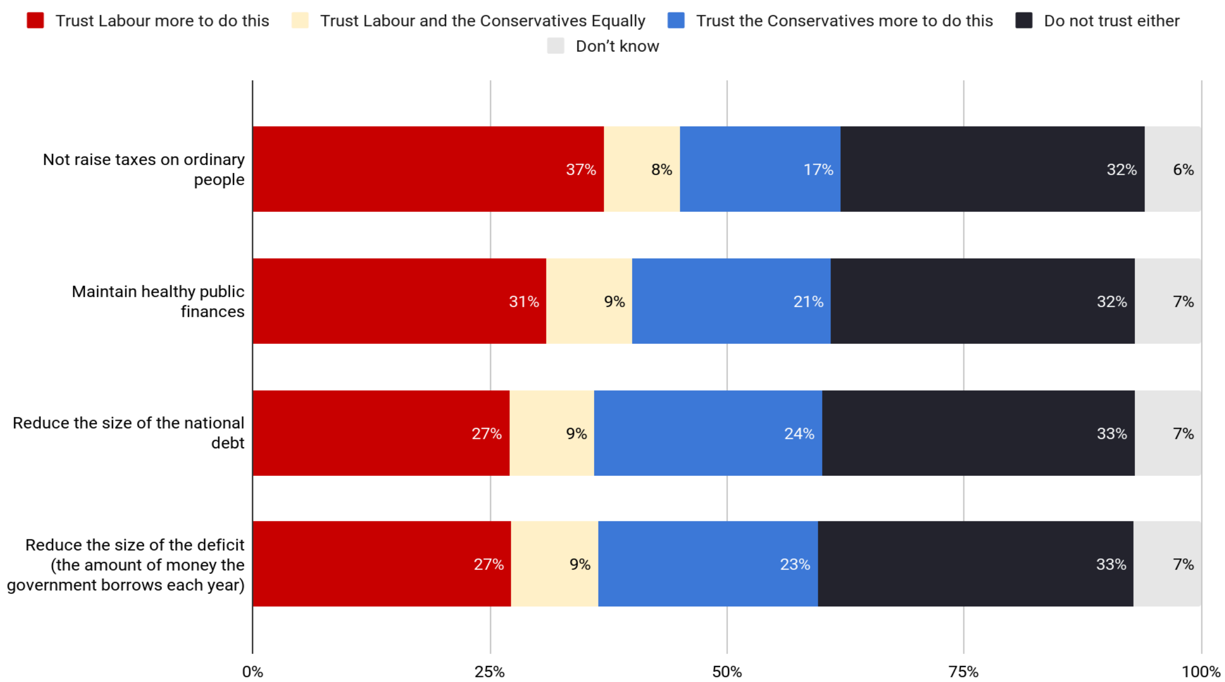

Figure 1. T*hinking of the next General Election, would you trust the Labour Party led by Keir Starmer or the Conservative Party led by Rishi Sunak to…* 4,009 adults in the UK from 23rd January 2024 - 29th January 2024.

Borrowing is less of a political risk than it was

If views on Labour are less settled than expected, then so are our findings on borrowing. The public has a more nuanced attitude than commentary suggests. In focus groups there was an instinctive negative reaction to borrowing that quickly dissipates. Participants begin to reason that borrowing is required 'to get stuff done', a rationale that they approve of providing there is a clear and credible plan, comparing it to their own mortgages. This is borne out in the polling – albeit with variance on *what* borrowing is spent on. Borrowing to invest in infrastructure is supported by 39%, with38% opposed, but this rises to 46% vs 33% for those intending to vote for Labour. A five second conversation on borrowing could harm Labour, but a ten-second conversation on its centrality to change will quickly change perspectives. Particularly when voters remember recent government expenditure.

Labour is trusted to make change and are no longer seen as a threat to the public finances. While voters think that Reeves' Fiscal Credibility Rule is a good thing (68% support the policy), just 36% actually think the Party would stick to the pledge if they won the election, and for half of voters (49%), the existence of the policy makes no difference to how they would vote in an election.

This means that Labour may have more political space to increase capital spending both prior to the election and if it gets into power. This is especially true for spending to reduce emissions. Beyond borrowing, almost half of respondents (45%) said they would support raising taxes on those with the highest incomes in order to help pay for green spending, rising to 58% of those intending to vote for the Labour Party in the next election.

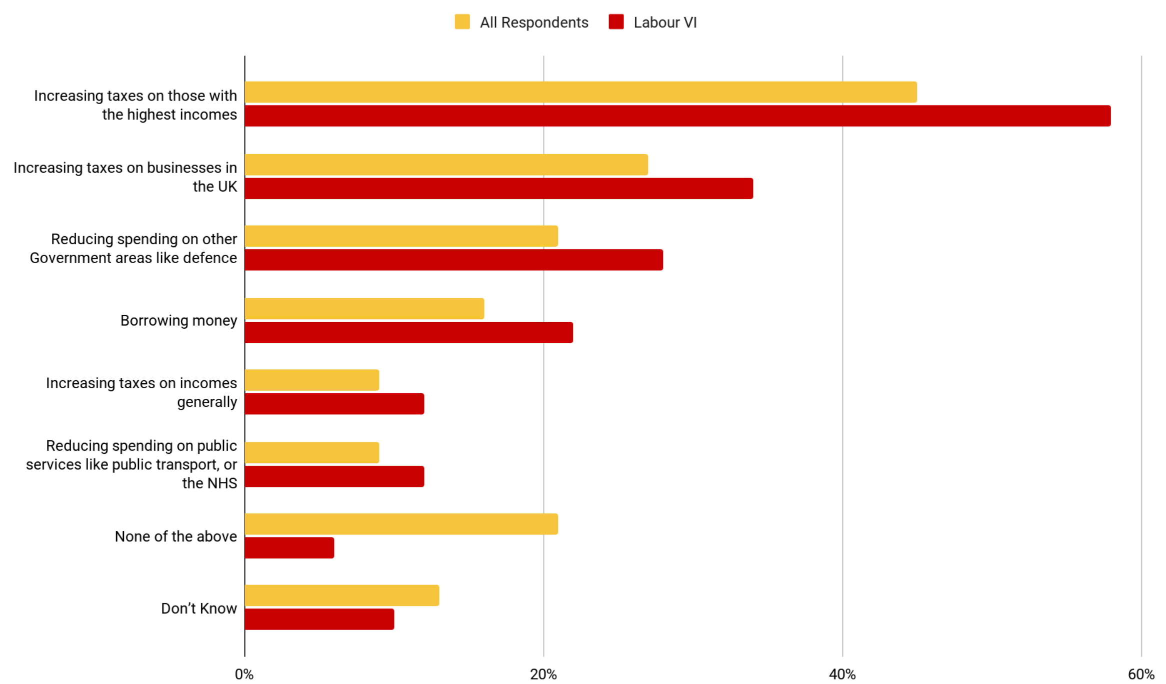

Figure 2. *The Labour Party has said that it no longer plans to spend £28bn annually on green projects. For each of the following pairs of phrases, indicate which you think is a better description of the Labour Party?* 4,009 adults in the UK from 23rd January 2024 - 29th January 2024.

Chapter 3 - Making political fiscal policy

The challenge

Capital requirements remain significant, and the public are open to borrowing to invest to see them addressed. But current fiscal rules set by both the Tories and Labour make doing so challenging. In order to ensure debt is falling in the fifth year of the next government, spending will need to be constrained. The fifth year of the current OBR forecast, 2028-2029, has the available space to increase spending at £13 billion - less than half the average over the past 30 years.

Potential headroom is contingent on how *existing* headroom is spent. The Government is briefing that it will hold several budgets this year, using any headroom at all for tax cuts.[12] As others have pointed out, government plans already imply implausible cuts to public services spending in the next Parliament, and that's without the detailed plans from a future spending review.[13] That's because the OBR doesn't assess how the government will meet its fiscal rules, just whether it will based on what the government has said. The risk to Labour is that it accepts that any future budgets, however unrealistic, are gospel even though every one of the last 10 spending reviews, bar 2010, rewrote planned spending.[14]

The OBR also states that headroom would be £72 billion in a high productivity scenario. Just looking at the debt side of the ledger ignores the impact that public spending can have on the growth side, especially when combined with regulation. The headroom by the end of the parliament depends on what, and how much, is spent early in the parliament.

The change

The scale of the UK's capital requirements is going to require choices, both in what government funds, and how. Even though public opinion has become less fiscally conservative, neither political party has updated *how* they assess those capital needs. The focus currently is on fiscal rules as an outcome, rather than a set of rules which help the parties achieve the economic, political or social outcomes they are looking for.

Public First has created an index to assess potential capital projects in the next parliament (2025-30). This looks at individual capital requirements from an in-depth literature, but primarily the 6th Carbon Budget and the Second National Infrastructure assessment.

Table 3 below sets out some of the major capital projects the next government will be considering, and how much *additional* capital they require per year of the next parliament. The table shows how the next government could make better decisions of what to invest in, when.

There are two layers of choice. The first is deciding as a government *what do you want to achieve*. We've focused here on three initial areas of capital requirements: better public

[12] FT, *Rishi Sunak vows 'more to come' on pre-election tax cuts*, Jan 2024
[13] Institute for Government, *The government has abdicated responsibility for public services*, Nov 2023
[14] Institute for Government, *Fiscal fantasies reveal deep problems in the UK's fiscal framework*, Feb 2024

services, greater connectivity (levelling up) and decarbonisation, but these could just as easily be increased climate resilience, cleaner water or greater levels of UK manufacturing.

The second choice is then - given those goals - which projects meet wider or secondary objectives, for example job creation. For each budget line we've rated their economic growth potential and political feasibility on a red/amber/green (RAG) scale (methodology in the technical annex).

Economic potential is a function of the likely private finance leverage and contribution to productivity growth. Growth matters. If the rate of productivity growth increases over the parliament, GDP should also increase, in turn providing more space in fiscal rules and allowing for greater capital spending later in the parliament. However if we decide to keep artificially constraining public investment then we need to focus on where the private sector may be more willing to step in to pay instead.

Political potential comes from data in our nationally representative poll, and an assessment of the location of key projects. We asked the public what sort of projects they would like to see government take on, and in focus groups discussed why. Meanwhile the locational aspect assesses whether infrastructure projects are in a specific place i.e., battleground seats, distributed across the country, or in areas dominated by safe seats on either side. This is not pork barrel politics, spending to win votes, but about the political legitimacy to act. Projects that deliver fast, in line with voters' wishes, are likely to allow governments greater political space to focus on their priorities or increase ambition later in the parliament.

Table 3: Assessing capital spending requirements in decarbonisation, public services and connectivity.

Capital Requirement	Avg Annual Spend 2025/26-2029/30	RAG						
		Productivity	Private Finance Leverage	Economic Potential	Place	Public	Political Potential	Total
Public Sector Decarbonisation	2.1	2	0	2	1	2	3	5
Energy Efficiency	3.5	2	1	3	2	2	4	7
CCS & Hydrogen Networks	0.05	1	3	4	3	2	5	9
Greenhouse Gas Removals	0.05	1	3	4	3	2	5	9
Road Enhancements	2.9	1	1	2	2	2	4	6
Road Renewals	1.5	1	1	2	2	2	4	6
Rail Enhancements	1.8	3	1	4	2	2	4	8
Rail Renewals	4	2	1	3	2	2	4	7
Integrated Rail Plan	6.1	3	1	4	2	2	4	8
Additional transport decarb	0.4	2	2	4	1	2	3	7
Urban Major Transport Projects	0.05	3	2	5	1	2	3	8
Local Authority Devolved Budgets	8	3	1	4	2	2	4	8
London transport settlement	2.5	3	1	4	1	2	3	7
Local roads backlog	0.6	2	1	3	2	2	4	7
Remaining New Hospitals Prog	4.2	2	1	3	2	3	5	8
NHS Maintenance Backlog	2.04	1	0	1	2	3	5	6
Social Housing Grant	14.6	2	1	3	2	1	3	6
Shared Rural network (broadband)	0.03	3	1	4	2	2	4	8
Project Gigabit	0.75	3	2	5	3	2	5	10

Source: Various, author's calculations

The choices

What is chosen, and when, really matters. There are two options in a tight fiscal environment - get the private sector to invest more, saving the state money, or invest in things which create more fiscal headroom. In year one the next government will need to look therefore at either projects with the highest leverage potential or those that could have the greatest in-parliament productivity benefits. There are relatively few projects with high crowd-in potential. Infrastructure is expensive, slow, and while it can deliver regular returns, many of the benefits are to the economy as a whole, not just the investor. As such there are limited options for crowding in but many more options that could boost productivity.

An important caveat not shown in the table is the pace that spending can be delivered. Major rail renewals take longer than a parliamentary term to reach fruition, though the recent success story of Borders Railway took just five from shovels in ground to the first train.[15] Hospitals take on average 11 years (though the New Hospitals programme aims to reduce this to six).[16] Electric vehicle charging infrastructure or individual home energy improvements can be installed rapidly, but the ability to deliver them in volume is held back by labour shortages and supply chains.

There is though a high crossover in some of these projects. CCS and Hydrogen investment, Rail Projects and Broadband in hard to reach areas all have strong economic potential and serve to rebalance the UK economy across place, though score slightly worse on public opinion in comparison to public services related spending.

Table 4: Line items with the highest RAG rating for economic outcomes

Productivity Potential	Private leverage Potential
Rail Enhancements	CCS & Hydrogen Networks
Integrated rail plan	Greenhouse Gas Removals
Urban transport	Additional Transport Decarbonisation
Rural broadband	Urban transport
Project gigabit	Project gigabit

[15] The Guardian, *All aboard Scotland's new Borders railway*, Sep 2015
[16] HFMA, *Hospital 2.0 still expected to accelerate building programme*, Sep 2023

Chapter 4 - A better strategy for investment

Chancellors are not technocrats, they are politicians. But they are politicians in charge of our economy. That means that the way they choose to make fiscal decisions should be both politically and economically robust.

Key priorities for the next parliament need to fit with what the government wants to achieve. Net zero is the most pressing of issues. As such the initial focus should be on what state investments - at what cost - reduce emissions the fastest. These are likely in home heating and surface transport.

However there is also a second layer to that choice, bolstering 'must do' decisions with those that can both improve the economy and be politically beneficial. Luckily for surface transport, improving both urban and intra-urban travel hits both these targets. Both the government and Labour have already allocated money for decarbonising homes. Even within this there are granular choices. Using capital for heat pumps, for example, is likely to have much higher productivity impacts than energy efficiency measures - though likely at a higher cost.

Crucially these decisions need to be taken early. Capital investment takes time to get out the door, and time to pay off. Government should be laser-focused on what money can be spent in year one that leverages economic and political potential to be more ambitious (fund more projects) by year five.
Once projects are chosen there needs to be a clear accompanying political strategy. To ensure politicians gain credibility with voters we recommend:

Clarity matters. The benefit of a clear rationale for choosing projects is it allows political parties to be more transparent with the public. Voters are looking for tangibility in change. Yes they want the UK to be prepared for the future but they are jaded by unmet promises. Rather than focus on the goal at the end of the parliament even further, politicians should be talking about what it means in year one.

Don't bind your hands. What is potential year one spending is highly conditional on what the Conservative government chose to do before the election. Given recent row backs on net zero, it would require a face value assessment that Conservatives will stick to their plans, despite the regularity with which spending reviews change.

The Chancellor is likely to do two things in the Budget. Spend up to the headroom to leave little money left over and use Labour's existing revenue raisers for other means, leaving it with a black hole. But Labour is only vulnerable to this if it accepts the premise. Labour needs to say now that its spending plans are its own, and not conditional on what the government does in the run up to the election, especially where those plans don't add up. From a public standpoint this will require greater clarity on those plans. The public are also accepting or even expecting a change of direction on plans if Labour arrives in power.

A better way to design fiscal rules. There are many problems with our current fiscal process, ranging from a time horizon that is never reached to their narrow focus on falling debt. The OBR was set up to assess whether the government was meeting its fiscal rules, but unlike other independent agencies such as the Committee on Climate Change, it doesn't ask for evidence on *how* fiscal pledges will be met. While it may be sensible, politically, for Labour not to bind itself to implausible Conservative spending plans, beefing up the OBR's remit could help prove that the plans *are* implausible allowing Labour more legitimacy to choose a different path. This would mean asking the OBR to explicitly comment on the wider economic impact of public investment, and therefore the sustainability of borrowing to invest in capital versus for example borrowing to cover the cost of recurring tax breaks.

Methodology - Annex

Capital needs were sourced from a wide ranging literature review, predominantly coming from the sixth carbon budget, the National Infrastructure Assessment and others, notably the National Audit Office. Projects were sorted into pathways on a subjective analysis of their primary outcome. However, where projects clearly contributed to multiple goals, they were included in multiple pathways, for example an industry that was rooted in a particular place.

In order to update the 6CB to 2024 prices a GDP deflator of 18% (IMF World Economic Outlook) was applied to additional capex by subsector, and converted into billions. This does not include any underspend in the current parliament which would need to be 'made-up' in the next in order to meet current investment goals. A further literature review, including the CCC's own indicative government spending package, sought to assign a public-private split on a sectoral basis. These are:

Subsector	Leverage ratio	Public %
Surface Transport: Cars & Vans	6	0.14
Surface Transport: HGVs	6	0.14
Surface Transport: Rail and Public Transport	0	1
Fuel Supply: Bioenergy	8	0.11
Fuel Supply: CCUS	8	0.11
Fuel Supply: Electrification	8	0.11
Fuel Supply: Energy Efficiency	8	0.11
Fuel Supply: Hydrogen	8	0.11
Fuel Supply: Reduced methane flare, vent and leak	8	0.11
M&C: Bioenergy	0	1
M&C: CCUS	0	1
M&C: Electrification	0	1
M&C: Energy efficiency	0	1
M&C: Hydrogen	0	1
Res buildings: Existing homes: Behaviour change	1	0.5
Res buildings: Existing homes: Fabric efficiency	1	0.5
Res buildings: Existing homes: Low-carbon heat	1	0.5
Res buildings: New homes: Energy efficiency and low-carbon heat	N/A	0
Non res buildings: Building scale heat	N/A	0

Non res buildings: District heat	N/A	0
Non res buildings: Energy efficiency and behaviour change	N/A	0
Networks	N/A	0
Electricity supply exc networks	8	0.11
Agriculture: Crops and Soils	0	1
Agriculture: Livestock	0	1
Agriculture: Machinery	0	1
Agriculture: Waste management	0	1
LULUCF: Forestry	0	1
LULUCF: Peat	0	1
LULUCF: Perennial energy crops	0	1

Each RAG rating was based on a variety of sources. The bandings are as followed

	Productivity	Private leverage	Place	Public Opinion
Green	A clear productivity gain, for example by reducing costs or increasing efficiency.	Leverage ratio >8	Investment focused in target areas for Labour, notably NE, NW, Scotland and East Midlands	>60% support
Amber	Neutral or uncertain impact on productivity	Leverage ratio between 1 and 6	Distributed impact across the country	30-59% support
Red	Likely negative impact on productivity for example by increasing costs for the same output	Leverage ratio of <1	Concentrated in areas where Labour vote share and seats are already high, London and major urban centres	<29% support
Zero	N/A	Costs entirely covered by the state	N/A	