

Rt Hon Philip Dunne MP  
Chair, Environmental Audit Committee  
House of Commons  
London  
SW1A 0AA

01 November 2023

Dear Mr Dunne,

I am writing to you and the Committee to provide an update on recent and upcoming Office for National Statistics' (ONS) environmental work. This includes work on the UK natural capital accounts, potentially useful background for the Committee's "*role of natural capital in the green economy*" inquiry, as well as measuring green jobs, greenhouse gas emissions, and other environment-related publications.

### **Measuring green jobs**

In our March 2023 green jobs update<sup>1</sup>, we outlined our proposed definition, developed through extensive stakeholder engagement: "*Employment in an activity that contributes to protecting or restoring the environment, including those that mitigate or adapt to climate change.*"

Our September 2023 release, "*Experimental estimates of green jobs, UK: 2023*", provided our first estimates of green jobs in the UK,<sup>2</sup> with indicative estimates using three bases – industry, occupation, and firm.

We are continuing to develop the measurement of green jobs, towards increasing timeliness and accuracy, thus enhancing the evidence base on this important issue.

### **Greenhouse gas emissions (residence based) estimates**

On 9 October 2023, we published the latest UK environment accounts, including provisional estimates of greenhouse gas emissions on a residence-basis for 2022, alongside air pollution figures.<sup>3</sup>

In July 2023, we published our first experimental estimates of quarterly UK greenhouse gas emissions on a residence basis, up to Quarter 1 (January to March) 2023. We will be publishing further estimates, up to Quarter 2 (April to June) 2023, on 3 November. We use modelling techniques to provide more timely statistics alongside our annual estimates. While these estimates are different to territorial measures (emissions that occur within the UK's borders) used to monitor UK emissions targets, produced by the Department for Energy Security and Net Zero, as they are residence-based, they are comparable with a range of important economic statistics, including gross domestic product (GDP).

<sup>1</sup> <https://www.ons.gov.uk/economy/environmentalaccounts/articles/greenjobscurrentandupcomingwork/march2023>

<sup>2</sup> <https://www.ons.gov.uk/economy/environmentalaccounts/bulletins/experimentalestimatesofgreenjobsuk/2023>

<sup>3</sup> <https://www.ons.gov.uk/economy/environmentalaccounts/bulletins/greenhousegasintensityprovisionalestimatesuk/provisionalestimates2022>

## Natural capital accounts

We produce the UK Natural Capital Accounts,<sup>4</sup> which monitor the changing capacity and demand for natural resources and the benefits they provide.

Widely regarded as world-leading, these accounts are produced on a consistent basis with the System of National Accounts (SNA) used to produce Gross Domestic Product (GDP), and so help to understand the links between the environment and economic statistics. As they are produced to UN standards and guidance, they are also broadly internationally comparable.

We have continued to develop our methodology,<sup>5</sup> updating the “*Principles of UK natural capital accounting*”<sup>6</sup> in June, outlining how we interpret and apply international guidelines to the UK context.

We published the latest urban habitat accounts in September. <sup>(03)</sup> A summary of the latest UK natural capital accounts was also published in the Blue Book 2023 on 31 October,<sup>7</sup> ahead of the full accounts being published in November. We have previously produced stand-alone accounts for Scotland and England, and November’s release will feature breakdowns for all four UK nations for the first time.

Additionally, these natural capital accounts are an important element of our work to better understand inclusive wealth,<sup>8</sup> the concept proposed in the HM Treasury-commissioned Dasgupta Review of the Economics of Biodiversity.<sup>9</sup>

## Businesses

We are also regularly using our Business Insights and Conditions Survey (BICS) to understand business responses to environmental issues.

In the period 7 to 20 August 2023, we asked UK businesses about climate change, finding 39% to be “very” or “somewhat concerned”, 44% “not concerned” and 17% “not sure”.<sup>10</sup>

In terms of actions, 7% of businesses reported monitoring climate related risks, 4% having a climate change strategy, 3% having a greenhouse gas emissions target and 1% having a target that includes the supply chain. We also found that 3% of businesses reported monitoring nature or biodiversity risks, and 2% having a nature or biodiversity strategy.

In the period 24 July to 6 August 2023, 75% of businesses reported that they had not assessed the risks of any of the specified climate change effects (water scarcity, coastal erosion, increased flooding and temperature increases).<sup>11</sup> Of those that had assessed these risks, 28% had not taken any action, 18% did not expect to be impacted, while 18% reported they had been unable to take action either because of costs, or the lack of information or guidance.

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<sup>4</sup> <https://www.ons.gov.uk/economy/environmentalaccounts/bulletins/uknaturalcapitalaccounts/2022>

<sup>5</sup> <https://www.ons.gov.uk/economy/environmentalaccounts/methodologies/uknaturalcapitalaccountsmethodologyguide2021>

<sup>6</sup> <https://www.ons.gov.uk/economy/environmentalaccounts/methodologies/principlesofuknaturalcapitalaccounting2023>

<sup>7</sup> <https://www.ons.gov.uk/economy/grossdomesticproductgdp/compendium/unitedkingdomnationalaccountsthebluebook/2023>

<sup>8</sup> <https://www.ons.gov.uk/economy/economicoutputandproductivity/output/articles/ukinclusiveincome/2005to2019>

<sup>9</sup> <https://www.gov.uk/government/publications/final-report-the-economics-of-biodiversity-the-dasgupta-review>

<sup>10</sup> Data tables: <https://www.ons.gov.uk/file?uri=/economy/economicoutputandproductivity/output/datasets/businessinsightsandimpactontheukeconomy/bicswave89/bicswave892final.xlsx>

<sup>11</sup> <https://www.ons.gov.uk/businessindustryandtrade/business/businessservices/bulletins/businessinsightsandimpactontheukeconomy/10august2023> and data tables <https://www.ons.gov.uk/file?uri=/economy/economicoutputandproductivity/output/datasets/businessinsightsandimpactontheukeconomy/bicswave88/bicswave882final.xlsx> (tabs 25-37)

Our BICS release, scheduled for 16 November<sup>12</sup>, will look at barriers to business actions and whether climate change impacts are considered in businesses investment plans.

### **Individuals**

We also continue to publish fortnightly statistics about issues of concern in Public Opinions and Social Trends.

The issue for the survey period 4 to 15 October 2023 found that, when asked about the important issues facing the UK today, the fourth most commonly reported issue was “climate change and the environment”, by 62% of adults in Great Britain.<sup>13</sup>

We are planning further insights on public perceptions to the environment in the coming months. Our next update to our measures of national well-being dashboard, which includes a measure tracking pro-environmental lifestyle changes to tackle environmental issues, is on 10 November 2023<sup>14</sup>.

### **Other relevant publications**

We published “Climate-related mortality, England and Wales, 1988 to 2022” as experimental statistics in September,<sup>15</sup> showing an estimated 4,507 deaths associated with the hottest days in England in 2022.

Our annual energy efficiency of housing release was also published on 1 November<sup>16</sup>. We are also looking at the feasibility of linking energy performance certificate data to Census data to understand more about the households in high and low-rated energy efficient properties.

We would be happy to brief the Committee further on any aspect of our work if helpful.

Yours sincerely,



### **Mike Keoghan**

Deputy National Statistician for Economic, Social and Environmental Statistics

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<sup>12</sup> <https://www.ons.gov.uk/releases/businessinsightsandimpactontheukeconomy16november2023>

<sup>13</sup> <https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/bulletins/publicopinionsandsocialtrendsgr eatbritain/20septemberto1october2023>

<sup>14</sup> <https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/articles/ukmeasuresofnationalwellbeing/d ashboard>

<sup>15</sup> <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/articles/climaterel atedmortalityandhospitaladmissionsenglandandwales/1988to2022>

<sup>16</sup> <https://www.ons.gov.uk/releases/energyefficiencyofhousinginenglandandwales2023>