Department for Environment, Food and Rural Affairs

Government proposals for strengthening the Climate Change Bill
February 2008

The Climate Change Bill completed committee stage in the House of Lords on 4 February. In light of views expressed and following further consideration, the Government has provided a comprehensive response and tabled a number of amendments to the Bill to further strengthen the provisions, underline the UK’s leadership role and increase Government transparency and accountability in tackling climate change.

2050 Target: Statutory Review by the Committee on Climate Change

The Government’s proposed long-term target is CO₂ reductions of at least 60% on 1990 levels by 2050, and as the Prime Minister announced last autumn, the Government will be asking the Committee on Climate Change to consider whether this target should be tightened up to 80% as it considers its advice on the first three five year carbon budgets. The Committee will have the independence and the expertise to provide the best-quality advice on the level of the 2050 target, and this review will ensure we have a full, credible, analytical basis for decisions on the level of the 2050 target.

To further underpin this commitment, the Government has tabled an amendment that this review of the 2050 target should be made a duty in the Bill, and that it should be carried out at the earliest opportunity. To avoid placing undue demands on the Committee’s work programme, it is proposed that the Committee’s advice on the 2050 target and on the first three budgets should be provided by 1 December 2008.

As part of this review, the Government will ask the Committee to consider whether other greenhouse gases (GHGs) should be included in the target. The Government also proposes to amend the Bill to enable these emissions to be included during a budgetary period, if necessary.

Terms of Reference for the Review of the 2050 target

The evidence now suggests that, as part of an international agreement, developed countries may have to reduce their emissions by up to 80%. The Committee on Climate Change is therefore asked to advise on whether the UK’s domestic target should be tightened up to 80%. The Committee should:

• In the light of developments in scientific knowledge about climate change, assess the costs and benefits of a number of different levels of the UK 2050 target under a
range of future international scenarios and taking account of the wider international context. This should include consideration of the implications of including emissions of other greenhouse gases covered by the Kyoto Protocol, and the implications of including international aviation and shipping emissions

- Consider the implications for the level of and greenhouse gases covered by the 2020 target, and provide advice accordingly
- Report to the Prime Minister, the Secretary of State for Environment, Food and Rural Affairs, and the Devolved Administrations by 1 December 2008;
- In conducting this analysis, the Committee should also take into account:¹
  - Scientific knowledge about climate change;
  - Technology relevant to climate change;
  - Economic circumstances, and in particular the likely impact of the decision on the economy and the competitiveness of particular sectors of the economy;
  - Fiscal circumstances, and in particular the likely impact of the decision on taxation, public spending and public borrowing;
  - Social circumstances, and in particular the likely impact of the decision on fuel poverty;
  - Energy policy, and in particular the likely impact of the decision on energy supplies and the carbon and energy intensity of the economy;
  - Differences in circumstances between different parts of the UK;
  - International circumstances; and
  - Any other factor that the CCC considers to be appropriate

Helping to ensure that the 2050 target is met

The Government has also proposed strengthening the compliance mechanism by adding a further requirement that the Secretary of State must bring forward proposals and policies which, in their view, will enable the carbon budgets that have been set to be met. In developing these policies and measures, the Secretary of State must also consider the duty to meet the 2050 target.

Sustainable Development

In addition, Government proposals and policies to reduce emissions would be required to contribute to sustainable development, to minimise the risk of any potential unintended side effects; this reflects similar requirements in place concerning the Government’s adaptation programme.

¹ This list of factors is identical to the issues listed in the Bill which must be taken into account in connection with carbon budgets. The list here will be updated to reflect any amendments to the final list of factors on Royal Assent
Preventing retrospective amendment of carbon budgets

The Government also intends to set out explicitly in the Bill the fact that budgets may not be amended after the end of the budgetary period.

Greater accountability and transparency

Sectoral effort

The Government agrees with views expressed that clarification of expectations for individual sectors of the economy, on a flexible basis, would be helpful for planning purposes and for sectors to understand their place in the overall emissions reduction framework. At the same time setting top down sectoral targets would be too prescriptive and unhelpful. Therefore the Government have proposed the following two amendments:

i) in providing its advice on budgets, the Committee on Climate Change must give its view on the opportunities for reducing emissions in different sectors of the economy; and

ii) in reporting on proposals and policies for reducing emissions, the Government will be required to set out how those proposals and policies are likely to apply to different sectors.

Annual accountability for progress

The Bill already provides a very strong annual accountability framework in the form of an annual emissions statement by the Government, an annual progress report to Parliament by the Committee on Climate Change, and an annual response to that report by the Government.

To provide greater transparency over the Government’s expectations, a new requirement will be added that when publishing the report on proposals and policies to meet budgets, the Government should set out an indicative range for the trajectory of the UK’s net carbon account over the budgetary period. In addition, the proposals and policies should set out the Government’s expectations of the timescales over which the policies are expected to take effect.

The Government believes that an annual indicative range is preferable to proposals for annual “single-point” targets or milestones because these can be too inflexible to take into account of fluctuation of emissions from year to year due to weather conditions or fossil fuel prices, and would lead to regular false alarms or unfounded reassurance. What is needed therefore is a system of annual accountability which can deal with these real-world fluctuations and uncertainties, but which still provides sufficient clarity about progress to ensure that the Government of the day can be held to account appropriately.
Setting out an indicative range for the net UK carbon account for each year of the budget period, combined with greater clarity about the timescales for policies to take effect, would ensure that the Government of the day could be held to account for progress during each year of the budget period.

**Strengthening annual reporting to Parliament**

The Government has proposed amendments that require the Committee’s annual report on progress towards meeting the budget to refer to: progress made so far towards meeting the targets and budgets; progress that remains to be made; and whether – in the Committee’s view – the targets and budgets are likely to be met. In addition, the Government’s response to the Committee’s report should be specifically required to respond to the substantive points raised by the Committee.

**Committee on Climate Change**

**Expanded remit**

It is proposed that the role of Committee on Climate Change be strengthened to ensure that Government has access to the best possible information in making decisions under the Bill. In particular, that the Government should be required to seek, and take account of advice from the Committee in an expanded number of situations:

- Before making regulations to include international aviation or international shipping emissions in the UK’s targets and budgets;
- Before determining the base year for greenhouse gas emissions other than carbon dioxide and
- Before making regulations recognising new types of carbon units as valid, or changing the value of carbon units, to ensure the robustness of the carbon accounting rules.

**Transparency and Public Participation**

The Bill already requires the Secretary of State to publish a statement setting out the reasons for any decision to set budgets at a different level from that recommended by the Committee. To add further weight to the Committee’s advice, the Government proposes that this requirement to explain should be extended to the Committee’s advice on targets, greenhouse gases, and budgets. For additional transparency, the Committee should also be required to publish any advice it provides, subject to the usual exemptions.

There have also been calls for a requirement on the Committee to ensure effective **public participation** in its decision-making. The Government agrees that this is an important issue, and therefore propose that the Committee should be required to have regard to this in the exercise of its functions.
Expertise

The Government has proposed that the list of expertise to be covered by the Committee is amended to include environmental science and the international context following a number of calls to expand this list, and in particular in relation to these areas.

Strengthening Parliament's role

Having listened to views expressed, the Government agrees that Parliament’s role should be strengthened on a number of issues. In particular, that the affirmative procedure should be used in the following additional situations:

• where regulations recognise new types of credits as valid or change the value of credits;
• in defining what is to be regarded as international aviation or international shipping);
• requiring affirmative resolution where regulations only create a civil offence or increase the level of a civil penalty.