

Decarbonisation and Economic Strategy Bill

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Place duties on the Secretary of State to decarbonise the United Kingdom economy and to eradicate inequality; to establish a ten-year economic and public investment strategy that prioritises decarbonisation, community- and employee-led transition from high-carbon to low- and zero-carbon industry, and the eradication of inequality; to require the Government to report on its adherence to the strategy; to establish higher environmental standards for air, water and green spaces; to make provision to protect and restore natural habitats; and for connected purposes.

BE IT ENACTED by the Queen’s most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

PART 1

DUTIES TO DECARBONISE ECONOMY AND ERADICATE INEQUALITY

1 Duties of the Secretary of State

- (1) It is the duty of the Secretary of State to ensure that in 2030 and every subsequent year— 5
- (a) the decarbonisation objective is met; and
 - (b) the economic equality objective is met in a manner consistent with meeting the decarbonisation objective.
- (2) The decarbonisation objective is— 10
- (a) for net United Kingdom carbon emissions to be zero; and
 - (b) to restore, protect and prevent further loss of natural habitats and biodiversity.
- (3) The economic equality objective is to— 15
- (a) increase overall social and economic well-being; and
 - (b) ensure year-on-year reductions in—
 - (i) income inequality,
 - (ii) wealth inequality, and

- (iii) inequality of opportunity.
- (4) The Secretary of State must, within six months of this Act coming into force—
 - (a) establish a body, to be known as the Green New Deal Commission (“the Commission”), in accordance with Part 2; and
 - (b) lay before Parliament a report in accordance with section 2. 5

2 Report on economic governance

- (1) The report under section 1(4)(b) must consider the potential role of the measures in subsection (2) in ensuring that the objectives in section 1 are met.
- (2) Those measures are—
 - (a) fiscal and monetary policy changes; 10
 - (b) credit creation initiatives;
 - (c) changes to mechanisms for the co-ordination of—
 - (i) the Treasury,
 - (ii) the Bank of England,
 - (iii) the Debt Management Office and, 15
 - (iv) where appropriate, commercial banks; and
 - (d) changes to—
 - (i) the mandate of the Bank of England under the Bank of England Act 1998,
 - (ii) the role and approach of the Debt Management Office, 20
 - (iii) Government and Bank of England objectives for macroeconomic management of the economy; and
 - (e) changes to the use of gross domestic product as a measure of well-being; and
 - (f) changes to— 25
 - (i) the powers of devolved administrations, elected mayors and local government,
 - (ii) the regulatory framework for local and community banking facilities,
 - (iii) the duties of company directors under section 172 of the Companies Act 2006, 30
 - (iv) the regulation of pension funds,
 - (v) accounting standards, and
 - (vi) corporate reporting and transparency requirements.
- (3) The report may include other economic governance policies consistent with the sustainable achievement duties in section 1. 35

PART 2

THE GREEN NEW DEAL COMMISSION

3 Establishment and objectives of the Green New Deal Commission

- (1) The objectives of the Commission are— 40
 - (a) to prepare a strategy, to be known as the Green New Deal, for meeting the duties in section 1, in accordance with the policy requirements in Part 3;

- (b) to promote the Green New Deal within every branch of Government, including local government, and across society;
 - (c) to support and advise the Secretary of State in pursuing policies in accordance with the Green New Deal, including on—
 - (i) the timeframe for policy changes, 5
 - (ii) the financial implications, and
 - (iii) how any costs should be met; and
 - (d) to report to Parliament in accordance with section 5.
- (2) The strategy prepared under subsection (1)(a) must be laid before Parliament no later than one year after this Act comes into force. 10

4 Governance of the Commission

- (1) The Commission is led by a board of Commissioners appointed by the Secretary of State.
- (2) There shall be a minimum of nine and a maximum of 15 Commissioners at any time. 15
- (3) In making Commissioner appointments, the Secretary of State must have regard to—
- (a) the balance of expertise and skills on the Commission, to include representation from civil society and trade unions;
 - (b) diversity on the Commission, including in— 20
 - (i) gender,
 - (ii) age,
 - (iii) class,
 - (iv) ethnicity,
 - (v) geographical area of residence, and 25
 - (vi) political affiliation (including no affiliation).
- (4) The Secretary of State may not appoint a Commissioner unless—
- (a) the Secretary of State has publicly consulted on the proposed appointment and published responses to that consultation; and
 - (b) the House of Commons has passed a Motion of the form “That this House approves the appointment of [name(s) of proposed Commissioner(s)] as (a) Green New Deal Commissioner(s)”. 30
- (5) Commissioners may be appointed for a term of up to three years.
- (6) Commissioners may be appointed for a further term in accordance with this section. 35
- (7) The Secretary of State may by regulations make further provision for the governance of the Commission.

5 Reporting

- (1) The Commission must prepare reports to Parliament—
- (a) monitoring progress made towards meeting the duties in section 1; 40
 - (b) setting out the extent to which the Government has adhered to the Green New Deal strategy;

- (c) providing commentary on the extent to which the Government has used each policy set out in Part 3; and
 - (d) including other material as the Commission sees fit.
- (2) The first report under this section must be laid before Parliament within one year of this Act coming into force. 5
- (3) Each subsequent report under this section must be laid before Parliament no later than six months after the day on which the previous report under this section was laid before Parliament.

PART 3

GREEN NEW DEAL POLICY REQUIREMENTS 10

6 Supplementary funding of the Green New Deal

- (1) The Green New Deal strategy must promote –
- (a) sources of funding for policies in the strategy consistent with the findings of the report under section 2;
 - (b) the creation of a National Investment Bank to support and promote investment in decarbonisation; 15
 - (c) savings mechanisms that might assist in the funding of the National Investment Bank, including –
 - (i) savings accounts,
 - (ii) pensions, and 20
 - (iii) bonds;
 - (d) taxation reforms consistent with achieving the duties in section 1, including where appropriate –
 - (i) changes to tax rates, reliefs and allowances,
 - (ii) measures to improve tax collection rates, 25
 - (iii) the introduction of wealth taxes,
 - (iv) changes to land taxes, and
 - (v) changes to taxes on consumption.
- (2) The strategy may include other funding policies consistent with the duties in section 1. 30

7 Decarbonisation policies

- (1) The Green New Deal strategy must promote –
- (a) improving the energy efficiency of every building so far as is possible, including through the incorporation of power generation;
 - (b) building new affordable zero carbon housing to meet social needs; 35
 - (c) the use of walking, cycling, co-operative and public transport for all journeys;
 - (d) investment in new and existing net zero carbon methods of energy generation, transmission and distribution;
 - (e) agroecological farming; 40
 - (f) the restoration of soil and degraded peatlands, and
 - (g) alternative and reduced forms of consumption, including measures to –

-
- (i) reduce air travel,
 - (ii) promote the use of low and no carbon means of transport,
 - (iii) restrict the use of carbon fuel-based transport,
 - (iv) restrict the use of single-use plastics and other packaging,
 - (v) reduce the consumption of meat and dairy foods, and
 - (vi) reduce the carbon impact of consumer products.
- (2) The strategy may include other policies to promote decarbonisation the Commission deems necessary. 5
- 8 Habitat and biodiversity policies** 10
- (1) The Green New Deal strategy must promote –
- (a) building enhanced flood defences, with a focus on natural flood management;
 - (b) reducing the use of water;
 - (c) improving the quality of that water
 - (d) reforestation, agroforestry and the planting of trees in urban areas;
 - (e) rewilding the environment, creating and restoring habitats;
 - (f) improving air quality;
 - (g) improving and expanding green spaces in villages, towns and cities;
 - (h) annual audits of biodiversity;
 - (i) reducing pesticide use; and
 - (j) supporting the transition to farming systems that do not rely on agrochemicals.
- (2) The strategy may include other policies to restore, protect and prevent further loss of natural habitats and biodiversity the Commission deems necessary. 15 20
- 9 Economic policies** 25
- (1) The Green New Deal strategy must promote the economic objectives and policies in subsection (2) in a manner which –
- (a) is consistent with the decarbonisation objective in section 1 being achieved;
 - (b) promotes employment;
 - (c) reduces income and wealth inequality, and
 - (d) supports the people most affected by the transition to a zero-carbon economy.
- (2) Those objectives and policies are –
- (a) creating new jobs paying at least a living wage in every constituency of the United Kingdom;
 - (b) establishing apprenticeships and other training and lifelong skills opportunities;
 - (c) promoting business ownership models such as –
 - (i) public enterprises,
 - (ii) municipal enterprises,
 - (iii) worker-owned enterprises,
 - (iv) co-operatives,
 - (v) community-owned enterprises, and
- 35 40

-
- (vi) local private ownership in economic sectors including energy, transport, housing and agriculture;
 - (d) enhancing local intra-community economic activity;
 - (e) promoting procurement policies that reduce carbon use; 5
 - (f) encouraging ways of working which –
 - (i) reduce travel requirements,
 - (ii) reduce carbon use,
 - (iii) promote equality within and beyond the workplace, and
 - (iv) promote a shorter working week; and 10
 - (g) reviewing the adequacy of existing regulations, incentives and mechanisms for addressing market failures.
- (3) The strategy may include other economic policies consistent with the duties in section 1.
- 10 Economic equality policies 15**
- (1) The Green New Deal strategy must promote the income and wealth equality objectives and policies in subsection (2) in a manner which is consistent with the decarbonisation objective in section 1 being achieved.
- (2) Those objectives and policies are –
- (a) measures to ensure that people in employment related to the Green New Deal are – 20
 - (i) paid at least a living wage, and
 - (ii) permitted workplace representation by a trade union;
 - (b) reviewing the level of the living wage;
 - (c) ensuring equality of access to available non-sustainable resources irrespective of the financial means of each person and with regard to global equity; 25
 - (d) providing access to training, grants, and other support facilities in communities affected by the transition to a zero-carbon economy;
 - (e) involves communities in that transition; and 30
 - (f) reducing tax evasion and tax avoidance.
- (3) The strategy may include other policies consistent with the economic equality objectives in section 1.
- 11 International policies**
- (1) The Green New Deal strategy must promote international policies which are consistent with – 35
- (a) the objectives in section 1;
 - (b) ensuring that the objectives in section 1 are not met by transferring carbon emissions or economic inequality to other jurisdictions; and
 - (c) promoting increased decarbonisation and the eradication of inequality internationally. 40
- (2) The strategy must promote –
- (a) finance for carbon-neutral development;
 - (b) clean energy development strategies;

- (c) the transfer of export finance from fossil fuel projects to clean energy projects; and
 - (d) the international sharing of new clean energy technologies.
- (3) The strategy must include the promotion of decarbonisation and the eradication of inequality in international and regional forums including – 5
- (a) G8 and G20 summits;
 - (b) the World Trade Organisation;
 - (c) the International Monetary Fund;
 - (d) the World Bank;
 - (e) multilateral development banks, including the Asian Infrastructure Investment Bank; 10
 - (f) the United Nations Conference on Trade and Development;
 - (g) the United Nations; and
 - (h) the South Centre.

PART 4 15

REMAINING PROVISIONS

12 Consultation with devolved administrations

The Commission must take all reasonable steps to consult –

- (a) the Scottish Ministers,
- (b) the Welsh Ministers, and 20
- (c) the Department of the Environment in Northern Ireland on the contents and delivery of the Green New Deal strategy.

13 Financial provisions

There shall be paid out of money provided by Parliament –

- (a) *any expenditure incurred under or by virtue of this Act by a Minister of the Crown or a government department, and* 25
- (b) *any increase attributable to this Act in the sums payable under any other Act out of money so provided.*

14 Regulations

- (1) A power to make regulations under this Act – 30
- (a) is exercisable by statutory instrument;
 - (b) includes power to make different provision for different purposes;
 - (c) includes power to make supplementary, incidental, consequential, transitional, transitory and saving provision.
- (2) A statutory instrument containing regulations under this Act may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament. 35

15 Short title, commencement and extent

- (1) This Act may be cited as the Decarbonisation and Economic Strategy Act 2019.
- (2) This Act comes into force on the day on which this Act is passed. 40

- (3) This Act extends to England and Wales, Scotland and Northern Ireland.

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To place duties on the Secretary of State to decarbonise the United Kingdom economy and to eradicate inequality; to establish a ten-year economic and public investment strategy that prioritises decarbonisation, community- and employee-led transition from high-carbon to low- and zero-carbon industry, and the eradication of inequality; to require the Government to report on its adherence to the strategy; to establish higher environmental standards for air, water and green spaces; to make provision to protect and restore natural habitats; and for connected purposes.

*Presented by Caroline Lucas
supported by
Clive Lewis.*

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