

# Decarbonisation and Economic Strategy Bill

---

---

[AS INTRODUCED]

## CONTENTS

### PART 1

#### DUTIES TO DECARBONISE ECONOMY AND REVERSE INEQUALITY

- 1 Duties of the Secretary of State
- 2 Report on economic governance

### PART 2

#### THE GREEN NEW DEAL COMMISSION

- 3 Establishment and objectives of the Green New Deal Commission
- 4 Governance of the Commission
- 5 Reporting

### PART 3

#### GREEN NEW DEAL POLICY REQUIREMENTS

- 6 Supplementary funding of the Green New Deal
- 7 Decarbonisation policies
- 8 Habitat and biodiversity policies
- 9 Economic policies
- 10 Equal participation in the economy policies
- 11 International policies

### PART 4

#### REMAINING PROVISIONS

- 12 Consultation with devolved administrations
- 13 Financial provisions
- 14 Regulations
- 15 Short title, commencement and extent



[AS INTRODUCED]

A

# B I L L

TO

Place duties on the Secretary of State to decarbonise the United Kingdom economy and to reverse inequality; to establish a ten-year economic and public investment strategy in accordance with those duties which promotes a community- and employee-led transition from high-carbon to low- and zero-carbon industry; 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.

**B**E 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 REVERSE 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 in a manner consistent with meeting the economic equality objective; 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 United Kingdom net carbon emissions to be zero; and
  - (b) to restore, protect and prevent further loss of natural habitats and biodiversity.
- (3) In this section, net carbon emissions are zero if the level of negative carbon emissions at the target date is at least equal to the level of carbon emissions at the same date, where negative emissions do not include—15

- 
- (a) international carbon credits; and
  - (b) bioenergy with carbon capture and storage using biomass produced outside of the United Kingdom.
- (4) The economic equality objective is to—
- (a) increase overall social and economic well-being; and 5
  - (b) ensure year-on-year reductions in—
    - (i) income inequality,
    - (ii) wealth inequality,
    - (iii) health inequality, and
    - (iv) inequality of opportunity. 10
- (5) 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.
- 2 Report on economic governance** 15
- (1) The report under section 1(5)(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;
  - (b) credit creation initiatives; 20
  - (c) changes to mechanisms for the co-ordination of—
    - (i) the Treasury,
    - (ii) the Bank of England,
    - (iii) the Debt Management Office and,
    - (iv) where appropriate, commercial banks; and 25
  - (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,
    - (iii) Government and Bank of England objectives for macroeconomic management of the economy; and 30
  - (e) changes to the use of gross domestic product as a measure of well-being;
  - (f) changes to—
    - (i) the powers of devolved administrations, elected mayors and local government, 35
    - (ii) the distribution of resources to devolved administrations, elected mayors and local government,

- (iii) the regulatory framework for local and community banking facilities,
  - (iv) the duties of company directors under section 172 of the Companies Act 2006,
  - (v) the regulation of pension funds, 5
  - (vi) accounting standards, and
  - (vii) corporate reporting and transparency requirements; and
  - (g) changes to the ownership models of –
    - (i) transport companies,
    - (ii) utility companies, 10
    - (iii) industry, and
    - (iv) land.
- (3) The report may include other economic governance policies consistent with the sustainable achievement duties in section 1.

## PART 2

15

### THE GREEN NEW DEAL COMMISSION

## 3 Establishment and objectives of the Green New Deal Commission

- (1) The objectives of the Commission are –
- (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; 20
  - (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 – 25
    - (i) the timeframe for policy changes,
    - (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. 30

## 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. 35

- 
- (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—
    - (i) gender,
    - (ii) age,
    - (iii) class,
    - (iv) ethnicity,
    - (v) geographical area of residence, and
    - (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)”.
- (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.
- (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 according to a series of interim targets to be devised and monitored by the Commission;
  - (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.
- (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

## 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; 5
  - (b) the creation of a National Investment Bank and Regional Investment Banks to support and promote investment in decarbonisation;
  - (c) savings mechanisms that might assist in the funding of the National Investment Bank and Regional Investment Banks, including— 10
    - (i) savings accounts,
    - (ii) pensions, and
    - (iii) bonds;
  - (d) taxation reforms consistent with achieving the duties in section 1, including where appropriate— 15
    - (i) changes to tax rates, reliefs and allowances,
    - (ii) measures to improve tax collection rates,
    - (iii) measures to reduce tax evasion and avoidance,
    - (iv) the introduction of wealth taxes,
    - (v) changes to land taxes, and 20
    - (vi) changes to taxes on consumption.
- (2) The strategy may include other funding policies consistent with the duties in section 1.

## 7 Decarbonisation policies

- (1) The Green New Deal strategy must promote— 25
- (a) improving the energy efficiency of every building so far as is possible, including through the incorporation of power generation, prioritising the homes of people living in fuel poverty;
  - (b) building new affordable zero carbon social housing;
  - (c) the use of walking, cycling, co-operative and public transport for all journeys including measures to ensure that public transport is accessible and affordable; 30
  - (d) investment in new and existing net zero carbon methods of energy generation, transmission and distribution;
  - (e) agroecological farming; 35
  - (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) reduce food waste at farms, restaurants, factories, supermarkets and in households, 5
  - (v) restrict and minimise the use of single-use plastics and other packaging,
  - (vi) reduce the consumption of meat and dairy foods,
  - (vii) reduce the carbon impact of consumer products,
  - (viii) end the planned obsolescence of goods, 10
  - (ix) extend mandatory warranties on electronic goods, and
  - (x) grant consumers rights to have goods repaired.
- (2) The Green New Deal strategy must promote the procurement of materials needed for the transformation of the energy, housing, transport and other sectors in way that— 15
- (a) ensures that materials are sourced in a way that does not undermine the lives, livelihoods or ecosystems of communities anywhere in the world;
  - (b) minimises waste by design;
  - (c) favours keeping products and materials in use; 20
  - (d) regenerates natural systems; and
  - (e) prioritises local procurement.
- (3) The Green New Deal strategy must also promote—
- (a) an immediate end to any expansion of fossil fuel exploration, extraction and production, including ending— 25
    - (i) unconventional fossil fuel extraction, and
    - (ii) oil and gas licensing rounds;
  - (b) measures to phase out existing fossil fuel extraction, including ending—
    - (i) tax breaks and public subsidies to fossil fuel industries and energy-intensive, fossil fuel-dependent sectors of the economy, 30
    - (ii) statutory duties to maximise economic recovery from oil and gas reserves,
    - (iii) the financing of fossil fuel exploration, extraction and production through Official Development Assistance, UK Export Finance, and other official funding flows; 35
  - (c) measures to phase out of the use of fossil fuels, including in—
    - (i) heating,
    - (ii) the production of electricity,
    - (iii) agriculture,
    - (iv) transport, and 40
    - (v) industry.

- (4) The strategy may include other policies to promote decarbonisation the Commission deems necessary.

## 8 Habitat and biodiversity policies

- (1) The Green New Deal strategy must promote—
- (a) building enhanced flood defences, with a focus on natural flood management; 5
  - (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; 10
  - (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. 15
- (2) The strategy may include other policies to restore, protect and prevent further loss of natural habitats and biodiversity the Commission deems necessary.

## 9 Economic policies

- (1) The Green New Deal strategy must promote the economic objectives and policies in subsection (2) in a manner which— 20
- (a) is consistent with the decarbonisation objective in section 1 being achieved;
  - (b) promotes employment;
  - (c) promotes access to employment for all groups, including by lifting restrictions currently applied to asylum seekers and refugees; 25
  - (d) reduces income and wealth inequality;
  - (e) recognises and values contributions people make to the economy outside employment; and
  - (f) supports people affected by the transition to a zero-carbon economy. 30
- (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; 35
  - (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
  - (vi) local private ownership
- in economic sectors including energy, transport, housing and agriculture; 5
- (d) enhancing local intra-community economic activity;
  - (e) promoting procurement policies in the public and private sectors that reduce carbon use;
  - (f) encouraging ways of working which – 10
    - (i) reduce travel requirements,
    - (ii) reduce carbon use,
    - (iii) promote equality within and beyond the workplace, and
    - (iv) promote a shorter working week; and
  - (g) reviewing the adequacy of existing regulations, incentives and mechanisms for addressing market failures. 15
- (3) The strategy may include other economic policies consistent with the duties in section 1.

## 10 Equal participation in the economy policies

- (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. 20
- (2) Those objectives and policies are –
  - (a) measures to ensure that people in employment are –
    - (i) paid at least a living wage, and 25
    - (ii) permitted workplace representation by a trade union;
  - (b) reviewing and protecting workers’ rights;
  - (c) reviewing the level of the living wage;
  - (d) ensuring equality of access to available non-sustainable resources irrespective of the financial means of each person and with regard to global equity; 30
  - (e) providing access to training, grants, and other support facilities in communities affected by the transition to a zero-carbon economy;
  - (f) involves communities in that transition; and
  - (g) reducing tax evasion and tax avoidance. 35
- (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—
- (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; 5
  - (c) promoting increased decarbonisation and the eradication of inequality internationally; and
  - (d) the provision of sanctuary for climate refugees, in the UK and around the world. 10
- (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; 15
  - (d) the transfer of private finance from fossil fuel projects to clean energy projects;
  - (e) significantly increased climate finance commitments for climate change mitigation and adaptation as well as loss and damage; and
  - (f) the international sharing of new clean energy technologies. 20
- (3) The strategy must include the promotion of decarbonisation and the eradication of inequality in international and regional forums including—
- (a) G7 and G20 summits;
  - (b) the World Trade Organisation;
  - (c) the International Monetary Fund; 25
  - (d) the World Bank;
  - (e) multilateral development banks, including the Asian Infrastructure Investment Bank;
  - (f) the United Nations Conference on Trade and Development;
  - (g) the United Nations; and 30
  - (h) the South Centre.

## PART 4

### REMAINING PROVISIONS

## 12 Consultation with devolved administrations

- The Commission must take all reasonable steps to consult— 35
- (a) the Scottish Ministers

- (b) the Welsh Ministers, and
  - (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 –* 5
- (a) *any expenditure incurred under or by virtue of this Act by a Minister of the Crown or a government department, and*
  - (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 –
  - (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. 15
- (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.

### 15 Short title, commencement and extent

- (1) This Act may be cited as the Decarbonisation and Economic Strategy Act 2020. 20
- (2) This Act comes into force on the day on which this Act is passed.
- (3) This Act extends to England and Wales, Scotland and Northern Ireland.



# Decarbonisation and Economic Strategy Bill

---

---

[AS INTRODUCED]

A

## B I L L

TO

Place duties on the Secretary of State to decarbonise the United Kingdom economy and to reverse inequality; to establish a ten-year economic and public investment strategy in accordance with those duties which promotes a community- and employee-led transition from high-carbon to low- and zero-carbon industry; 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, Wera Hobhouse,  
Claire Hanna and Stephen Farry.*

---

Ordered, by The House of Commons, to be  
Printed, 7th July 2020.

---

© Parliamentary copyright House of Commons 2020

*This publication may be reproduced under the terms of the Open Parliament Licence, which is published at  
[www.parliament.uk/site-information/copyright](http://www.parliament.uk/site-information/copyright)*

PUBLISHED BY THE AUTHORITY OF THE HOUSE OF COMMONS