Decarbonisation and Economic Strategy Bill

[AS INTRODUCED]

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A BILL

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.

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 THE ECONOMY AND REVERSE INEQUALITY

1 Duties of the Secretary of State

(1) It is the duty of the Secretary of State to ensure that by 2030—
   (a) the decarbonisation objective is met in a manner consistent with meeting the socio-economic equality objective, and
   (b) the socio-economic equality objective is met in a manner consistent with meeting the decarbonisation objective.

(2) The decarbonisation objective is—
   (a) for United Kingdom net carbon emissions to be zero,
   (b) for United Kingdom emissions to be no more than a total of 3 billion tonnes of fossil-fuel based CO2 from the start of 2022, and
   (c) to restore, protect and prevent further loss of natural habitats and biodiversity.

(3) In this section, carbon emissions include:
   (a) United Kingdom territorial emissions (including international aviation and shipping), and
(b) a complementary inventory of imported emissions to be agreed by the Commission (see Part 2), to at least match the rate of reduction in emissions under section 1 (3)(a).

(4) The objective under subsection (2)(a) is only met if—
   (a) net carbon emissions are zero, and
   (b) gross carbon emissions are at least 75% lower than 2019 levels, and
   (c) any reliance on negative emissions to attain net zero emissions do not include—
       (i) international carbon credits; or
       (ii) bioenergy with carbon capture and storage using biomass produced outside of the United Kingdom.

(5) The socio-economic equality objective is to—
   (a) ensure universal access to life’s essentials so that every individual is able to participate in society and live a life that they value;
   (b) increase overall social and economic well-being; and
   (c) ensure year-on-year reductions in—
       (i) income inequality,
       (ii) wealth inequality,
       (iii) health inequality,
       (iv) racial inequality, and
       (v) inequality of opportunity.

(6) Performance against the criteria in subsection (5) is to be assessed annually against a suite of measurable indices advised by the Commission (see Part 2).

(7) 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

(1) The report under section 1(7) (b) must:
   (a) consider the role of the measures in subsection (2) in ensuring that the objectives in section 1 are met; and
   (b) propose safeguards to ensure that the measures in subsection (2) support efforts to meet the objectives in section 1.

(2) Those measures are—
   (a) fiscal and monetary policy changes;
   (b) changes to the Bank of England’s market operations;
   (c) changes to prudential regulation;
   (d) 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

(e) 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;

(f) changes to the use of gross domestic product as a measure of well-being;

(g) enhancements to—
(i) the resources allocated to the devolved administrations needed to deliver policies in accordance with the Green New Deal (see Part 2) where the strategy relates to a devolved matter under the Scotland Act 1998, the Scotland Act 2016, the Northern Ireland Act 1998, the Government of Wales Act 2006 or the Wales Act 2017,
(ii) the powers and responsibilities of elected mayors and local government so that they are required to develop plans to meet the objectives set out in section 1, appropriate to their localities,
(iii) the resources allocated to elected mayors and local government so that they are able to deliver those plans,
(iv) the regulatory framework for local and community banking facilities,
(v) the duties of company directors under section 172 of the Companies Act 2006,
(vi) the regulation of pension funds,
(vii) accounting standards, and
(viii) corporate reporting and transparency requirements; and

(h) changes to the ownership models of—
(i) transport companies,
(ii) utility companies,
(iii) public service providers,
(iv) industry, and
(v) land.

(3) The report may include other economic governance policies consistent with the sustainable achievement of the duties in section 1.

PART 2
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 for the UK government and devolved administrations, 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 engage the public in the development of the Green New Deal through a series of Citizen’s Assemblies;
(c) to promote the Green New Deal within every branch of Government, including local government, and across society;
(d) to promote the Green New Deal, and understanding of the origins and history of, and approaches to address, the climate, nature and inequality crises, at all levels of the education system;
(e) 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,
   (ii) the financial implications,
   (iii) how any costs should be met, and
(f) to support and advise the devolved administrations in pursuing policies in accordance with the Green New Deal where the strategy relates to a devolved matter under the Scotland Act 1998, the Scotland Act 2016, the Northern Ireland Act 1998, the Government of Wales Act 2006 or the Wales Act 2017, including on—
   (i) the timeframe for policy changes,
   (ii) the financial implications,
   (iii) how any costs should be met, and
(g) to report to Parliament and to the devolved legislatures in accordance with section 5.

(2) The strategy prepared under subsection (1)(a) must be laid before Parliament and the devolved administrations no later than one year after this Act comes into force.

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.

(3) The members of the Commission must include—
   (a) a member appointed by the Scottish Ministers,
   (b) a member appointed by the Welsh Ministers, and
   (c) a member appointed by the Ministers of the Northern Ireland Executive.

(4) In making Commissioner appointments, the Secretary of State must have regard to—
(a) the balance of expertise and skills on the Commission, to include broad representation from civil society and trade unions;

(b) diversity on the Commission, including in—
   (i) gender,
   (ii) age,
   (iii) class,
   (iv) ethnicity,
   (v) disability, and
   (vi) political affiliation (including no affiliation).

(5) 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)”.  

(6) Commissioners may be appointed for a term of up to three years.

(7) Commissioners must commit to developing the strategy according to the best available evidence and free from prejudice or influence.

(8) Commissioners may be appointed for a further term in accordance with this section.

(9) 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 and to the devolved administrations where it relates to a devolved matter—
   (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, based on the understanding that—
      (i) near-term targets for emissions reduction are the most critical;
      (ii) total territorial emissions of CO2 must remain within the total UK carbon budget of 3 billion tonnes;
      (iii) targets for the restoration of natural habitats must take a whole ecosystem approach; and
      (iv) targets for the reversal of inequality must be quantifiable.
   (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 and the devolved administrations within one year of this Act coming into force.
(3) Each subsequent report under this section must be laid before Parliament and the devolved administrations 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;

(b) the strengthening of the National Investment Bank and the creation of Regional Investment Banks to support and promote investment in decarbonisation;

(c) the creation of a National Food Innovation fund;

(d) savings mechanisms that might assist in the funding of the National Investment Bank and Regional Investment Banks, including—

   (i) savings accounts,
   (ii) pensions, and
   (iii) bonds;

(e) taxation reforms consistent with achieving the duties in section 1, including where appropriate—

   (i) changes to tax rates, reliefs and allowances, so that persons with the highest incomes pay more,
   (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
   (vi) changes to taxes on consumption.

(f) reductions in defence spending consistent with achieving the duties in section 1.

(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—

(a) national strategies for the retrofitting of every residence to the highest energy efficiency level feasible, incorporating small scale renewable generation, prioritising the homes of people living in fuel poverty;

(b) building new affordable zero carbon council housing;

(c) the construction of all new buildings to meet a minimum Passive House standard in energy efficient construction;
(d) the use of walking, cycling, co-operative and public transport for all journeys including measures to ensure that public transport is available, accessible and affordable;

(e) the minimisation of the use of private powered vehicles in urban areas, with the exception of e-bikes and designated needs relating to accessibility;

(f) investment in new and existing net zero carbon methods of energy generation, transmission and distribution;

(g) agroecological farming;

(h) the restoration of soil and degraded peatlands; and

(i) alternative and reduced forms of consumption, including measures to—

   (i) reduce total air travel, including through the introduction of a frequent flyer levy,

   (ii) promote the use of low and no carbon means of transport,

   (iii) restrict the use of carbon fuel-based transport including through the introduction of car-free city centres,

   (iv) reduce food waste at farms, restaurants, factories, supermarkets and in households and workplaces,

   (v) restrict and minimise the use of single-use plastics and other packaging,

   (vi) reduce the consumption of meat and dairy foods,

   (vii) diversify food supply to reduce the energy intensity of supply chains, supporting shorter supply chains and sustainable produce,

   (viii) reduce the carbon and energy impact of consumer products,

   (ix) reduce total through-put of new fossil-fuel based plastics at an annual rate similar to that of fossil fuel-based CO2 emissions,

   (x) recycle to the greatest extent possible, all minerals, batteries, and other components of technology,

   (xi) end the planned obsolescence of goods,

   (xii) extend mandatory warranties of goods,

   (xiii) grant consumers rights to have goods repaired, and

   (xiv) increase public understanding of the carbon, energy and social impact of consumer goods, and the social and environmental impact of supply chains.

(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—

   (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) guarantees the right to Indigenous, local and otherwise affected communities’ Free, Prior, and Informed Consent (FPIC) whether in the United Kingdom or in any other place;
(c) minimises waste by design;
(d) favours keeping products and materials in use;
(e) regenerates natural systems; and
(f) prioritises local procurement and the creation of social value in the procurement process, supporting the models of ownership, laid out under section 9, where local market gaps exist.

(3) The Green New Deal strategy must also promote a rapid but managed winding down of the fossil fuel industry consistent with the requirements in section 9(2), through ensuring—

(a) an immediate end to any expansion of fossil fuel exploration, extraction and production, including ending—
   (i) unconventional fossil fuel extraction, and
   (ii) oil and gas licensing rounds subject to a jobs guarantee, retraining for impacted workers and support for affected communities;

(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,
   (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;
   (iv) the reduction in scope 3 emissions related to the production of UK-based fossil fuels to at least match the UK’s territorial mitigation rates;

(c) measures to support the transition from fossil fuels, including—
   (i) taking a strategic approach across government to the use of tax reliefs, incentives, and rebates to incentivise the actions needed to deliver the Green New Deal strategy;
   (ii) taking a majority public stake in fossil fuel companies in order to manage their decommissioning and repurposing in accordance with the socio-economic objectives;
   (iii) redirecting tax breaks and public subsidies previously provided to fossil fuel industries and energy-intensive, fossil fuel-dependent sectors of the economy to guarantee good quality, secure, jobs for the workers affected by the transition;
   (iv) supporting training and development for workers affected by the transition where those workers play a role in defining and developing that training; and
   (v) providing fully funded training packages for upstream, midstream and downstream oil and gas workers that recognise training already undertaken which could be transferred;

(d) measures to phase out of the use of fossil fuels, including in—
   (i) heating,
   (ii) the production of energy,
(iii) agriculture,
(iv) transport, and
(v) industry.

(e) measures to disincentivise carbon emissions, and other environmentally destructive behaviour, including pricing mechanisms, emission standards, and wider regulations, in line with the principles set out in sections 9 and 10.

(4) The strategy must also promote—
(a) investment in sectors of the economy where activity has the potential to support the objectives in section 1, including in health, education, care and the arts;
(b) investment in community-defined projects and strategies to build resilience against climate-related disasters and extreme weather events, and;
(c) investment in the fire and rescue service and the introduction of a statutory duty for them to respond to flooding and other extreme weather events.

(5) 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;
(b) an end to building on flood plains;
(c) reducing the use of water;
(d) improving the quality of that water;
(e) reforestation, agroforestry and the planting of trees in urban areas;
(f) rewilding the environment, creating and restoring habitats;
(g) reclamation and restoration of areas damaged by natural resource extraction;
(h) improving air quality;
(i) improving and expanding green spaces in villages, towns and cities;
(j) annual audits of biodiversity;
(k) reducing pesticide and antibiotic use;
(l) supporting the transition to farming systems that do not rely on agrochemicals; and
(m) restoring depleted fish stocks and managing marine ecosystems sustainably.

(2) The strategy may include other policies to restore, protect and prevent further loss of natural habitats and biodiversity the Commission deems necessary.
9 Socio-economic policies

(1) The Green New Deal strategy must promote the socio-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) guarantees secure, well-paid jobs for people affected by the transition to a zero-carbon economy;
(d) promotes access to employment for all groups, including by lifting restrictions currently applied to asylum seekers and refugees;
(e) reduces income and wealth inequality;
(f) reduces regional inequality;
(g) ensures high quality healthcare and care for all;
(h) promotes universal access to life's essentials through provision of public services and a minimum income guarantee; and
(i) recognises and values contributions people make to the economy outside employment.

(2) Those objectives and policies are—

(a) creating new unionised jobs paying at least a living wage in every constituency of the United Kingdom through a government-backed jobs guarantee whereby government creates the opportunity for everyone to access a fairly-paid job;
(b) promoting sectoral collective bargaining between trade unions and employers;
(c) establishing apprenticeships and other training and lifelong skills opportunities across the economy and society and promoting equality of access to them;
(d) introducing democratic public ownership models across the economy, beginning with and led by the national public ownership of key utilities and services such as mail, rail, energy and water, but also encompassing—
   (i) public municipal enterprises,
   (ii) worker-ownership and democratic control of firms,
   (iii) co-operatives, and
   (iv) community-owned enterprises,
(e) enhancing local intra-community economic activity;
(f) promoting procurement policies in the public and private sectors that meet the objectives set out in Section 1, encourage local economic activity and support local jobs;
(g) encouraging ways of working which—
   (i) reduce travel requirements,
   (ii) reduce carbon use,
   (iii) reduce energy use,
   (iv) promote equality within and beyond the workplace, and
(v) promote a shorter working week; and
(h) adapting built infrastructure and society to the impacts of extreme weather, including—
   (i) guaranteeing insurance for loss and damage to property;
   (ii) maintaining well-funded emergency and rescue services, and
   (iii) preparing and maintaining evacuation plans in collaboration with affected communities; and
   (i) reviewing the adequacy of existing regulations, incentives and mechanisms for addressing market failures.

(3) The strategy must promote education that supports the objectives set out in section 1, including in—
   (a) early-years, primary, tertiary, and secondary education;
   (b) training and apprenticeships; and
   (c) research funding

(4) The strategy may include other economic and social policies consistent with the duties in section 1.

10 Equal participation in the economy policies

(1) The Green New Deal strategy must promote the 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 relate to income, wealth, health and opportunity and the policies are—
   (a) measures to ensure that everyone in work is—
      (i) paid at least a national living wage,
      (ii) permitted workplace representation by a trade union, and
      (iii) given secure contracts;
   (b) reviewing, protecting and enhancing workers’ rights;
   (c) repealing the Trade Union Act 2016 and the Trade Union and Labour Relations (Consolidation) Act 1992;
   (d) reviewing and raising the level of the national living wage;
   (e) ensuring equality of access to available non-sustainable resources irrespective of the financial means of each person and with regard to global equity;
   (f) ensuring equality of access to in-kind benefits derived from public services to meet people’s needs;
   (g) providing access to training, grants, and other support facilities in communities and workforces affected by the transition to a zero-carbon economy; and
   (h) involves communities and workforces in that transition.

(3) The strategy may include other policies consistent with the economic equality objectives in section 1.
11 Trade Policies

(1) The Green New Deal strategy must promote the trade policies in subsection (2) in a manner that is consistent with—
   (a) the objectives in section 1, and
   (b) ensuring that the objectives in section 1 are not met by transferring carbon emissions or economic inequality to other jurisdictions;

(2) The policies are—
   (a) only making trade deals that—
       (i) adhere to the United Kingdom’s Paris Agreement commitments,
       (ii) conform to clear environmental standards,
       (iii) exclude Intellectual Property provisions or rules on subsidies that would constrain the transfer of green technologies, and
       (iv) exclude Investor-State Dispute Settlement (ISDS) provisions;
   (b) the United Kingdom leaving the Energy Charter Treaty; and
   (c) the United Kingdom not making any future trade deals with any nation which has not signed up to, or is not enforcing, the Paris Agreement on Climate Change.

12 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;
   (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.

(2) The strategy must promote—
   (a) reforms of international economic governance which facilitate the necessary policy and fiscal space for every nation and region to establish their own plans to meet the objectives in section 1, including reforms of—
       (i) the World Bank,
       (ii) the International Monetary Fund, and
       (iii) the World Trade Organisation;
   (b) the principle of common but differentiated responsibilities;
   (c) a renewed multilateralism founded on an understanding of mutual interdependence that recognises and tackles the persistence of global asymmetries;
   (d) strategies for reparations that simultaneously secure development and climate goals, including;
       (i) debt cancellation,
(ii) finance for development,
(iii) clean energy for development strategies,
(iv) the transfer of export finance from fossil fuel projects to clean energy projects,
(v) the transfer of private finance from fossil fuel projects to clean energy projects,
(vi) a carbon tax and dividend that penalises the worst emitters, including high carbon exports, while providing exemptions for nations with historically low levels of emissions,
(vii) significantly increased climate finance commitments for climate change mitigation and adaptation as well as loss and damage,
(viii) the international sharing of new clean energy technologies,
(ix) sustainable land use policies, and
(x) strengthened workers rights.

(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;
(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
(h) the South Centre.

PART 4
REMAINING PROVISIONS

13 Devolved administrations and legislatures

(1) The Commission must take all reasonable steps to consult—

(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.

(2) Nothing in this Act gives the Commission the power to bind—

(a) the Scottish Parliament,
(b) Senedd Cymru, or
(c) the Northern Ireland Assembly.

14 Financial provisions

There shall be paid out of money provided by Parliament—
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.

15 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.

(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.

16 Short title, commencement and extent

(1) This Act may be cited as the Decarbonisation and Economic Strategy Act 2021.

(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]

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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, Zarah Sultana,
Wera Hobhouse, Nadia Whittome,
Debbie Abrahams, Claire Hanna, Stephen Farry
and Beth Winter.

Ordered, by The House of Commons, to be
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