

**SOUTH EAST ENGLAND REGIONAL ASSEMBLY
REGIONAL PLANNING COMMITTEE**

Date: 23 May 2007

Subject: **Draft Climate Change Bill**

Report of: Planning Manager
South East England Regional Assembly

Recommendations:

It is recommended that the Committee:

1. Supports the proposals in the draft Climate Change Bill to put into statute the challenging domestic targets for reducing carbon emissions over the long term, and the longer term framework for their achievement;
2. Supports the proposals for the institutional and legislative framework on the basis that it provides the right degree of certainty, transparency and flexibility to ensure that the UK makes an appropriate contribution to reducing its carbon emissions and sets a leading example internationally;
3. Notes that the Assembly has recently commented on the proposals for the supplement to Planning Policy Statement 1 (PPS1) and accompanying documents which provide the context for the role that the planning system is expected to play in helping to achieve these targets;
4. Highlights concern that adaptation to the inevitable effects of climate change is given only passing reference, and urges that more emphasis is given to ensuring that adaptation is planned for, supported and reported on at regular intervals.

Purpose of Report:

To provide an overview of the consultation on the draft Climate Change Bill and to seek the Committee's approval for an Assembly response.

Key Issues:

The draft Climate Change Bill proposes a long-term legal framework to underpin the UK's contribution to tackling climate change; as such it is a major step forward. The proposed budgeting arrangements are likely to provide a sufficient balance between reducing carbon emissions while retaining flexibility as to how these will be achieved. The recent supplement to PPS1 and associated documents provides the means by which the planning system is anticipated to contribute to achieving the targets and budgets within the Climate Change Bill. The Bill focuses on mitigation (reducing carbon emissions). Adaptation to inevitable change is given only passing reference and more emphasis should be placed on this in the Bill.

1. Background

- 1.1 The UK is currently responsible for 2% of global greenhouse gas emissions. The major developed countries of the world are together responsible for three quarters of the increase in atmospheric greenhouse gas concentration above pre-industrial levels.
- 1.2 The UK is on track to more than meet its commitments under the Kyoto Protocol to cut emissions of greenhouse gases that cause dangerous climate change. The UK target under Kyoto is to reduce greenhouse gas¹ emissions by 12.5% below 1990 levels by 2008-2012.
- 1.3 The UK has also a longer term non-statutory domestic commitment to reduce carbon dioxide (CO₂) emissions by 60% on 1990 levels by 2050, with real progress (reduction by 26-32% of 1990 levels) by 2020, as set out in the Energy White Paper of 2003.
- 1.4 The draft Climate Change Bill proposes that these domestic targets be enshrined in legislation. It proposes a framework of targets, budgeting and reporting to ensure progress is made on their delivery.

2. Key Elements of the Bill

- 2.1 The Bill is necessary to provide a clear, long-term domestic framework for tackling climate change and energy policy by setting targets and pursuing policies to reduce carbon dioxide emissions domestically and internationally. The Bill contains four main measures, which are the subject of comments in Section 3 of this paper:
 - To put into statute the UK's domestic targets to reduce carbon dioxide emissions through domestic and international action by 60% by 2050 and 26-32% by 2020, against a 1990 baseline;
 - Establishment of a new independent committee on Climate Change to advise Government on how to achieve emissions reductions, and to hold it to account;
 - Powers to provide additional means with which to achieve emissions reductions, including through emissions trading;
 - Independent monitoring and annual reporting on progress.

3. Comments

Statutory Targets

- 3.1 The unilateral setting of a long term (2020 and 2050) legal target for reducing CO₂ emissions will help to ensure that action to reduce emissions is pursued, and is supported (Consultation Question 1).

¹ The 'basket' of six main greenhouse gases, of which carbon dioxide is by far the largest component. In 2005 CO₂ made up approximately 85% of all UK greenhouse gas emissions.

Providing a legal basis for the setting of carbon budgets against which monitoring and reporting will be required provides a clear framework for the longer term. This also provides an important signal of intent, with the UK demonstrating a leading role internationally on tackling carbon emissions and supporting its case in driving for a binding multilateral agreement for the next phase of the Kyoto protocol in 2013.

- 3.2 The focus on carbon dioxide is sensible given it represents the vast majority of greenhouse gas emissions (over 80%) and less progress has been made in reducing CO₂ emissions than other greenhouse gases (Question 2).

Carbon Budgeting

- 3.3 The proposed carbon dioxide budgeting, with limits set on the total carbon emissions over periods of five years, and for budgets for three five-year periods to be set in advance (covering 15 years) provides an appropriate timeframe and amount of flexibility with the longer term trajectory of 15 year providing adequate certainty for longer term planning and action. Placing a legal requirement on Government to set out how it plans to meet the budgets for three periods ahead will also help ensure these are achieved (Questions 3 and 4).
- 3.4 Annual reporting should be undertaken against annual targets for CO₂ emissions to provide clear accountability (administrations may change over a five year budget period) and to measure progress and take any necessary action to rectify poor progress during a five-year budget period. Government should have a legal duty to stay within the limits of its carbon budgets (Question 10).

Reviewing Targets and Budgeting

- 3.5 Budgets could only be reviewed following open and transparent advice from the independent Committee on Climate Change and agreement of Parliament. Such review is necessary to take into account emerging knowledge and evidence, and changes in international law. It is unlikely, given current evidence, that the targets would be amended downwards (Questions 5 and 6).

Counting Overseas Credits

- 3.6 The Kyoto Protocol and EU Emissions Trading Scheme provide flexibility in meeting targets through international carbon trading - including purchasing by the UK of savings achieved overseas. This has economic and practical advantages, and reflects the global effect of emissions. Therefore effort purchased by the UK from other countries should be eligible in contributing towards UK emissions reductions (Question 7).

Banking and Borrowing

- 3.7 Banking or limited borrowing of savings from one budget period to another should be permissible, but the amount should be limited as inevitably we will need to achieve higher reductions targets in the future to address climate change and should build on good practice by extending the UK's contribution wherever possible (Questions 8 and 9).

Committee on Climate Change

- 3.8 Establishing a truly independent organisation, a new non-departmental public body, to advise on establishing and achieving budgets (the proposed Committee on Climate Change) is supported as necessary to independently assessing the UK's progress and reporting on this to Parliament (Question 11).
- 3.9 The Committee should have a strongly analytical role and an advisory function regarding the pathway of achieving reductions to 2050. This should include the carbon budgets, borrowing and banking, and keeping under review whether other greenhouse gases should be included in budgets, taking a wide range of factors into account (Questions 12 and 13).
- 3.10 Given its advisory and analytical role, the Committee should be comprised on technical experts rather than representatives of stakeholder groups, covering the range of disciplines proposed, but it is important that its focus is on setting and achieving challenging carbon reduction budgets rather than tempering ambition (Questions 15 and 16).
- 3.11 Within the region the Climate Change Partnership serves as a potential rich source of expertise on the impact of climate change. The Partnership should be encouraged to develop this role further.

Enabling Powers

- 3.12 Policies to achieve carbon reductions include tax, voluntary agreements, regulation, awareness raising and trading schemes. Given the global impact of emissions, international trading schemes are appropriate mechanisms to achieve reductions in the most cost effective way. The use of enabling powers to implement new trading schemes, or consolidate existing schemes is supported (Questions 17 and 18).

Reporting

- 3.13 The requirement of the committee for Climate Change to produce an annual report to be placed before Parliament is supported, as a means of independently checking progress on achieving the budgets (Question 19).

Adaptation

- 3.14 The proposal for a regular review of the risks of climate change to the UK, and statutory reporting, to inform adaptive responses is welcome, but given the uncertainty over the likely effects of climate change the review should be undertaken annually rather than quinquennially. Knowledge and practice develop quickly and it is important that a more regular review is undertaken and its results disseminated to ensure the correct up-to-date context is provided for others to adapt their policies and efforts (Question 20).

4. Conclusions

- 4.1 The provisions of the Climate Change Bill are broadly supported, putting into statute the challenging domestic targets for reducing carbon emissions over the long term, and providing the long term framework for their achievement.
- 4.2 The proposals for the institutional and legislative framework appear to provide the right degree of certainty, transparency and flexibility to ensure that the UK makes an appropriate contribution to reducing its carbon emissions and sets a leading example internationally.
- 4.3 The Assembly has recently commented on the proposals for the supplement to Planning Policy Statement 1 (PPS1) and accompanying documents (RPC 31 January 2007) which provide the context for the role that the planning system is expected to play in helping to achieve these targets.
- 4.4 The response to adapting to the inevitable impacts of climate change is of equal importance to mitigating its causes. Planning has a key role to play in ensuring adaptation occurs and is planned for in the short, medium and long terms. Adaptation is given only passing reference in the Bill and more emphasis and thought should be given to ensuring that adaptation is planned for, supported and reported on at regular intervals.

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