

**April 2019**



## **Budget exacerbates climate breakdown**

We set ten tests for the Budget - just how well did the new Chancellor do?

On 11 March, Chancellor Rishi Sunak presented the new government's first Budget. When he stood up in the House of Commons, he made it clear what's most important to this administration. Spoiler alert, it isn't the climate or nature emergency.

## Our tests for the budget

We set the Chancellor 10 tests. This is our verdict

### 1. Comprehensive Spending Review

The Budget will set out the parameters and timetable for “the greenest ever” Comprehensive Spending Review (CSR). Achieving net zero greenhouse gas emissions and meeting carbon budgets will be primary objectives. At least £25 billion will need to be spent on tackling climate change and nature restoration every year. Spending by UK Export Finance and Official Development Assistance to support oil and gas projects overseas will end. Alongside the CSR, a carbon assessment of all the government’s spending commitments will be published.

**Result: Failure**

### 2. Clean cars

The fuel duty escalator will be reinstated, and the funds used for public transport, cycling, and walking, particularly in areas with low levels of car ownership. Differentiated VED tax will be reintroduced to encourage purchase of cars that are better for the climate and air pollution and discourage purchase of SUVs. An annual £1.5 billion scrappage scheme to take the most polluting vehicles off the road will be introduced.

**Result: Partially met** - with some inducements for buying greener vehicles but could have sent much stronger signals.

### 3. No more roads

The massive roadbuilding programme will be scrapped, and the National Policy Statement on National Networks reviewed to bring it in line with the international Paris Agreement on climate change.

**Result: Massive failure** - boasted of £27 billion on tarmac. Bad news for our countryside, nature and climate change. New roads increase traffic.

### 4. Trial free public transport

Trials for free public transport will be funded in a number of towns and cities, following their successful implementation on the continent, most recently in Luxembourg. These trials will be a precursor to providing free bus-travel to under 30s across the country and extending the free public-transport model to more towns and cities. The CSR will invest an additional £11.55 billion in public transport, cycling and walking to address the climate emergency properly.

**Result: Failure** - a pittance on public transport spending, especially compared to the vast quantities being squandered on roads,

## 5. Electric vehicle charging

Immediate investment in EV charging points across the country is increased, especially in areas where the commercial development of chargers is less likely.

**Result: Largely met** - at last the government is getting to grips on this, but much more needs to be done.

## 6. Remove barriers to onshore wind

Following the welcome announcement that onshore wind and solar can bid for contracts with a guaranteed price for the electricity they produce (Contracts for Difference), the planning restrictions that still stop the development of onshore wind in England will be removed. The government will commit to increasing the frequency and scale of Contracts for Difference auctions.

**Result: Failure** - the very significant growth in onshore wind won't happen until this is addressed. We will now need to look to the proposed changes on planning policy that the Chancellor said will be published shortly.

## 7. Carbon taxes

The Carbon Price Floor of carbon pollution will be increased, with exemptions and support for energy-intensive industries to invest in energy-efficiency measures and develop new low-carbon processes. The government will commit to exploring a carbon tax on oil and gas extraction and sale, like the successful Swedish carbon tax, and pledge to stop fossil fuel extraction in the UK.

**Result: Failure** - this was frozen yet again. Unless pollution gets more expensive the scale of changes needed won't materialise.

## 8. Insulate homes

The government will recommit to improving energy efficiency in housing as an infrastructure priority, including using regulatory powers to speed up retrofitting the private rented and social housing sectors. This will involve low-cost loans and grants for energy-efficiency measures and installation of heat pumps in the privately-owned sector, requiring at least £3.6 billion extra investment each year.

**Result: Failure** - no mention at all for a measure that will save householders money and cut carbon emissions. Current subsidies for fitting heat pumps will be extended for a year, but much more is needed if we are to switch from fossil-fuel gas heating in homes to clean energy instead.

## 9. Support local government

The government will commit to working with local government to identify the resources and powers they need to deliver on the climate emergency, including exploring funding approaches that have transformed public transport spending, such as the local payroll levy that has funded bus and tram systems across much of France.

**Result: Failure** - more than 240 local authorities have declared a climate emergency and want to do much more to avert a climate breakdown, but without help they are hamstrung.

## 10. Fund tree planting

Immediate funds for tree planting and the restoration of peat bogs will be provided - with regulatory action to ban peat burning, particularly in river catchments at high risk of flooding. At least £0.8 billion additional expenditure will be allocated for habitat restoration and reforestation.

**Result: Partially met-** £640 million over a five year period falls well short of what's needed, but is at least a start.

## **Did the government meet these tests?**

The answer is a resounding no. The next battle-grounds will be the Comprehensive Spending Review this autumn, and climate-wrecking roads might well get challenged in the courts.