# Labour faces tough choices on climate policy as carbon budget looms



Labour is poised to face significant policy decisions next week that could reveal underlying tensions between the Treasury's economic objectives and the government's environmental ambitions, as the UK's forthcoming carbon budget is set to be unveiled. The publication, which will be made public on Wednesday, includes extensive recommendations concerning how the nation can achieve its legally binding commitment to reach net zero greenhouse gas emissions by 2050.

This latest piece of guidance, the seventh carbon budget, will advise ministers on necessary actions to reduce emissions to approximately one-quarter of their current levels by 2040. The scope of the recommendations extends beyond typical electoral cycles, setting carbon reduction targets from 2038 to 2042. The Climate Change Committee (CCC), acting under the Climate Change Act, is expected to highlight that the UK is significantly lagging in its progress toward these targets.

While the CCC does not have the authority to dictate policy, it will provide guidance on the parameters within which the government is expected to operate. For instance, the CCC may assert that should airport expansions occur and an increase in flights follow, there would need to be proportionally greater reductions in carbon emissions throughout the economy. Consequently, the advice may pose challenges for senior ministers, especially as some in the Cabinet have suggested a conflicting narrative that prioritises economic growth over environmental sustainability.

Doug Parr, chief scientist at Greenpeace UK, cautioned against a prevailing mentality that pushes for "growth at all costs", which he argues positions environmental concerns as obstacles to development. Recent governmental decisions such as the approval of a new Heathrow runway and the continuation of subsidies for the biomass power station Drax have stirred dissent. The rhetoric surrounding these issues has also elicited concern, particularly when Rachel Reeves, the Chancellor of the Exchequer, remarked that planning reforms would allow developers to "focus on getting things built and stop worrying over the bats and the newts."

Mike Childs, head of science, policy and research at Friends of the Earth, described the economic rationale for climate action as straightforward and pressing. He cited research indicating that failing to manage temperature rise could impose costs of up to $38 trillion a year on the global economy by 2024, while reports from the Environment Agency suggest that the number of households at risk of flooding in the UK could increase from 6.3 million to around 8 million by 2050.

The government's forthcoming decisions will encompass a variety of critical areas, including regulations for housebuilders aimed at creating low-carbon new-builds and a review of legislation regarding agriculture and nature. Particularly contentious will be decisions related to new oil and gas fields in the North Sea, notably the Rosebank field, which is currently undergoing licensing processes. Some within the government are advocating for the approval of Rosebank despite Labour's manifesto pledge to halt the issuance of new licenses without cancelling existing ones.

Rachel Solomon Williams, executive director of the Aldersgate Group, noted that framing environmental goals in opposition to economic progress could alienate businesses. She stated, "To create a strong and resilient economy we need to be taking the lead in the low-carbon sectors that will drive sustainable growth in the future."

With the UK presently off track to meet its carbon budgets, action across every sector will be necessary, prompting potential changes in various facets of daily life—including housing, transportation, industry, and agriculture. The government is expected to confirm the overall carbon target set by the CCC by the end of June 2026, leaving specific policy pathways subject to negotiation.

A spokesperson for the Department of Energy Security and Net Zero reaffirmed the government's commitment to its ambitious targets, stating, "Britain is back in the business of climate leadership because the only way to protect current and future generations is by becoming a clean energy superpower and leading global climate action."

Challenges in transitioning towards a greener energy landscape are substantial. The government aims to nearly fully decarbonise the electricity system by 2030, which would require a significant increase in electricity supply to meet future demands. As Ed Matthew, director of the UK programme at the E3G think-tank, noted, "The power system is key because both heating and transport and about two-thirds of industry will need to be electrified."

In terms of domestic emissions, heating accounts for around 18% of the UK’s greenhouse gas output, largely from gas usage. The CCC is anticipated to emphasise the necessity for broader adoption of heat pumps, yet adoption remains slow, with only about 250,000 homes utilising this technology as of last summer. Concerns have been raised regarding the economic viability of such technologies compared to traditional gas boilers.

On the industrial front, transitioning away from fossil fuels will necessitate substantial investment in electric technologies and carbon capture solutions. However, a reluctance among many private sector companies to invest—a potential strategy to elicit government concessions—has been observed. Williams emphasised that a firm commitment by the government to rapid decarbonisation would provide the economic certainty needed to stimulate investment.

The transport sector faces its own challenges, with a ban on new petrol and diesel car sales set for 2035. Nevertheless, most vehicles in the UK are still projected to depend on fossil fuels for several years beyond that date. The emphasis on increasing public transport use is clear, particularly as the UK continues to lag behind other European nations in public transport infrastructure.

Farming remains integral to any net zero strategy, with farmers positioned as crucial players in efforts to improve land management and reduce greenhouse gas emissions. Yet tension exists within the sector, highlighted by protests over changes to inheritance tax regimes, which reflects a broader discontent regarding their relationship with the government. Tom Lancaster, an analyst at the Energy Climate Intelligence Unit, pointed out that farming, being highly vulnerable to climate change, must adapt to avoid severe future repercussions.

Overall, successful policy initiatives will demand not only structural changes but also a shift in public behaviour towards sustainability. Past government reluctance to address necessary lifestyle changes poses a challenge to effective climate strategy. Childs from Friends of the Earth emphasised that policy must generate tangible benefits to maintain public support for measures aimed at achieving carbon neutrality.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.youtube.com/watch?v=TKZcDPBZx4I> - This video explains the proposed methodology for the Seventh Carbon Budget, highlighting the UK's commitment to reducing emissions and achieving net zero by 2050. It discusses the challenges and strategies for decarbonizing various sectors.
* <https://www.carbonindependent.org/177.html> - This article discusses the UK's carbon budget calculations for 2025, emphasizing the need for urgent reductions in emissions to align with the Paris Agreement and highlighting the inadequacy of the current Net Zero 2050 timeline.
* <https://www.hansardsociety.org.uk/blog/how-should-parliament-handle-the-seventh-carbon-budget> - This blog post outlines how Parliament should handle the Seventh Carbon Budget, suggesting a more transparent and scrutinized process for approving emissions targets and ensuring accountability for the government's climate strategies.
* <https://www.gov.uk/government/organisations/committee-on-climate-change> - This webpage provides information on the Climate Change Committee (CCC), which advises the UK government on climate change policies, including the setting of carbon budgets to achieve net zero emissions by 2050.
* <https://www.parliament.uk/business/committees/committees-a-z/commons-select/environmental-audit-committee/> - This webpage details the role of the Environmental Audit Committee in scrutinizing government policies related to environmental issues, including climate change and carbon budgets.