

Background

This consultation paper is presented as the first stage in the development of new Party policy in relation to Climate Change. It does not represent agreed Party policy. It is designed to stimulate debate and discussion within the Party and outside; based on the response generated and on the deliberations of the working group, a full policy paper will be drawn up and presented to Conference for debate.

The paper has been drawn up by a working group appointed by the Federal Policy Committee and chaired by Duncan Brack. Members of the group are prepared to speak on the paper to outside bodies and to discussion meetings organised within the Party.

Comments on the paper, and requests for speakers, should be addressed to: Joseph Wright, Policy Unit, Liberal Democrats, 1 Vincent Square, London SW1P 2PN. Email: policy.consultations@libdems.org.uk Comments should reach us as soon as possible and no later than 5 April 2025. Further copies of this paper can be found online at:

<https://www.libdems.org.uk/members/make-policy/policy-consultations>

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1 Introduction

1.1 This consultation paper summarises current Liberal Democrat policy on climate change, and invites party members and others to respond with their ideas on how party policy should change (see page 1 for details of how to submit comments). Taking into account your views, the new climate policy working group established by the Federal Policy Committee will produce a full policy paper for the Committee to consider and submit for debate to the autumn conference in 2025.

1.2 There is no doubt as to the accelerating urgency of the climate crisis. Human activities, mainly the burning of fossil fuels and deforestation, are causing global temperatures to rise, which in turn is driving the most rapid change in the climate in Earth's history. July 2024 was Earth's warmest July on record, extending the series of record high monthly global temperatures to 14 successive months. The year to date (January – July 2024) has seen average global surface temperature reach 1.28°C above the 20th-century average. Furthermore, the rate of change is accelerating: the warming rate of 0.18°C per decade seen between 1970 and 2008 almost doubled to roughly 0.3°C per decade over the past 15 years. On present trends, the 1.5°C target set in the Paris Agreement will be breached by 2040.

1.3 The climate breakdown that is under way is dramatically altering our world. The impacts include an increase in storms and hurricanes, flooding from higher rainfall and rising sea levels, more frequent and more dangerous heat waves and droughts, longer and more damaging wildfires, the spread of insect-borne diseases, the destruction of habitats and the extinction of species, and major damage to agriculture, with consequent food shortages and rising prices. Climate breakdown will cause increasingly

costly damage to nature and to social and economic well-being, a huge and permanent growth in the numbers of refugees fleeing their homes and the probable collapse of poor countries with weak governance most exposed to the impacts.

1.4 The UK will see hotter, drier summers, milder, wetter winters, rising sea levels and more extreme weather events. Flooding will become more frequent and more severe, devastating communities, damaging the economy and threatening food security; in 2023 in England, crop production fell by 13 per cent compared to 2022, mostly due to flooding. Rising sea levels will increase destruction from storm surges. Hotter summers and heat-related deaths will become more frequent, as most private and public buildings are not built to cope with heatwaves; an estimated 2,000–3,000 extra deaths occurred in each of 2022 and 2023 because of extreme heat. Wildfires will become more common and more extensive, water supplies will come under pressure and habitats and wildlife will suffer. Although the UK is better placed to adapt to climate change than many other countries, it will not escape global impacts such as rising food prices, the spread of diseases and the rise in numbers of refugees.

2 Our Starting Point and Recent Developments

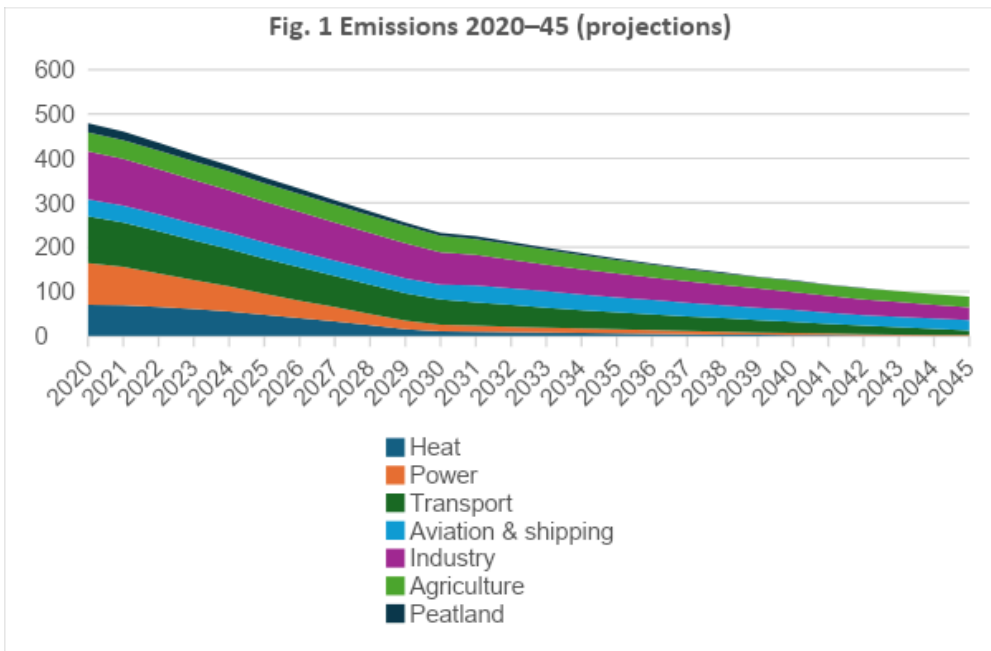
2.1 Liberal Democrats last set out our approach in Policy Paper 139, *Tackling the Climate Emergency* (2019) and Policy Paper 139A, *Tackling the Climate Emergency: Proposals for Carbon Pricing* (2021). If implemented from 2020, the ambitious programme of action we proposed should have made it possible for the UK to achieve net zero emissions of greenhouse gases by 2045, five years ahead of the government's target set in the Climate Change Act 2008. However, as we noted then, credible action to achieve the target is more critical, and the precise target date for achieving net zero is less important, than urgent action to set the economy on the path towards it.

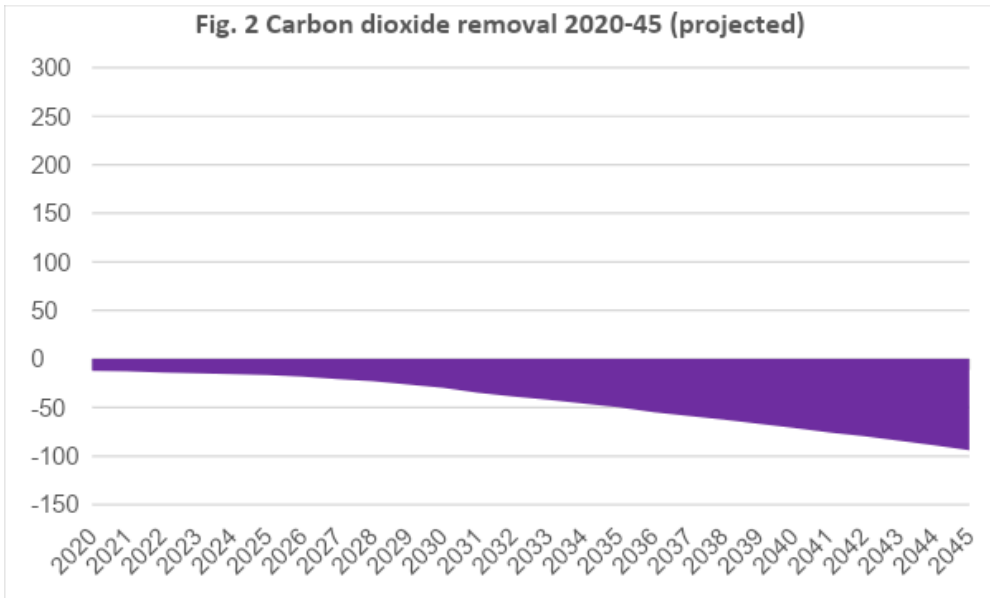
2.2 We proposed to:

- Carry out an emergency ten-year programme of action to reduce greenhouse gas emissions from buildings and power generation – the most cost-effective options – to near-zero, reducing UK greenhouse gas emissions by 75 per cent by 2030.
- Establish a framework for accelerating reductions in other sectors – transport, industry and land use – and for removing carbon dioxide from the atmosphere, aiming to reach net zero emissions by 2045 at the latest, with interim targets.
- Ensure that the net zero objective is built into decision-making by national and local government, businesses, investors, communities and households, rewarding rapid progress towards net zero and encouraging behavioural changes in patterns of living, working, travelling and eating.

- Create a Just Transition Commission to advise on how to deliver a net-zero economy that works for everyone, and Just Transition Funds to support development in those regions and communities most affected by the transition.
- End the use of fossil fuels in the UK economy, including banning fracking and the opening of new coal mines and pits, and replacing fossil fuels with renewable energy.

Figures 1 and 2 show the trajectory of emissions reductions and greenhouse gas removals we proposed.





2.3 The record of the Conservative government on these issues has not been impressive, to put it mildly. Although the UK became the first major economy to adopt a target of net zero (in 2019), the Conservatives failed to put in place the measures necessary to achieve it. They continued to support road building and airport expansion, approved new oil and gas exploration licences in the North Sea, delayed the targets for phasing out sales of petrol and diesel vehicles and gas boilers, and provided insufficient support for renewable electricity generation and low-carbon heat and insulation upgrades in buildings – together costing energy bill-payers an estimated £2.5 billion by 2024. The U-turns announced by Rishi Sunak in September 2023 undermined investor confidence in the UK's commitment to net zero and thereby increased the cost of new projects.

2.4 As the independent Committee on Climate Change concluded in its 2024 progress report, ‘Our assessment is that only a third of the emissions reductions required to achieve the 2030 target are currently covered by credible plans ... The previous Government gave inconsistent messages on its commitment to the actions needed to reach Net Zero, with cancellations of, and delays and exemptions to, important policies. It claimed to be acting in the long-term interests of the country, but there was no evidence backing the claim that dialling back ambition would reduce costs to citizens.’

2.5 Comparing actual UK emissions with the trajectory we set out in 2019, in fact emissions dropped sharply in 2020, to a slightly lower figure than we had projected, because of the pandemic and lockdown. They rebounded strongly in 2021, however, and by 2023 were at 425 MtCO_{2e} (including emissions from peatlands and the UK’s share of international aviation and shipping), a 50 per cent fall from the base year of 1990. If Liberal Democrat plans had been introduced from 2020, we projected emissions would have been 395 MtCO_{2e} by 2023, almost 10 per cent lower.

2.6 The Labour government elected in July 2024 came to power with a more ambitious climate agenda than its predecessor, but it remains to be seen whether this will survive contact with the government’s other approaches, such as its strict fiscal rules and its excessive caution in approaching closer links with the EU. In developing the party’s climate policy for the next electoral cycle, we will need to take into account a range of new factors. Over the next five years we can expect the following:

- The early impacts of climate stress will continue to be visible in the UK and globally.

- The new government may make some progress, but will most likely fail to deliver on what is required to meet the UK's net zero targets (including missing some of its own high-profile goals such as decarbonising electricity by 2030).
- Globally progress will be disappointing, particularly if Trump is re-elected in the US. While deployment of renewables will increase, there will probably be little, if any, reduction in the consumption of fossil fuels.
- The right will be aggressively arguing that the UK should not take 'unilateral' measures to reduce emissions where these have costs to UK citizens and industry.

2.7 The remainder of this paper sets out a possible agenda for the new climate policy working group established by the Federal Policy Committee, together with questions to which we would welcome input. These questions are not exhaustive; all comments are welcome.

3 Overall Framework

3.1 More important than individual measures or technologies to reduce emissions is the overall framework of policies, measures and incentives to influence decision-making by the public sector, businesses, communities, households and individuals. In our 2019 paper *Tackling the Climate Emergency*, and in the supplementary 2021 paper on carbon pricing, we proposed to:

3.2 Unleash democracy by:

- Legislating to create a statutory duty for each principal local authority to set a Zero-Carbon Strategy, including local and community power generation, home energy retrofits and local transport and land use plans, with an accompanying major decentralisation of powers and resources.
- Ensuring climate objectives are a top priority for central government, including appointing a cabinet-level Chief Secretary for Sustainability in the Treasury, creating a new Department for Climate and Natural Resources and introducing a requirement on all public bodies to report on the extent to which climate risks pose a threat to their ability to fulfil their responsibilities. (A policy motion in 2023 added the commitment to establish a Net Zero Delivery Authority to coordinate climate action across government.)
- Establishing a national Citizen's Climate Assembly to improve public engagement, tasked with debating every aspect of climate policy and delivering recommendations to government and stimulating public debate.

3.3 Decarbonise finance and investment, and make the UK the green finance capital of the world by:

- Investing in zero-carbon infrastructure for power, heat, transport, industrial carbon capture and storage (CCS) and afforestation.
- Establishing a new Green Investment Bank to steer private investment into these sectors.
- Regulating financial services to encourage green investments, including requiring all companies registered in the UK and listed on UK stock exchanges to disclose their level of climate risk and make provisions for the costs associated with meeting targets compliant with the Paris Agreement.
- Greening the taxation system to make polluters pay and reward progress towards net zero, including extending the UK Emissions Trading System and linking it to the EU ETS, widening the list of energy and emissions-saving products enjoying the 5 per cent rate of VAT, allowing owners to offset spending on insulation, low-carbon heat sources, EV charging points and climate adaptation measures against their income tax bills, graduating Stamp Duty Land Tax by the energy rating of the property being sold, and transferring some levy funding for renewables from electricity to gas bills and to general taxation.

3.4 Use innovation, skills and education strategies to support the net zero target, including:

- Fostering the development of regional industrial innovation clusters, increasing support for Innovate UK and the Catapult Centres, and funding large-scale technology innovation missions.

- Developing a zero-carbon skills strategy to tackle any skills gaps that could hinder progress.
- Implementing zero-carbon education and public engagement strategies to ensure everyone understands the urgency of the climate crisis and is able to participate in decision-making over the options to tackle it.

3.5 Place climate action at the heart of foreign policy by:

- Stopping Brexit and working within the EU for greater climate ambition.
- Incorporating climate objectives into the heart of UK diplomacy.
- Tripling support through the UK's International Climate Fund for climate-related development spending and ending support from UK Export Finance for fossil fuel-related activities.

3.6 *Questions for discussion*

Q1 *Are the policies set out above still fit for purpose, particularly given the accelerating rate of global warming? What needs to be changed or added?*

Q2 *Is our 2019 proposal for net zero by 2045 still viable? Is the concept of a net zero target date itself helpful, given that it can give people the impression that action can be postponed until nearer the date? Is there a better way of expressing the objective?*

Q3 *Should the UK adopt targets for consumption-based emissions, as argued in the Climate and Nature Bill campaign? The Bill would require*

the UK to reduce emissions embedded in imports at the rate of reducing emissions from UK production. (Imported emissions are mostly associated with manufactured goods such as processed food, clothes and electronics; in 2021 the main sources of imported emissions to the UK were Europe (34%), China (13%) and US (5%).

- Q4 If local authorities are given the responsibility, powers and resources to implement their own zero-carbon strategy, how can this be made consistent with the need to meet national targets?*
- Q5 Will the Labour government's proposed Great British Energy stimulate a sufficiently high level of investment in zero-carbon technologies and infrastructure; what else needs to be done?*
- Q6 Given that the UK has now left the EU, how best can it cooperate with the EU and its member states to accelerate the transition?*
- Q7 How should policy reflect wider concerns in some areas about the UK 'unilaterally' accepting some of the more difficult choices relating to decarbonisation while other large powers (such as the US), may not?*
- Q8 How can the UK best stimulate more ambitious action at the international level?*

4 Mitigation

4.1 Against this overall framework for action, *Tackling the Climate Emergency* set out ambitious proposals for mitigation: reducing emissions of greenhouse gases and developing negative emissions solutions to remove carbon from the atmosphere and store it permanently. We proposed to:

4.2 Decarbonise buildings by:

- Carrying out an emergency ten-year programme to reduce energy consumption from all the UK's buildings, cutting emissions and fuel bills and helping to end fuel poverty, including providing free retrofits for low-income homes and piloting a new subsidised Energy-Saving Homes scheme.
- Introducing a zero-carbon standard for all new buildings by 2021, rising to Passivhaus standard by 2025.
- Adopting a zero-carbon heat strategy, including reforming the Renewable Heat Incentive, requiring the phased installation of heat pumps in homes and businesses off the gas grid and taking a decision on the appropriate mix of zero-carbon technologies – electric heat pumps, hydrogen and hybrid solutions – within the next three years.

4.3 Decarbonise power by:

- Accelerating the deployment of renewable power generation, aiming initially to reach a generation capacity of at least 80 per cent renewables by 2030 (including any increase in electricity demand for transport, heat and industry). (This was increased to 90 per cent

in the 2024 manifesto, given relatively rapid progress in installing offshore wind in recent years.)

- Developing smart grids, storage solutions and interconnectors to other countries' electricity grids to guarantee security of supply and to improve the management and balancing of the system.
- Promote decentralised and community energy, including setting a target of more than half of households and businesses sharing in the renewable energy revolution by 2030, including requiring all new homes to be fitted with solar panels.

4.4 Decarbonise transport by:

- Encouraging the rapid take-up of electric vehicles by ending the sale of new diesel and petrol cars and small vans, including hybrids, by 2030, banning their use on public roads by 2045, and accelerating the installation of charging points.
- Converting the rail network to ultra-low-emission technology (electric or hydrogen) by 2035.
- Reducing the need for car travel by investing in public transport and amending the National Planning Policy Framework to promote sustainable transport and land use.
- Reforming the taxation of international flights to target the most frequent flyers, placing a moratorium on the development of new runways (net) in the UK and introducing a zero-carbon fuels blending requirement for domestic flights.

4.5 Decarbonise industry by:

- Working with industry to introduce resource productivity and circular-economy models.
- Banning non-recyclable single-use plastics within three years and initiating negotiations on an international agreement to reduce the production and consumption of plastics.
- Providing infrastructure funding to accelerate the introduction of industrial carbon capture and storage.

4.6 Decarbonise agriculture and food by:

- Prioritising climate change mitigation in agricultural support systems, including measures to increase soil carbon, tree planting and woodland creation.
- Developing a National Food Strategy to promote the production and consumption of healthy, sustainable and affordable food.

4.7 Remove carbon from the atmosphere by:

- Increasing UK forest cover by planting an additional 60 million trees a year, and by restoring peatlands.
- Supporting research and innovation for negative emissions technologies, particularly Direct Air Capture and Carbon Storage (DACCS), and introducing a funding system to reward delivery.

(The policy papers *Tackling the Nature Crisis* and *Food and Farming*, approved by conference in 2023, added further detail to these last sets of proposals.)

4.8 *Questions for discussion*

- Q9 *Are the policies set out above still fit for purpose, particularly given the accelerating rate of global warming? What needs to be changed or added?*
- Q10 *In particular, what should our policy be in relation to when ending sales of new petrol and diesel cars, and of gas boilers?*
- Q11 *Can we now be clear on our proposed zero-carbon heat strategy, given that heat pumps are now generally seen as a much more viable and cost-effective solution than hydrogen (in 2019, this was not clear)? Given the costs of insulating some older properties, would it make sense to abandon the objective of insulating all UK buildings, and instead focus on a mix of insulation and heat pump installation?*
- Q12 *One of the barriers to increasing renewable power generation has been local opposition to solar farms, onshore wind and electricity pylons, yet increasing all of these will be essential to achieving net zero. How should we approach these issues?*
- Q13 *It seems likely that significant changes in diet will be necessary to reduce emissions from food production and consumption, yet this is an area in which governments have proved reluctant to intervene. Are the proposals in Liberal Democrat Policy Paper 154, Food and Farming, which focused mainly on supporting the development of alternative proteins while maintaining domestic production of high-standard, high-value meat and dairy products likely to be adequate?*
- Q14 *Most of our proposals for carbon dioxide removal focused on tree planting, yet forests take many years to reach maturity and are*

increasingly vulnerable to wildfires. Are there other nature-based or technological options realistically available?

Q15 *Which areas of the Labour government's strategy for combating climate change appear particularly weak?*

5 Just transition

5.1 *Tackling the Climate Emergency* touched on the issue of a ‘just transition’ to a net-zero economy and society, but did not deal with it at length. We highlighted the benefits of the transition, including improved health from better air quality and warmer homes, a healthier local environment from tree-planting and reformed farming practices and diet and lower consumer energy bills from home insulation, together with significant industrial and economic opportunities, helping to revive the economy and build the foundations for future prosperity. Specifically, we proposed to:

- Create an independent Just Transition Commission to report to Parliament on the costs and benefits of net zero policies and provide advice on how to ensure that the transition delivers high-value employment opportunities and that disadvantaged groups are protected, with the benefits shared fairly between income groups, industries and regions.
- Establish Just Transition Funds to boost development and jobs in those regions and communities most affected by the transition.
- Identify zero-carbon sectors with the greatest potential for growth, map them against the regions and communities where employment opportunities are most affected by the transition, and develop policies to ensure that people with relevant skills can transfer to new, zero-carbon industries.

5.2 In 2019, support for the net zero objective was still widespread, but since then opposition has spread, particularly amongst Conservatives and Reform Party politicians. Although much of this hostility is based on

inaccuracies, it remains the case that the transition will incur costs to individuals and communities, particularly, though not only, in those areas and sectors most dependent on fossil fuel extraction and processing. Government needs to be able to counteract the costs and, more broadly, ensure that citizens and their communities are fully engaged in the necessary measures.

5.3 *Questions for discussion*

Q16 Are the policies set out above still fit for purpose, particularly given the accelerating rate of global warming? What needs to be changed or added?

Q17 Should we consider specific policies for employees in sectors negatively affected, such as offering training or job guarantees?

Q18 Does government need to develop a more active and interventionist regional policy?

Q19 More broadly, what are the best ways to communicate climate policy? We have tended to focus on the need to avoid the negative impacts, but this can contribute to feelings of hopelessness. Should government attempt to focus more on the opportunities for a better tomorrow offered by the transition to net zero? Who is best placed to do that, and how?

6 Adaptation

6.1 *Tackling the Climate Emergency* did not deal at all with questions of adaptation to the impacts of climate change, simply because its remit was already so wide. Although policy motions at conferences have addressed some of the issues, we have not yet developed a comprehensive approach to adaptation policy; we intend to rectify this in next year's paper.

6.2 The Conservative government's record on adaptation was even worse than its measures for mitigation. In July 2019 Lord Deben, then the chair of the Committee on Climate Change, suggested that climate change adaptation preparations were being 'run by the government like Dad's Army'. In March 2024 the Climate Change Committee's assessment of the Third National Adaptation Programme (NAP3) concluded that it fell: 'far short of what is needed. NAP3 lacks the pace and ambition to address growing climate risks, which we are already experiencing in the UK. It fails to set out a compelling vision for what the government's "well adapted UK" entails, and only around 40 per cent of the short-term actions to address urgent risks identified in the last Climate Change Risk Assessment are progressed. The lack of a measurable vision will prevent effective delivery of adaptation by public agencies, local authorities, and the private sector, as well as inhibiting a clear assessment of progress.'

6.3 *Questions for discussion*

Q20 *Should adaptation have the same degree of prominence as mitigation in our climate policy?*

- Q21 What is the best overall framework for UK adaptation policy? The production of a National Adaptation Programme is required every five years under the Climate Change Act, but to date the plans have been inadequate and implementation largely lacking. Which central, local and devolved government agencies need to be involved? How can citizens, communities and businesses play an active role?*
- Q22 More specifically, what needs to be done in the priority areas? The UN's Global Goal on Adaptation framework includes seven global thematic targets, covering water, food and agriculture, health, nature and biodiversity, infrastructure and buildings, livelihoods and cultural heritage.*