



Environmental Audit Committee

House of Commons, London SW1A 0AA

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Rt Hon Clare Coutinho MP
Secretary of State for Energy Security and Net Zero
Department for Energy Security and Net Zero
55 Whitehall
London SW1A 2HP

Sent by email only

6th February 2024

Dear Secretary of State —

When you responded on 19th October 2023 to my letter to the Prime Minister on the policy resets announced in his speech of 20th September, you generously welcomed the points I made around how scrutiny of decarbonisation pathways ought to be undertaken.

Now that the Climate Change Committee has commenced the preparations for its advice to Government and Parliament on the level of the Seventh Carbon Budget, to cover the years 2038 to 2042, I am writing on the Committee's behalf to make some more detailed proposals for Parliamentary scrutiny of the Government's proposals for the level at which that budget is to be set.

The Prime Minister rightly criticised the relative lack of debate in this House of the draft affirmative instrument with the Government's proposal for the level of the Sixth Carbon Budget: as he noted, it was debated for a mere 17 minutes in a delegated legislation committee. It received 65 minutes of scrutiny in Grand Committee in the Lords, and in the chambers of both Houses it was approved without debate and without division. As I observed in my earlier letter, it is open to the Government to arrange for longer and more inclusive debates on such approval motions.

The draft Carbon Budget Order 2021 was accompanied by an impact assessment of 76 pages which, while setting out the potential impacts of some of the policy choices entailed by enactment of the Order, specifically did not consider the policy mix for each option since “the government’s policies to meet the sixth carbon budget [had] not yet been determined” (paragraph 17). It considered “at a high level, the illustrative impacts of meeting different [carbon] budget levels” (paragraph 38), but made clear that “The government [would] set out its own delivery plan with policies in line with its own priorities and assumptions” rather than adopting the Climate Change Committee’s analysis and modelling in its advice on the Sixth Carbon Budget (paragraph 41).

Therefore, when being asked to approve a proposal to set the maximum level of the overall carbon budget for 2033 to 2037, neither House was party to the policies the Government planned to adopt to reduce net UK emissions to levels consistent with the carbon budget proposed. The Net Zero Strategy was issued in October 2021 and has since been complemented by the Government’s Carbon Budget Delivery Plan of March 2023, issued following the judgment of the High Court in *R. (on application of Friends of the Earth and others) vs Secretary of State for Business, Energy and Industrial Strategy* handed down in July 2022.

In his 20th September speech, the Prime Minister observed that the Carbon Budget Order 2021 had been approved by Parliament “with barely any consideration of the hard choices needed to fulfil it”, and stated that “when Parliament votes on carbon budgets in the future, I want to see it consider the plans to meet that budget, at the same time.”

The Committee concurs with the Prime Minister’s view. While the Climate Change Act 2008 stipulates that a full carbon budget delivery plan is to be presented to Parliament only after the order setting the level of a budget has been enacted, it does not forestall the presentation to Parliament of non-statutory plans for carbon budget delivery at the same time as the proposal for a carbon budget is announced. Presentation of a proposed delivery plan at this point in the carbon budget approval cycle would allow greater debate over the policy trajectory Ministers intended to adopt to ensure that the Seventh Carbon Budget could be met. It would allow more informed scrutiny by the relevant committees of either House, which in turn could produce reports on aspects of the Government’s policy proposals which their respective Houses could take into consideration when deciding whether to approve the Government’s proposals.

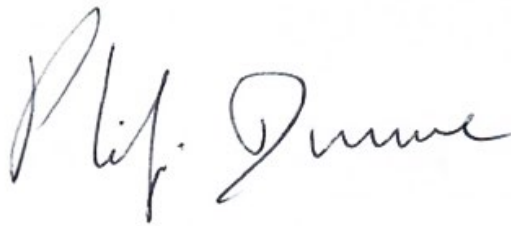
The Committee therefore proposes the following outline arrangements for scrutiny of the Seventh Carbon Budget in the House of Commons, without prejudice to the scrutiny arrangements which might be made in the House of Lords:

- **Early 2025:** the Climate Change Committee issues its recommendations on the level of the Seventh Carbon Budget (7th CB).
- Parliamentary committees may choose to take evidence from the CCC on its recommendations.
- **Spring 2025:** Ministers announce the proposed level of the 7th CB, and lay before Parliament a draft carbon budget delivery plan for scrutiny and debate.
- 12 sitting weeks must elapse before Ministers lay a draft Carbon Budget Order for approval.
- During this period of Parliamentary scrutiny, it is expected that relevant committees of the House may examine the elements of the draft delivery plan which fall within their remits, and may issue reports and/or correspond with Ministers on aspects of the plan.
- It is envisaged that the Secretary of State principally responsible for the draft delivery plan will agree to appear before the Environmental Audit Committee to discuss the draft plan at an early date during the scrutiny period.
- Once 12 sitting weeks have elapsed, Ministers lay a draft Carbon Budget Order [2025] before the House, together with an impact assessment and such additional explanatory material as may be necessary.
- When laying the draft Order, Ministers give notice of a motion under Standing Order No. 118(3)(a) (delegated legislation committees) to the effect that the draft Order is not to be referred to a delegated legislation committee.
- The Government arranges for a debate on a motion to approve the draft Order of not less than half a day, on the floor of the House, and provides that Standing Order No. 41A (deferred divisions) shall not apply to any division on the motion.
- Should the draft Order be approved and subsequently enacted, Ministers present a final delivery plan to Parliament pursuant to section 14 of the Climate Change Act 2008.

The procedure set out above ought to allow sufficient space for the House to engage substantively with the Government's policy proposals, to scrutinise them constructively and to provide a degree of challenge commensurate with the Prime Minister's concerns. The Committee would welcome your views on these proposals, and looks forward to discussing them with you in due course.

Copies of this letter go to the Chairs of the Procedure, Liaison and Energy Security and Net Zero Committees in the Commons; the Chairs of the Procedure, Liaison and Environment and Climate Change Committees in the Lords; and the Acting Chair and the Chief Executive of the Climate Change Committee.

Yours sincerely,

A handwritten signature in black ink, reading "Philip Dunne". The signature is written in a cursive style with a large initial 'P' and a long, sweeping tail.

Rt Hon Philip Dunne MP
Chairman of the Environmental Audit Committee