

# The Climate Change Act (2008)

## Starting point

Climate change first began to impinge on policy making discussions in the late 1980s. The Rio Earth Summit in 1992 paved the way for the discussions that led to the agreement of the Kyoto protocol in 1997 which committed ratifying developed countries to binding reductions in greenhouse gas emissions for the period 2008-2012. The UK's 'dash for gas' in the 1990s put it on track to deliver its Kyoto commitments. But, determined to show leadership on climate issues, Labour had committed itself to a more ambitious domestic target for the major greenhouse gas (carbon dioxide) by 2010. However, by 2004, it became clear that the government was off track. The Department of Environment, Food and Rural Affairs (Defra), created in 2001, instigated a Climate Change Programme Review (CCPR) to get the UK back on track. But Defra's problem was that, while it owned the issue of climate change, other departments led on policy areas or sectors which would need to change if emissions were to be reduced – and that had not been solved by repeated reorganisations. The CCPR overran its timetable as officials and ministers failed to agree on measures to bridge the gap – and, when the final report was published two years later, the government admitted this failure. This was the position David Miliband inherited when he was appointed Defra's new Secretary of State in May 2006. The central puzzle which this chapter seeks to explain is how within two years the government moved to pass the immensely ambitious Climate Change Act that put UK targets emissions reduction targets into law with near universal support.

## Policy background

In 1992, the then Conservative government in the UK, along with almost all other countries, had signed up to the UN Framework Convention on Climate Change (UNFCCC). The new Labour government played a significant role in negotiating the subsequent Kyoto Protocol agreed at the third meeting of the UNFCC signatories in 1997. The Kyoto Protocol legally committed Britain to a reduction of 13% (based on 1990 levels) in emissions of greenhouse gasses by 2012. However, earlier decisions, notably the 1990s 'dash for gas', meant that meeting the Kyoto commitments was never going to be a significant stretch for the UK.

The 1997 Labour manifesto had committed the party to a tougher self imposed target of a 20% reduction in carbon dioxide (the major greenhouse gas) emissions by 2010. This target was not legally binding and relied on the department in charge of the environment portfolio at the time extracting policy commitments to cut carbon emissions from other departments on a piecemeal basis. Most carbon emissions arise from energy and fuel use – with principal emitters being industry, transport and buildings.

In 2000, the first Climate Change Programme (CCP) was published and projected that carbon dioxide emissions would be cut 19% by 2010.<sup>226</sup> In 2003, the Department for Trade and Industry (DTI) published *Our Energy Challenge: Creating a Low Carbon Economy*. This white paper included a foreword from Tony Blair in which the Prime Minister stressed the need for global action on climate change and promised to put the UK on track for a 60% reduction in carbon emissions by 2050. This proposal firmly established climate change as one of the pillars of government energy policy for the first time.

Despite these grand ambitions, delivery was falling well short. By 2003, the government's own sustainability watchdog was pointing out that the CCP was failing to reduce total carbon dioxide emissions and that the projection of a 19% cut had been wildly over-optimistic.<sup>227</sup>

The Climate Change Program Review (CCPR) was initiated in 2004 by Defra to try and secure a fresh range of policies across Whitehall which would put the UK back on track for its 2010 target. But, after two years of interdepartmental haggling, the final outcome fell well short of that goal. Carbon reductions had effectively stopped after 2000 and the measures scraped together in the CCPR were projected to only achieve a 10.6% reduction by 2010 – of which 5.6% had been achieved between 1990 and 1995. Even against its own somewhat modest objective of moving the UK “close to” achieving the 20% target, the CCPR had been a serious failure.<sup>228</sup>

There was no 'lessons learned' on the Climate Change Programme Review, but the reasons for this failure appear to lie both in the structure and implementation of the programme. The CCPR method was to try and predict energy demand (the analysis was done by the interdepartmental analysts group, led from DTI, not Defra) and therefore emissions, which produced an estimate of shortfall. The Defra leads would then ask departments to commit to ways of filling the gap. The projection methodology was itself subject to considerable criticism and was highly dependent on forecast of future relative energy prices. But it is clear that Defra – officials and ministers – failed to persuade other departments of the necessity of taking additional measures to reach the government's 2010 target. This was despite the commitment to long-term emissions reduction in both the energy white paper and the fact that the Prime Minister had publicly asserted the importance of domestic leadership, on the eve of the climate change review, in a major speech in 2004:

*What is now plain is that the emission of greenhouse gases... is causing global warming at a rate that began as significant, has become alarming and is simply unsustainable in the long-term... As I said earlier it needed global leadership to tackle the issue. But we cannot aspire to such leadership*

<sup>226</sup> DETR, *Climate Change: The UK Programme* (2000), p. 11; available at:

<http://www.leadsm.org/Files/Exco%20File%20Library/Country%20Publications/cclsumm.pdf>

<sup>227</sup> Sustainable Development Commission, *UK Climate Change Programme: A Policy Audit* (2003); available at: <http://www.sd-commission.org.uk/publications.php?id=51>

<sup>228</sup> HM Government, *Climate Change: The UK Programme 2006* (2006), p. 24; available at: <http://www.official-documents.gov.uk/document/cm67/6764/6764.pdf>

unless we are seen to be following our own advice... we have to do more to achieve our commitment to reduce carbon dioxide emissions by 20% by 2010.<sup>229</sup>

## Initiation

Climate change barely featured as an issue in the run-up to the 2005 election. The first question to consider is why climate change rose in political salience after the election – as shown by an analysis of broadsheet newspaper reporting that mentioned ‘climate change’ or ‘global warming’ during the period 2003 to 2006.

Boykoff

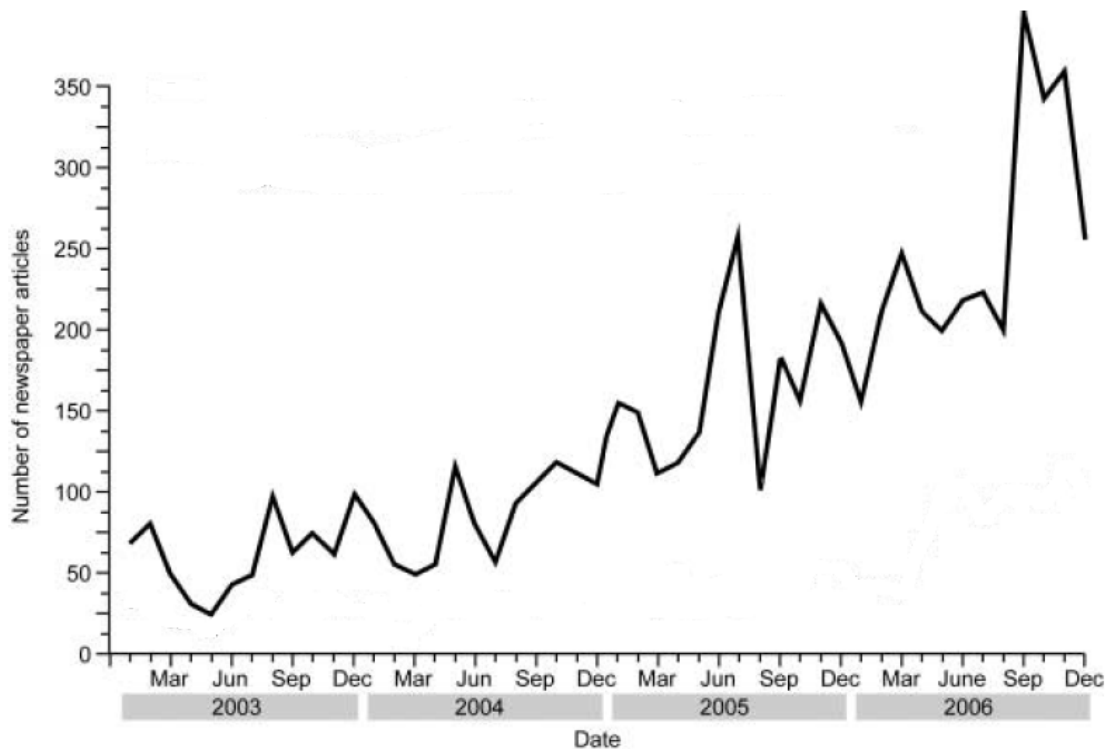


Figure 1 UK newspaper coverage of climate change

Source: Reproduced from Maxwell T. Boykoff, 'Flogging a dead norm? Newspaper coverage of anthropogenic climate change in the United States and United Kingdom from 2003 to 2006', *Area*, vol. 39:2 (2007), p. 4.

<sup>229</sup> Cited in Environmental Audit Committee, *Environmental Audit – Fifth Report* (2005), S. 2; available at: <http://www.publications.parliament.uk/pa/cm200405/cmselect/cmenvaud/84/8402.htm>

At our policy reunion, Tony Juniper (Director of Friends of the Earth between 2000 and 2008) explained how the 2004 Tony Blair speech sent climate change up the agenda and persuaded Friends of the Earth (FoE) to focus resource on a new flagship campaign:

*Before that moment it was seen as an environmental issue... it led to it moving from page 7 environment correspondent, to page 1 political correspondent. I think that then opened a whole load of possibilities that weren't there before, including opening the space for real political activism. It was in that period... that we had a long conversation at FoE about whether we should be prioritising our effort on climate change... so we closed down a lot of our other campaigns to run the Big Ask.<sup>230</sup>*

Although FoE led the way, for the first time more than a hundred NGOs including Action Aid; CAFOD; Friends of the Earth; The National Trust; Oxfam; RSPB; UNISON; the Women's Institute; and the WWF came together as part of the Stop Climate Chaos coalition .

The Big Ask campaign was launched in 2005 and sought to secure legislative commitment to a 3% annual reduction in carbon dioxide emissions. In May 2005, an Early Day Motion (EDM) was put down in parliament calling on the government to commit to this target.<sup>231</sup> Friends of the Earth, along with the other groups supporting the Big Ask, campaigned to get people writing letters to their MP asking them to support the EDM, and organised a programme of local and national events to raise awareness. In July 2006, Radiohead headlined the Big Ask Live concert in London. Both David Cameron (Conservative leader of the opposition) and the new Secretary of State at Defra, David Miliband, were in the crowd.<sup>232</sup> By November 2006, 412 out of 612 MPs had signed the motion, a remarkable achievement given that government ministers, PPS and whips (of which there were more than 150 in 2005) do not usually sign EDMs.<sup>233</sup> Indeed, only four other EDMs since 1939 have attracted more signatures.<sup>234</sup>

Views were also changing in the business community where a number of business leaders were beginning to see a need for action – and wanted a degree of certainty for their long-run investment decisions. According to John Cridland, who was Deputy Director General at the CBI at the time and is currently Director General of the same organisation, the business community became convinced of the evidence of climate change between 2004 and 2005: *“What really did it, in 2004 and early 2005, was the science. I think your average chief executive of a major company had a feeling in their gut [that] the UN scientists were right.”*<sup>235</sup> In the same year, a group of influential business leaders from companies including Shell, BP and HSBC (under the auspices of the Prince of Wales Business

<sup>230</sup> Institute for Government, Policy Reunion on the Climate Change Act (6 October 2010); details available at: <http://www.instituteforgovernment.org.uk/our-events/80/policy-reunion-climate-change-act>

<sup>231</sup> Early Day Motion 178 (2005-6); available at: <http://www.parliament.uk/edm/2005-06/178>

<sup>232</sup> 'The Big Ask Campaign: A Brief History of the Campaign for a New Climate Change Law'; available at: [http://www.foe.co.uk/resource/briefing\\_notes/history\\_of\\_the\\_big\\_ask.pdf](http://www.foe.co.uk/resource/briefing_notes/history_of_the_big_ask.pdf)

<sup>233</sup> Early Day Motion 178 (2005-6), available at: <http://www.parliament.uk/edm/2005-06/178>

<sup>234</sup> House of Commons Information Office, 'Early Day Motions', (2011), p4

<sup>235</sup> Interview with author (July 2011).

and Environment Programme) sent a letter to Tony Blair calling for a “*transition to a low carbon economy*.”<sup>236</sup>

The second factor that helped bring about the turnaround was David Cameron’s election as Conservative Party leader in 2005 and his decision to use climate change as an issue with which to ‘decontaminate’ the Tory brand. According to Nick Boles, an adviser to David Cameron and head of the Tory leader’s Implementation Unit (and a now a Conservative MP), the Conservative Party’s support was the product of a genuine change of opinion within the Westminster elite and influential Cameronites including Steve Hilton, Oliver Letwin and Greg Barker, as well as an opportunist attempt to give people’s perceptions of the party an “*eye catching yank into a new place*.”<sup>237</sup> The need to woo Liberal Democrat voters at the 2006 local elections also played its part in motivating the Conservative Party’s change of position. This set in chain a period of intense party political competition over climate change policy that had been lacking prior to 2005.<sup>238</sup> From the spring of 2006, Cameron began his policy of ‘greening’ the Conservative Party, switching to the new oak tree logo, visiting a melting glacier and cycling to work. The official Tory slogan at the 2006 local elections was “*Vote Blue, Go Green*.”

However, the really significant political intervention on Cameron’s part came, in September 2006, when the Conservative leader shared a platform with Friends of the Earth to call for a climate change bill to be included in the upcoming Queen’s Speech. Neil Carter and David Ockwell have presented extensive interview evidence showing there is considerable consensus that Cameron’s intervention stimulated party competition on the environment.<sup>239</sup> This view was confirmed by one of David Miliband advisers at our policy reunion: “*It’s only with Cameron’s election that the domestic agenda really took off and, frankly, you could say to Number 10 and the Treasury ‘look, you’re in a political race’ and that’s why you would win certain battles*.”<sup>240</sup> On the same day that Cameron made his speech calling for a climate change bill with legally binding emissions reductions, Chris Huhne (the Liberal Democrat’s environment spokesman) gave his support to the idea. A former aide to Miliband remembers him commenting that Labour could not get into the position of being the only major party not in favour of the proposed bill.<sup>241</sup>

The third factor leading to a new approach to climate change was the publication of two highly influential reports which together helped shift the terms of the debate. The first was the Friends of

<sup>236</sup> Cited in Neil Carter and David Ockwell, *New Labour, New Environment? An Analysis of the Labour Government’s Policy on Climate Change and Biodiversity Loss* (Friends of the Earth, 2007), p. 161; available at: <http://celp.org.uk/projects/foe/docs/fullreportfinal.pdf>

<sup>237</sup> Interview with author (July 2011).

<sup>238</sup> See Neil Carter, ‘Party Politicization of the Environment in Britain’, *Party Politics*, vol. 12:6 (2006), pp. 747-67. In this paper, written in 2004, Carter concludes that “party politicization of the environment in Britain is limited... While no party can afford to ignore the environment, the Conservative and Labour parties have both pursued a strategy of preference-accommodation, characterized by a reactive approach to public opinion, events and issues, but resisting competition over the environment.”

<sup>239</sup> See Carter and Ockwell, *New Labour, New Environment?*, pp. 152-4.

<sup>240</sup> IfG Policy Reunion.

<sup>241</sup> IfG Policy Reunion.

the Earth response to the Climate Change Program Review.<sup>242</sup> Bryony Worthington, the lead author, diagnosed the flaws in the original CCP and went on to suggest a new framework for climate policy which would require government to start taking action now rather than simply aiming at distant targets. The Friends of the Earth report recommended a more 'top down' approach. Recommendations for reform included a new focus on the total amount of emissions which appreciated, in the words of the report, "*that reduction pathways are as important as reduction targets.*"<sup>243</sup> This contrasted with the previous focus on the impact of individual emissions reduction policies and helped thinking within Whitehall, as those who wanted to see action on climate change were looking for a way forward after the failure of the CCP. At our policy reunion, Michael Jacobs (special adviser to the Chancellor on environmental issues at the time) stressed the new approach: "*The climate change program review... published in spring 2006 was a disastrous exercise in how not to do this effectively. The big insight from the [Friends of the Earth] report was that you had to do it top down.*"<sup>244</sup>

The second important document was Nick Stern's review of the *Economics of Climate Change*.<sup>245</sup> The report had been commissioned in 2005 by the Treasury and was designed to establish the economic, as opposed to the scientific or environmental, case for action on climate change. Stern was a well-respected figure within Whitehall and an ideal candidate for task. Having worked at the World Bank, he had come into the Treasury as Chief Economic Adviser. The *Guardian* newspaper commented at the time that "*Economists don't come with better credentials in their field than Nicholas Stern.*"<sup>246</sup> The resulting 700 page report was published in October 2006. It concluded that:

*Using the results from formal economic models, the Review estimates that if we don't act, the overall costs and risks of climate change will be equivalent to losing at least 5% of global GDP each year, now and forever. If a wider range of risks and impacts is taken into account, the estimates of damage could rise to 20% of GDP or more. In contrast, the costs of action – reducing greenhouse gas emissions to avoid the worst impacts of climate change – can be limited to around 1% of global GDP each year... The costs of stabilising the climate are significant but manageable; delay would be dangerous and much more costly.*<sup>247</sup>

The review was a turning point in the climate change debate because, although it did attract criticism, it was an authoritative and rigorous expression of the economic case for combating climate change, stressing that taking early action was the lowest cost policy option. As became clear at our policy reunion, the Stern review helped accelerate a change of opinion that was occurring inside the Treasury in 2006:

<sup>242</sup> Bryony Worthington, et al., *What the Government Should do to Tackle Climate Change* (Friends of the Earth, 2005); available at: [http://www.foe.co.uk/resource/consultation\\_responses/ccpr\\_foe\\_submission.pdf](http://www.foe.co.uk/resource/consultation_responses/ccpr_foe_submission.pdf)

<sup>243</sup> *Ibid*, p. 11.

<sup>244</sup> IfG Policy Reunion.

<sup>245</sup> Nicholas Stern, *The Economics of Climate Change* (2007), available at: [http://webarchive.nationalarchives.gov.uk/+http://www.hm-treasury.gov.uk/sternreview\\_index.htm](http://webarchive.nationalarchives.gov.uk/+http://www.hm-treasury.gov.uk/sternreview_index.htm)

<sup>246</sup> Victor Keegan, 'Profile: Nicholas Stern', *The Guardian* (31 October 2006); available at: <http://www.guardian.co.uk/politics/2006/oct/31/science.greenpolitics>

<sup>247</sup> Stern, *Economics of Climate Change*, pp. vi, vii.

*The Treasury at this point was slowly going through a bit of a rebirth and changing its thinking, driven largely by the Stern review, and this was happening inside the Treasury. I remember there being a very interesting moment in the very concluding phases of the discussions over the EU Emissions Trading Scheme, as to whether actually the Treasury was right to be going for a small cut because actually you know, if climate change was real and we should be thinking about this in an economic way then maybe... the Treasury should be rather keen on it.*<sup>248</sup>

The fourth and final factor responsible for the dramatic turn-around in climate change policy was the appointment of David Miliband as Secretary of State at Defra, in May 2006, following Labour's poor performance in the local elections. The appointment of one of Labour's rising stars to what had always been seen before as a low profile department may in itself have been a reaction to the increasing political salience of climate change. According to participants at our policy reunion, Miliband expected (or at least hoped) to be at Defra for no longer than a year (he ended up being made Foreign Secretary in June 2007) and wanted to make his mark at the department before moving on. Miliband launched a refresh of Defra strategy and identified action on climate change as his top priority. Some those who worked with Miliband emphasised his reforming energy, "*vigorous political leadership*", the way he energised the team around him and the quality of Miliband's relationship with Alistair Darling at DTI as key enabling factors.<sup>249</sup>

These four factors – the NGO campaign, political competition, a reframing of climate change as an economic issue, and an engaged political owner within government – came together to make the political environment more propitious for bold action on climate change than it had been earlier. But the government still had to decide what form that action might take.

However, the first priority was to create capacity within government to think about climate change in a different way if it was to be able to respond to the changing environment. The CCPR had sapped Defra's confidence about its ability to make an impact on other government departments and one of David Miliband's first acts on appointment to Defra was to write to the Prime Minister asking for permission to set up a new Office of Climate Change (OCC) in the Cabinet Office. The OCC was designed to provide a cross-departmental resource to consider climate change issues and provide ministers with a shared analysis – avoiding the interdepartmental wrangling which had beset the CCP process. The idea of a new central unit was opposed by the Cabinet Office and the final agreement was that the OCC could be established on the condition it was housed in Defra with a cross-departmental ministerial oversight board and elements of cross-government funding. It was finally set up in September 2006.

The OCC had other advantages too. It provided what one of our policy reunion participants referred to as a "*safe space*" in which talks could take place without people feeling like they were engaged in defensive inter-departmental negotiations:

*It was such a great opportunity to have this thing called the OCC which hadn't yet been defined... it was a blank space... to go round Whitehall saying we are here working for DTI and*

<sup>248</sup> IfG Policy Reunion.

<sup>249</sup> IfG Policy Reunion.

*for Treasury and for Defra, you don't have to be worried, this is a safe space in which we can deliver this radical policy. I think that was very important. If I had had a Defra hat on doing that first round of bilateral meetings there would have been a lot more scepticism from the Whitehall system which could have easily screwed it up. The OCC space made a big difference.*<sup>250</sup>

Second, the creation of the OCC allowed Miliband to build a fresh, properly resourced, team which was not suffering a crisis of self confidence nor lacking in credibility across Whitehall. Miliband and his advisers thought that Defra was seriously under-resourced on climate change policy, with a single director covering both domestic policy and the very time consuming international negotiations. At our policy reunion, Jonathan Brearley (architect and first director of the OCC) recalled how the old Defra team had become demoralised about the process: *"The whole sense of the organisation – Defra – I don't think really wanted this thing to happen and frankly a lot of the early conversations with the officials in the DG Environment were about what's not possible."*<sup>251</sup> The new team was able to take a fresh look at the issue and was not, in the word of Michael Jacobs, *"stuck in the tramlines of old policy."*<sup>252</sup> It was also very careful always to address serious concerns about the economy and cost.

## Options

The Big Ask campaign had put the issue of legislated targets on climate change on the agenda. Ministers had to decide whether they were prepared to back that approach – and, if they did, what form the targets should take and how to make them credible. Byrony Worthington was brought into government to look at the options and went to California in August 2006 to see how the state was proposing to introduce targets. David Miliband did not initially decide to go for a bill and his advisers were sceptical that this was the right option. But externally there was considerable momentum behind a legislated target approach and Miliband knew he needed an alternative if the government was not to be outflanked. Officials worked up an alternative to the straitjacket of FoE's annual targets – multi-year budgets – with an independent committee to assure compliance. The lead on the bill was located in the new OCC rather than in the formal Defra team. Miliband was determined to get a commitment to legislate in the November Queen's speech. But even after that commitment was gained, with Prime Ministerial support, there were a large number of detailed decisions that had to be made before the legislation could be drafted. However, once the in principle decision to legislate was made, it was easier to have a more substantive rather than a *"rubbish bill"*.<sup>253</sup>

<sup>250</sup> IfG Policy Reunion.

<sup>251</sup> IfG Policy Reunion.

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<sup>253</sup> IfG Policy Reunion.



## Decision

According to the participants at our policy reunion, there were three main issues which remained to be determined at the cabinet committee stage. The first was whether or not there should be a conditionality clause included in the bill (i.e. did it make sense for the UK to go out in front with this policy or should it make action conditional on action by others?). Voices from the Treasury and on the energy/industry side of No. 10 argued that it would be pointless for Britain to go it alone since the carbon intensive economic activity would simply move abroad and Britain would be stuck with all the costs of the policy and none of the benefits. Shriti Vadera, on the Treasury's Council of Economic Advisers at the time and a close ally of Chancellor Gordon Brown, was reported to be particularly vocal in her opposition to such a 'unilateralist' approach. The standard counter-argument was that Britain would be leading by example and could then leverage this to persuade others to adopt similar policies or make concessions on international treaties. The industry and energy policy adviser in No. 10 at the time was reportedly concerned that if Britain went it alone and the policy backfired it would achieve entirely the opposite, acting as an "anti-example" and deterring action from others.<sup>254</sup> Defra tried to make the case for first mover advantage from unilateral action even though there was no compelling evidence for this. In the end, the Defra view prevailed and the Climate Change Bill remained unconditional.

Second was the issue of how to design the carbon budgets in a way that would ensure that progress against a specific reduction path could be monitored, and policy makers held to account, on a more or less rolling basis. Significantly, the carbon budgets were for five year periods, rather than the annual reduction targets which the Big Ask had campaigned for, in order to allow for some flexibility in the face of uncontrollable events (e.g. a cold winter increasing fuel consumption). The aim of the climate change bill was to give a degree of certainty on future policy. So it was essential to back up the targets with compliance mechanisms. This was done by creating the Committee on Climate Change (CCC) which sets reduction targets and informs parliament on the government's progress towards meeting them. Creating this sort of independent watchdog can be a rod for the government's own back. When the Treasury came round to the idea that they needed to get serious about climate change they realised that an independent CCC would actually be helpful in bolstering their ability to take tough decisions on emissions reductions:

*The fundamental political choice was: is this a body which will be a ramp for the civil service for further policy which we don't really want to do...? Or, exactly the opposite, if we want to make a difficult decision it would be much better to have an independent body telling us to do it first, and we can say that's why we are doing it. And I remember saying to Gordon Brown: 'Look, we are going to have to make difficult decisions, and this will help us.'*<sup>255</sup>

There were debates about the remit and the powers of the Climate Change Committee. It was decided not to give them policy powers. In the government draft bill, the CCC was only given a remit on mitigation, not on the parallel question of adaptation to climate change. This was

<sup>254</sup> IfG Policy Reunion.

<sup>255</sup> IfG Policy Reunion.

amended in the House of Lords and the government accepted the change. Robin Mortimer (the lead on the bill in OCC at the time, but subsequently Director for Adaptation in Defra) noted that officials came to revise their view – and having powers for the CCC to oversee adaptation would prove hugely useful.

Furthermore, working up the bill into a state where it was ready to be introduced required rapid decision-making. The role of the OCC as bill lead was important. Unlike departmental officials, OCC members had privileged access across government:

*The OCC having a direct relationship with secretaries of state allowed them to brief the secretaries of state before cabinet committee to allow us to get our case across... It really made a difference to get ministers in that position... where they came to cabinet committee with common briefings, rather than being their own siloed departmental positions.<sup>256</sup>*

To maintain their credibility as a truly cross-departmental resource, rather than being seen as the campaigning arm of David Miliband's department, required the OCC to take extra care and ensure they came across as being as balanced as possible, always working up a range of options for ministers to choose from and presenting them in a neutral way. This was crucial in maintaining the trust of ministers. On each critical issue, the OCC would identify a weak option and an extreme option – consensus would usually emerge around a middle option. The formal cabinet committee process was facilitated by a fortnightly steering group and intense activity on the part of special advisers and senior officials among whom high levels of trust were built up. David Miliband played a particularly important role in securing buy in from other ministers and, critically, built good relations with Alistair Darling at the Department of Trade and Industry. The process of rapid drafting was helped by having a very good parliamentary draftsman who produced an “*elegant framework*” to a rapid timetable.

## Implementation

The Climate Change Act 2008 has the following provisions:

- **Carbon targets and carbon budgeting:** The act places the government under a legal duty to reduce greenhouse gas emissions by 80% below 1990 levels by 2050. There is also an interim target to reduce carbon dioxide emissions by 26% by 2020. The government must set out a series of five year carbon budgets which will begin to lay out the reduction pathway to 2050. The first three carbon budgets will run from 2008-12, 2013-17 and 2018-22. The government must prepare policies that will keep emissions inside these budgets.
- **The Committee on Climate Change:** The act establishes the Committee on Climate Change, an independent, expert body to advise government on the appropriate level for the targets, budgets, and on matters relating to mitigation and adaptation. The Committee will

<sup>256</sup> IfG Policy Reunion.

submit annual reports to parliament on progress towards the targets. The government must respond to this report.

- **Trading schemes:** The act gives the government power to introduce emissions trading schemes by secondary legislation.
- **Impact of (and adaptation to) climate change:** The government must publish regular reports on the risks to the UK from climate change and programmes for adaptation to respond to the risk identified.

The Climate Change Committee, under the Chairmanship of Lord Turner, was established and met for the first time in December 2008 with an adaptation sub-committee that was chaired by Lord Krebs. The Labour government published its Low Carbon Transition Plan in July 2009.

The coalition Government set out its own version in the Carbon Plan, published in March 2011. In May, the Government accepted the CCC's recommendations for ambitious reductions in the fourth budget period, implying 50% emissions over 1990 reductions by 2025 – something that was reported to be the subject of heated interdepartmental debate, but where the Department of Energy and Climate Change view prevailed (in contrast to the CCPR).

In its latest assessment of government progress, published in June 2011, the Climate Change Committee reported a mixed picture: the Government was undershooting the first budget period, largely due to the effects of the recession, but needed a step change if it was to be on trajectory for the fourth budget period.

Institutionally, the need to bring energy and climate change policy together was recognised in the decision by Gordon Brown's government in October 2008 to bring together the energy side of the (then) Department of Business, Enterprise and Regulatory Reform and the climate change mitigation side of Defra in a new Department of Energy and Climate Change (DECC). The OCC moved to be part of the DECC strategy team, but has now ceased to have a separate existence – perhaps a reflection that these sorts of units have a limited shelf life.

## Consensus

Unlike America, the need to act on climate change has never been a politically contentious issue in the UK. The final act was passed with a remarkable degree of political consensus. The bill started in the Lords. The third reading in the Commons took place on the 28 October 2008, and 483 MPs voted for the bill and just three voted against (Christopher Chope, Peter Lilley and Andrew Tyrie). Greg Clark, Shadow Secretary of State for DECC, noted the remarkable consensus that had formed around the bill: *"This Bill has attracted an unusual spirit of cross-party co-operation in both Houses. That is appropriate, because to succeed the Bill must lay foundations that endure from one Parliament*

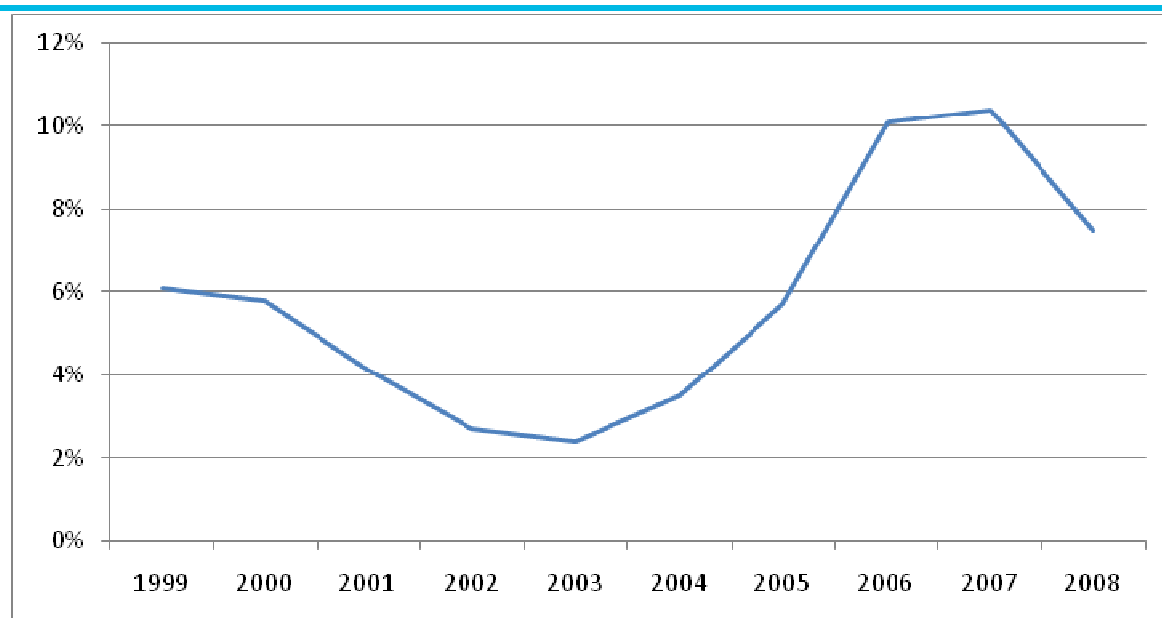
to the other and indeed, eventually, from one generation to another".<sup>257</sup> Business leaders also came out and made clear that they accepted the case for action.

What is less clear is whether the political agreement on the need to take tough measures to act on climate change is matched by public opinion. As the polling below shows, there was increasing concern that climate change was a serious problem and its salience increased (at least until the economic crisis of 2008). But, more recently, a number of sceptical voices have started to articulate the case against action on climate change – not least former Chancellor Lord Lawson, former Cabinet Secretary Lord Turnbull and former Shadow Home Secretary David Davis, among others on the Conservative backbenches.

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### Respondents agreeing that climate change is most serious issue facing the UK

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Source: Ipsos MORI Globescan

### Reflections

The Climate Change Act is remarkable both in its ambition and in its sharp contrast to the failure of the preceding Climate Change Review. With hindsight, those at the policy reunion wondered whether the UK could not have done more to leverage the potential for international influence – and whether the degree of consensus could have been taken further to create support for specific actions rather than simply the creation of a legal framework. But the representative from Friends of the Earth noted that the Climate Change Act marked a watershed: *“it moved climate change from*

<sup>257</sup> 'House of Commons Debates: 28 October 2008', *Hansard*, vol. 481, part no. 153, column 836; available at: <http://www.publications.parliament.uk/pa/cm200708/cmhansrd/cm081028/debtext/81028-0021.htm#0810294002909>

*political fashion to the permanent agenda*", and officials agreed that it changed the climate change question from "whether" to "how".<sup>258</sup>

What the story of the Climate Change Act does show is the vital role outside bodies and the opposition can play in creating an environment conducive to policy change – by raising the salience of issues – and how parliament can put pressure on government to act and, thereby, change the internal power balance within government. It also shows how policy innovation can happen outside government and set government thinking in a new direction.

Three key points were repeatedly made at the policy reunion:

The first is about the value of institutional innovation. The Office for Climate Change is an intriguing exercise in joined up government. Instead of trying to promote collaboration by redrawing departmental boundaries or merging departments, the Office of Climate Change facilitated cross-government action by providing a coherent flow of information to top decision makers in those departments. Decision making in government is closely bound up with advice giving and, by sensitively providing a unified and accurate body of advice to multiple ministers, the OCC made cooperation on a significant climate change bill possible. The establishment of the OCC also helped to secure progress by creating a new team of talented civil servants who were not labouring under the assumptions of the failed Climate Change Programme.

The second is about use of evidence. Although officials tried to build a case around the evidence for first mover action, it proved impossible to establish. However, the impact of the Treasury commissioned Stern review did create a change in internal attitudes to the issue – despite the focus of Stern being very much on global action. Reframing climate change as an economic, not an environmental, issue was important in bringing the Treasury on board (even though it appears to have been the political arguments that finally swayed the Chancellor).

A third factor was the importance of David Miliband's focus on the issue and the pace he injected. In part, this was simply a matter of good fortune. Defra secretaries of state are regularly required to manage responses to natural disasters or disease outbreaks. Miliband's successor in the position, Hilary Benn, had to deal with widespread flooding and a Bovine TB outbreak in his first few weeks at the department. The sustained attention Miliband was able to give the issue helped create the necessary agreement at the political level and gave the civil servants working on the bill the space and political stability to develop the details. This was complemented by the emergence of a network of officials, committed to making the policy happen, who helped navigate the bill through their colleagues. Many of them have stayed with the issue since in different roles.

<sup>258</sup> IfG Policy Reunion.

### List of Participants at Policy Reunion

<b>Name</b>	<b>Role during this 'Policymaking Process'</b>
Jill Rutter	Director of Strategy and Sustainable Development at Defra
Tony Juniper	Director of Friends of the Earth
Michael Jacobs	Special Adviser to the Chancellor
Tony Grayling	Special Adviser to the Secretary of State (David Milliband)
David Kennedy	Director of Energy Strategy at DTI
Robin Mortimer	Led the Bill team from October 2006-March 2011
Jonathan Brearley	Established and ran the Office of Climate Change
Rebecca Lawrence	Senior Treasury civil servant leading advice to Chancellor
David Thomas	Treasury lead on Climate Change Act.
Ravi Gurumurthy	Strategic Adviser and speechwriter to the Secretary of State (David Milliband)