

# IEMA AUTUMN BUDGET 2024/SPENDING REVIEW REPRESENTATION

#### ABOUT IEMA

We are the Institute of Environmental Management and Assessment (IEMA). We are the global professional body for over 21,000 individuals and 300 organisations working, studying or interested in the environment and sustainability.

We are the professional organisation at the centre of the sustainability agenda, connecting business and individuals across industries, sectors and borders. We also help and support public and private sector organisations, governments and regulators to do the right thing when it comes to environment and sustainability-related initiatives, challenges and opportunities.

We work to influence public policy on environment and sustainability matters. We do this by drawing on the insights and experience of our members to ensure that what happens in practice influences the development of government policy, legislation, regulations and standards.

#### EXECUTIVE SUMMARY

In the lead into the General Election that took place in July, IEMA set out a range of policy asks that we believed the next Government should prioritise to tackle the climate change and biodiversity crises.

This representation reiterates those asks and we urge HM Treasury, in collaboration with other Whitehall departments, to act to develop them to fruition. It is increasingly important that action is taken.

The future prosperity of communities up and down the UK, and globally, is inherently bound to the condition of the natural environment. Our ability to live healthy and fulfilling lives is dependent on the ecosystem services that make this possible and the extent to which our own actions enable the life-preserving qualities of nature to be sustained. That means economic growth and development that respect environmental boundaries.

Importantly, however, it does not mean that growth and development are no longer economic and policy objectives that can be strived for over the long-term. Growth and the protection of the natural environment are not mutually exclusive. For example, research by the government's independent climate change advisers sets out that from 1990 GDP grew by approximately 40%, whereas during the same period GHG emissions fell by 47%.<sup>1</sup>

Our policy asks are split across a range of areas from specific interventions that we believe are necessary on climate change and biodiversity, through to those on environmental governance and impact assessment. These are documented throughout the body of this representation.

<sup>&</sup>lt;sup>1</sup> Committee on Climate Change (2022) <u>Progress in reducing emissions</u>



Those most pertinent within the context of the Autumn Budget relate to the investment that we believe is required in green jobs and skills, alongside the prioritisation of policy development for the circular economy.

Recommendations in relation to these areas include the need for policymakers, with support from business, to:

- Ensure the delivery of a green jobs plan that sets out how investment in green jobs and skills will be channelled across different economic sectors so that we have a workforce that can deliver the green economy of the future.
- Build on the work of the Green Jobs Delivery Group and establish a permanent cross-government body that takes a strategic approach to delivering green skills and jobs growth in the economy that is tied to our long-term climate and environmental goals.
- Establish a resource productivity target that is underpinned by the principles of green growth to enable the transition to a low-carbon circular economy, the availability of sustainable materials, and increasing resource efficiency and the wellbeing of the population.
- Develop a national circular strategy to ensure materials and products needed for our transition to a net-zero economy are reused, remanufactured and recycled.

# FULL REPRESENTATION

#### Green jobs and skills

There is a legal requirement for the UK to achieve net-zero greenhouse gas emissions by 2050.<sup>2</sup> Across the UK there are also wider environmental targets that each devolved administration must deliver. In England this includes halting the decline in species populations by 2030, and increasing tree and woodland cover to 16.5% of total land area by 2050.<sup>3</sup>

Meeting our climate and environmental targets is an economy-wide challenge. Not one for sustainability professionals and organisations alone. It is increasingly a necessity that all job roles can help contribute to delivering greener outcomes.

With YouGov polling data highlighting that 65% of British adults believe they do not have access to green skills training through their employer,<sup>4</sup> there is clearly a need to act speedily on policy interventions to create a greener workforce. The same poll also found that 56% of British adults have never heard of the term 'green job', while 64% also demonstrated a similar lack of awareness of the term 'green skills'.

IEMA recommends that policymakers, with support from business, should:

Ensure the delivery of a green jobs plan that sets out how investment in green jobs and skills will be channelled across different economic sectors so that we have a workforce that can deliver the green economy of the future.

<sup>&</sup>lt;sup>2</sup> House of Commons Library (2019) Net zero in the UK

<sup>&</sup>lt;sup>3</sup> Department for Environment, Food & Rural Affairs (2022) New legally binding environment targets set out

<sup>&</sup>lt;sup>4</sup> IEMA and Deloitte (2022) <u>A blueprint for green workforce transformation</u>



- Build on the work of the Green Jobs Delivery Group and establish a permanent cross-government • body that takes a strategic approach to delivering green skills and jobs growth in the economy that is tied to our long-term climate and environmental goals.
- Support the development and utilisation of IEMA's Green Careers Hub to help all workers understand where they fit into the green economy of the future.

## **Environmental governance**

The report published by the Office for Environmental Protection at the start of 2024 on the progress being made in the delivery of the Environmental Improvement Plan (EIP) revealed that on seven out of its 10 goals progress was "largely off track".<sup>5</sup> A key challenge that we have identified is that there is not enough information and guidance for businesses to understand their role in helping to deliver the key goals set down in the plan, which is frustrating given that the appetite seems to be there.

A further area of concern is that there doesn't seem to be a joined-up approach between the EIP and the environmental impact assessment reform that is being delivered through the Levelling Up and Regeneration Act – specifically in terms of the interactions between the EIP goals and the move towards Environmental Outcomes Reports as part of the new environmental assessment regime for England.

Equally, the practice of translating the EIP goals from national to local level isn't clear for many of our members that are working on local nature recovery and enhancement.

Looking at this more widely, the single biggest challenge is around long-term governance. The relationship between the EIP, the long-term environmental targets framework and the Environmental Principles Policy Statement that is now being implemented across government is not clear enough.

The principles statement, for example, makes little to no reference of the other policy and legislative instruments, so its therefore difficult to see how ministers across Whitehall could have these at the forefront when making decisions on public policy that will have an impact on the natural environment.

Each of these challenges should be picked up as part of the Government's planned review of the EIP.<sup>6</sup>

IEMA recommends that policymakers, with support from business, should:

- Ensure that policy instruments aimed at restoring and enhancing the condition of the natural environment are more effectively integrated with one another, including the EIP, the long-term environmental targets framework and the Environmental Principles Policy Statement.
- Develop and deliver a comprehensive strategy for translating the EIP goals from national to local level, so that those working on local nature recovery and enhancement can better understand how their work should feed into the wider picture.
- Raise the profile and understanding of sustainability across Whitehall to ensure the most effective implementation of the Department for Environment, Food and Rural Affairs' Environmental Principles Policy Statement.

<sup>&</sup>lt;sup>5</sup> Office for Environmental Protection (2024) Progress in improving the natural environment in England 2022/2023

<sup>&</sup>lt;sup>6</sup> Department for Environment, Food & Rural Affairs (2024) <u>Government launches rapid review to meet Environment Act</u> targets



## **Biodiversity and natural capital**

There is a biodiversity crisis as well as a climate crisis. Recent research has shown that the abundance of 753 terrestrial and freshwater species has on average fallen by 19% across the UK since 1970. In addition, the distributions of 54% of flowering plant species have decreased (across Great Britain) during the same time and the abundance of 13 species of seabird has fallen by an average of 24% since 1986.<sup>7</sup>

Policy action on reducing impacts on biodiversity and restoring nature is something that has begun to gather pace. However, there are key actions that are required to make current government policies and requirements more likely to be effective.

Developing and implementing policy that puts the UK on a long-term pathway to becoming nature positive is critical, as is an approach across all decision-making on public policy that there should be no precedence over nature.

IEMA recommends that policymakers, with support from business, should:

- Urgently design and implement a robust plan to protect 30% of the land and of the sea for nature's recovery by 2030 (30by30).
- Take steps to ensure that new requirements for biodiversity net gain in the planning system are effectively delivered, managed and monitored (and suitably resourced), and that lessons learned are acted on to guarantee good outcomes.
- Establish a land use framework that enables the effective interaction of different spatial policies including biodiversity net gain, environmental land management schemes and planning reform.

## **Circular economy**

The way we use and dispose of materials and products is not sustainable, and is a root cause of environmental degradation, climate change and biodiversity decline. The 'throughput economy' (take, make, use, dispose) is no longer viable – instead we need to implement circular practices to achieve greater resource efficiency with the highest sustainable outcomes.

Economic growth is intrinsically linked to greater resource use and GHG emissions. The way we currently use and dispose of materials and products is not sustainable. By adopting circular strategies that create more value from materials and products throughout their life cycle, such as repair, refurbishment, renting and sharing, we can enable more resource-secure, resilient and sustainable outcomes.

The need to act urgently is also clear, with research suggesting that over 90% of the UK's material use comes from virgin sources and only 7.5% of materials are circled back into the UK economy after use.<sup>8</sup>

IEMA recommends that policymakers, with support from business, should:

Focus efforts on achieving absolute decoupling of resource use from GDP incorporating consumption-• based measures, not those that are solely production based.

<sup>&</sup>lt;sup>7</sup> State of Nature Partnership (2023) State of Nature Report 2023

<sup>&</sup>lt;sup>8</sup> Circle Economy Foundation (2024) <u>The circularity gap report (for the United Kingdom)</u>



- Establish a resource productivity target that is underpinned by the principles of green growth to • enable the transition to a low-carbon circular economy, the availability of sustainable materials, and increasing resource efficiency and the wellbeing of the population.
- Develop a national circular strategy to ensure materials and products needed for our transition to a net-zero economy are reused, remanufactured and recycled.

## Climate change and energy

When the UK parliament signed the 2050 net-zero target into law in 2019 it was widely considered as world leading. Indeed, the UK was the first major economy to establish such a target. However, since then there has been slow progress on delivery, with the government's policy strategy having been subject to legal challenge and revision.

Following the independent review that The Rt Hon Chris Skidmore was asked to undertake, plans to deliver net zero were updated, but there remain significant gaps.

Through its nationally determined contribution the UK is required to reduce emissions by 68% by 2030 relative to 1990 levels. The Committee on Climate Change (CCC) has recently reported that its confidence in this target being met "remains low".<sup>9</sup> CCC research indicates that, outside of the electricity sector, emissions reduction must increase four-fold to meet the target and that there appears a lack of urgency in policy delivery to achieve this.

IEMA recommends that policymakers, with support from business, should:

- Rapidly improve on the design of the Future Homes Standard as consulted on in early 2024, including • the consideration of embodied carbon, so that new homes are built in way that dramatically reduces their carbon impact.
- Develop a clear investment and deployment roadmap for onshore wind (building on the positive steps already undertaken to unleash the potential of this particular technology) and establish a speedier regime for good projects to connect to the grid.
- Accelerate the rollout of the infrastructure that is required to support the transition to low-emission • vehicles, including that which is required for electric vehicles.

#### Impact assessment

The discipline of impact assessment, including the well-known environmental impact assessment (EIA) and strategic environmental assessments (SEA) have been a cornerstone of the planning system in the UK for decades, enabling local authorities, regulators, statutory bodies and the public to understand the likely significant effects of projects, plans and programmes on people and the natural environment, and therefore helping to bring about effective decision-making.

The Levelling Up and Regeneration Act (discussed also in the environmental governance section of this short paper) includes powers to revoke the EIA and SEA legislation and replace them with as-yet undefined

<sup>&</sup>lt;sup>9</sup> Committee on Climate Change (2023) Progress towards reaching Net Zero in the UK



Environmental Outcome Reports (EOR) in England, which could change the scope of impact assessments dramatically.

The legislation sets out a shift away from the current EIA and SEA regime to what is described as an outcomesbased approach. New EORs have been subject to high-level consultation, but the results have not been published. Further consultation on the detail of implementing secondary legislation on EORs is not expected before 2025.

IEMA is concerned that the new EOR legislation could lead to a watering down of the rigour that has been applied through conventional EIA and SEA approaches, and that it will not necessarily lead to better outcomes for people or the natural environment overall.

There are also other issues that should be picked up through reforms to the IA regimes.

IEMA recommends that policymakers, with support from business, should:

- Create a national environmental assessment unit to enhance EIA and SEA delivery, and to support the ٠ shift to EORs.
- Do more to promote evidence-based practice and to mandate the use of competent experts. •
- Create more meaningful opportunities to improve public participation in the planning system and with the EIA, SEA and EOR process.

For more information from IEMA's policy team, please contact:

Ben Goodwin, Director of Policy and Public Affairs, IEMA

policy@iema.net