

Green Recovery Act 2020

2020 CHAPTER 415

Contents

Executive summary ... 3

Explanatory notes ... 6

- (1) Green Recovery Commission ... 6 ~ (2) Transport ... 8 ~ (3) Energy ... 12 ~ (4) Coal, oil and gas elimination ... 13 ~
 - (5) Full employment, income and training ... 14 \sim (6) Agriculture, supermarkets and stores ... 15 \sim
 - (7) Finance and corporate governance ... 16 \sim (8) Local authority empowerment ... 19 \sim
 - (9) International and trade agreements ... 20 \sim (10) Temporary exemptions ... 21 \sim

Green Recovery Act 2020 ... 22

"This is really useful, transformative work. I strongly hope that it succeeds." - George Monbiot

"This law will help **embed key ecological principles into the economy**, and provide society with a pathway to a liveable planet, just as earlier laws provided pathways to economic and social justice. The Green Recovery Act complements and lays foundations for the Green New Deal. It is most welcome." - Ann Pettifor

"Mr Johnson has talked of a "new deal" and he could take up the suggestion by the Common Wealth thinktank to legislate for a Green Recovery Act to drive an economic revival with renewable energy at its core." - Editorial, Guardian

"The Green Recovery Act draws on the foundations set out in the Decarbonisation and Economic Strategy Bill that I am re-tabling with the Labour MP Clive Lewis and others to detail how to reset life in the UK, putting us on a path to meet our climate commitments, reverse inequality and where the flourishing of people and nature become our primary focus as we build back better, greener and fairer." - Caroline Lucas MP

"The science is clear: we need to cut emissions to zero by 2030. That might seem a daunting task, but it's absolutely achievable. The Green Recovery Act shows how it can be done." - Jason Hickel

Version 1.1.1

The first version of this Act was released by Common Wealth, with an introduction from Mat Lawrence. While a work in progress, it will only be complete once the principles of this Act are implemented, and climate damage ends. For comments, questions please contact at ewan.mcgaughey@kcl.ac.uk or <a

Executive summary

The Green Recovery Act 2020 is a comprehensive plan to recover our economy and environment in the wake of the covid-19 pandemic, and secure 100% renewable energy. It will end climate damage from coal, oil and gas. It will create clear skies, clean cities, a prosperous countryside, and a living planet. It puts a central idea into law: that our economy and environment can improve, and we can build a better future for ourselves, each other and our planet.

We now know today's legal framework is no longer enough. The Climate Change Act 2008 sets a target of reaching net zero carbon in the UK by 2050. Like the Paris Agreement 2015, this aims to limit climate damage through global warming to 2°C. Its approach was an advance in 2008. Scientifically and economically it is insufficient for at least three reasons:

- air pollution from coal, oil and gas kills 40,000 people in the UK a year, has made more people vulnerable to covid-19, and costs the NHS at least £6 billion a year;²
- coal, oil and gas have been the worst performing investments every year since 2017, meaning fossil fuels hurt pensions, retirement security and the national economy;³
- climate damage has already heated the planet by 1°C, and it is devastating our homes and lives, from floods in Britain, to fires in the Arctic, Amazon and Australia.

The Green Recovery Act addresses the costs of inaction: to health, the NHS, pensions and the environment. Targets in 2025, 2030 or 2050 have become routine in narratives about environmental reform. Targets may be useful when technology is not available. But where technology is available, distant targets entrench inaction and provide no basis for democratic accountability. The Act's approach is to take swift, orderly action. It secures astonishing benefits: a cleaner environment, a sustainable and prosperous economy, and a better way of life. It turns the law the right way up, and looks to a positive future.

The Green Recovery Act requires change as fast as technologically practicable, not distant target dates. Its fiscal cost is zero, and it delivers immense savings.⁴ It has nine parts:

• a Green Recovery Commission, which advises how budgeted investment money can be

² Royal College of Physicians and Royal College of Paediatrics and Child Health, *Every breath we take: The lifelong impact of air pollution* (February 2016) xliii. A Hunt and C Brand, 'Health damage from cars and vans costs £6 billion annually to NHS and society' (6 June 2018)

B Nauman, 'Sharp rise in number of investors dumping fossil fuel stocks' (9 September 2019) FT. '2019 Stock Index Results Show Fossil Companies as Worst-Performing Segment' (14 January 2020) Energy Mix

For instance, stopping air pollution saves £20bn a year: Royal College of Physicians and Royal College of Paediatrics and Child Health, Every breath we take: The lifelong impact of air pollution (February 2016) xliii.

spent to decarbonise the United Kingdom, as well as any future reforms,

- on transport, for instance, to only give tax deductions to new vehicles that are clean,
- on energy, for instance, Ofgem and all energy producers have duties to decarbonise,
- coal, oil and gas are banned with strict exceptions; liability for climate damage codified,
- guarantee Full employment, Incomes, Training (a 'FIT guarantee') for affected workers,
- refresh supports for agriculture, and duties on supermarkets for emissions and waste,
- on prudent **finance** and **corporate governance**, replacing 'GDP' with an objective indicator, a new monetary policy, and company directors' duties to invest in green tech,
- local authority empowerment for clean transport, energy, buildings and pensions, and
- duties to negotiate **international agreements** with green principles abroad like at home.

Running throughout the Green Recovery Act's sections are six main principles:

- ban coal, oil and gas as fast as technologically practicable, not as slow as climatically feasible (the 'ban' principle)
- base exceptions to the coal, oil and gas ban on technological necessity (the 'necessity' principle)
- acknowledge openly that coal, oil and gas cause climate damage (not 'change') along with damage to health, and damage to property (the 'climate damage' principle)
- save taxpayers and businesses money with investment, clean jobs and long-term
 prudence (the 'prudence' principle)
- conservation and renewable energy become the mainstream practices across all public and private bodies (the 'mainstream' principle)
- ensure **coherence** of the UK's national action with international conduct, to halt imports of polluting products and fossil fuel extraction abroad (the 'coherence' principle')

The ban principle, with strict technological exceptions, is the Act's fulcrum. It follows a core moral value: climate damage is wrong. It also follows the most obvious, most successful model of climate law: in the Montreal Protocol of 1987, the world agreed to ban Chlorofluorocarbons (CFCs), and more recently Hydrofluorocarbons (HFCs), to repair the hole in the Earth's ozone layer. Bans work, and they are right. Taxes to 'internalise the externality' do not work as well, and are morally ambiguous. We are all keen to 'follow the science'. But it misunderstands the nature of science to think science tells us we should

⁵ See F Green, 'Anti-fossil fuel norms' (2018) 150 Climatic Change 103 on the importance, and success, of bans, using the examples of ending slavery, aggressive war, and nuclear testing.

pollute up to 1.5°C or 2°C warming, till 2030 or 2050. Science shows us what 'is', not what we 'should' do. Every lump of coal, every slick of oil, every fume of gas, is causing climate damage. The only rational conclusion is that we must stop climate damage now. We can either live on a living planet, or we can keep a fossil fuel industry. We can not do both.

The idea of a 'Green New Deal' and a 'Green Industrial Revolution' has caught the public imagination, from progressive to conservative circles. Climate damage is political, but the need to stop it is too big to be stalled by politics. This Act's Green Recovery Commission creates the architecture for public investment at scale. This includes bond schemes enabled by a new Bank of England monetary policy, and green jobs to improve agriculture, retrofit buildings, clean transport and detoxify energy. It also goes far further. The Green Recovery Act re-engineers the laws that produce climate damage and underinvestment. Tax and spending is all very well, but why use correctional taxes if the law still perpetuates climate damage and under-investment? It is better to re-code our laws, to ensure all public and private bodies help in the fight for a living planet. With the smallest possible legal changes, the Green Recovery Act creates the biggest social and environmental impacts possible.

The Green Recovery Act illustrates the immense social benefits from conservation and renewable energy. The idea of a trade-off between stopping climate damage and developing the economy is such nonsense it is time to exclude it from mainstream discourse. There are billions in taxpayer savings and business opportunities with renewable energy, but there are no profits, and no jobs, on a dead planet. We must simply change what we build and buy. The 'projection' that fossil fuels must continue as a part of meeting a rising 'energy demand', or for 'energy security', is consistently refuted by the evidence of technological innovation, and prices. That argument has lost, and it has lost badly. Renewables are cheaper. Fossil fuels are costly and toxic. So, it is time to shift our attention to practical solutions. The costs are mounting for health, pensions, the economy and environment from not replacing coal, oil and gas now. Replacement must be done in a swift, and orderly fashion, to give way to clean cities, clear skies, a prosperous countryside, and a living planet. This is why we need the Green Recovery Act in 2020.

e.g. S Swinford, 'Coronavirus: Rishi Sunak wants green new jobs for laid-off workers' (3 June 2020) The Times

Note that investors have often sued sovereign governments for changing laws that are argued to amount to 'expropriation' e.g. under the Energy Charter Treaty 1994 arts 12-13. All claims will fail whenever the action taken is reasonable. Post-Fukushima, see *Vattenfall v Germany*, on the ban of the nuclear industry by 2022.

e.g. BP Energy Outlook 2035 (February 2015) 5, in a blurb by BP's ex-chief executive Bob Dudley.

Explanatory notes

These explanatory notes summarise the nine parts of the Act and its Schedule. They present the problems that each part addresses, and explain the solutions of the Act section by section.

Contents of the Green Recovery Act 2020

Part 1 Green Recovery Commission
Part 2 Transport

Part 3 Energy

Part 4 Coal, oil and gas elimination

Part 5 Full employment, income and training guarantee

Part 6 Agriculture, supermarkets and stores

Part 7 Finance and corporate governance

Part 8 Local authority empowerment

Part 9 International and trade agreements

Schedule 1 - Temporary exemptions from prohibitions on fossil fuels

Part 1 Green Recovery Commission

Today what is called climate 'change' threatens unprecedented damage to the environment, the economy, and our lives. The burning of coal, oil and gas has heated the Earth's average temperature by more than 1°C over pre-industrial levels. Carbon dioxide in our air has risen from 0.028% in 1780, to 0.0338% in 1980, to over 0.0415% (or 415 parts per million) today. This has caused more extreme floods in Britain, hurricanes in America, and apocalyptic fires from Australia, to the Arctic, to the Amazon. Coal, oil and gas corporations have proven reserves that would release 2,900 gigatonnes of carbon dioxide if burned, and there are estimated reserves of 11,000 Gt of CO₂. Burning proven reserves alone will raise Earth's temperature by 3.3°C to 8.25°C. This will destroy food crops worldwide, trigger mass

⁹ US EPA, *Climate Change Indicators* (2019) and click on the spreadsheet. In 1066, it was 281ppm, and in 19 AD it was 276ppm.

e.g. E Bevacqua et al, 'Higher probability of compound flooding from precipitation and storm surge in Europe under anthropogenic climate change' (2019) 5(9) Science Advances 1-7

e.g. J Berardelli, 'How climate change is making hurricanes more dangerous' (2019) Yale Climate Connections

e.g. F Pearce, 'Long Shaped By Fire, Australia Enters a Perilous New Era' (16 January 2020) YaleEnvironment360

¹³ C McGlade and P Ekins, 'The geographical distribution of fossil fuels unused when limiting global warming to 2oC' (2015) 517 Nature 187, Figure 1.

IPCC, Climate Change 2014: Synthesis Report (2014) 62, 'The global mean peak surface temperature change per trillion tonnes of carbon (1000 GtC) emitted as CO2 is likely in the range of 0.8°C to 2.5°C.' It follows burning 2900 Gt will raise temperatures from 3.3°C to 8.25°C, given a 1°C rise already. But note that IPCC modelling stops at 6°C, after which further consequences are unpredictable.

migration, famine, and death. Sea level rises will destroy London, New York, Sydney, Mumbai, Shanghai and St Petersburg. Britain will be uninhabitable. Burning 500 gigatonnes alone will mean at least a 1.5°C temperature rise, which accelerates the mass floods, hurricanes and fires we have now, killing millions of people and destroying property. The end of fossil fuels, and the punishment of those responsible for harm, cannot be achieved through individual or market choices, because individuals and markets do not choose the laws. We all choose the laws together as a democracy. We must ban fossil fuels as fast as technologically practicable. We need to care, for ourselves, for each other, and for our planet.

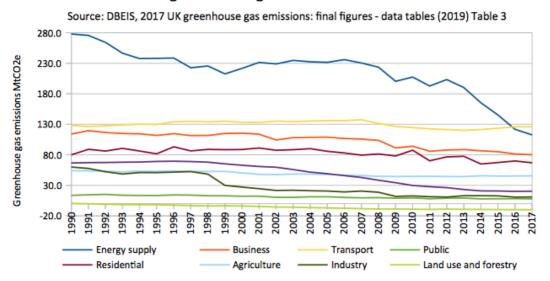
Part 1 of the Green Recovery Act establishes a Green Recovery Commission (section 1) to report to Parliament on fiscal and legal measures to end coal, oil and gas. While Parts 2 to 9 of the Act set out immediate cost-saving and environment-conserving reforms (in transport, energy, employment, food, finance and corporate governance, local government, and international relations) the Green Recovery Commission has three main roles. First, it reports to Parliament how planned government investment can be spent to replace all coal, oil and gas. Second, it recommends what additional subsidies or payments to enterprises are necessary (if at all) in order to phase out and replace production with renewable energy. Third, it recommends any necessary further legislation in light of the developing science and technology (sections 2-6). Its overall mandate is based on the twin principles of conservation of the economy and environment, and of 100% renewable energy. The current trend in UK greenhouse gas emissions is stagnant, except for energy supply. The Green Recovery Commission, and the Act as a whole, will change that, eliminate all emissions, and save money.

e.g. M Lynas, Six Degrees: Our Future on a Hotter Planet (2007) summarised in (11 March 2007) Sunday Times

On the latter alone, P Read and R Denniss, 'With costs approaching \$100 billion, the fires are Australia's costliest natural disaster' (17 January 2020) Conversation. \$100 billion in Australia is around £54 billion or €60 billion.

See generally F Green, 'Anti-fossil fuel norms' (2018) 150 Climatic Change 103, on the importance of bans in historical context, for slavery, aggressive war, and nuclear testing. This section acknowledges that there are costs in significant social change, but no right model. The UK's Slavery Abolition Act 1833 s XXIV set up a compensation scheme for slave owners, while the US Emancipation Proclamation 1863 paid no compensation. It is debatable whether fossil fuel business should compensated, pay for climate damage, or a compromise.

UK greenhouse gas emissions 1990-2017



Part 2 Transport

Today in the UK, the transport sector is the largest source of greenhouse gases, all avoidable. Every year 40,000 people die from air pollution,¹⁸ even from school classrooms.¹⁹ This comes from fossil fuel transport and energy, and it costs the NHS at least £6 billion a year.²⁰ According to the Royal College of Physicians the full economic cost of air pollution is £20 billion a year.²¹ But the true cost of losing people's loved ones is incalculable and daily. This is why section 7 puts a general duty on the Office and Rail and Road and Secretary of State to eliminate all fossil fuels 'as soon as technologically practicable', not by some distant date.

The five main types of land transport are trains, delivery vehicles, buses, taxis, and personal cars. Most pollution comes from the 'working vehicles' because they are used constantly. Buses, taxis and delivery vehicles are around 56% of exhaust pipe emissions in the UK,²² but number just 6.8 million vehicles. By contrast, there are around 31 million personal vehicles, which on average spend 96% of their lives parked.²³

Part 2 addresses each vehicle type in turn. First, train companies take up to £7.1

^{&#}x27;Air pollution 'kills 40,000 a year' in the UK, says report' (23 February 2016) nhs.uk

e.g. R Watt, D Clark, S Joiner and A Cappaert, 'London air pollution mapped: how does your child's school compare?' (9 May 2019) The Times

A Hunt and C Brand, 'Health damage from cars and vans costs £6 billion annually to NHS and society' (6 June 2018)

²¹ Royal College of Physicians and Royal College of Paediatrics and Child Health, Every breath we take: The lifelong impact of air pollution (February 2016) xliii

See Defra and Department for Transport, *UK plan for tackling roadside nitrogen dioxide concentrations* (July 2017) 7, Figure 3, for NOx emissions, vans and HGVs are 40%, buses 16%, taxis 2%, cars 43%, other vehicles 1%. This assumes similar exhaust pipe emission breakdowns for carbon dioxide and other gases.

²³ J Bates and D Leibling, Spaced out: perspectives on parking policy (RAC 2012) vi, 80% at home, 16% elsewhere.

billion a year in subsidies,²⁴ and around £400 million a year in profit,²⁵ yet they have electrified only 42% of railway lines,²⁶ among the worst records in Europe.²⁷ Only in Scotland can railways be owned by the British public.²⁸ But the French, German and Dutch public do own British rail through their nationalised companies (SNCF, Deutsche Bahn, Nederlandse Spoorwegen). Under the Railways Act 1993, the only governments in the world that cannot own our railways are our own.²⁹ Section 8 requires that train companies electrify their lines at a rate of 20% of outstanding lines each year (complete in five years). Section 9 repeals the constraint on rail ownership by UK governments, so that any unsustainable private companies may be replaced with a more efficient public sector entity if necessary.

Second, delivery vehicles are subsidised by tax deductions, and are around 40% of roadside emissions. When people buy a business vehicle, they are entitled to reduce the profits they report by the vehicle's cost, whether the vehicle is clean or not. Since 2015 the 'total cost of vehicle ownership' has been lower for clean vehicles than petrol or diesel, they without taking account of the £6 billion cost to the NHS. This means tax deductions encourage business to both lose money, and to pollute. That makes no sense. Section 10 makes tax deductions available only for zero exhaust pipe emission vehicles, or other machinery, and enables the Secretary of State to write more detailed rules.

Third, buses are also subsidised by tax deductions, whether clean or not, and this makes tax reform equally urgent, as buses account for around 16% of emissions. However, outside London bus availability has plummeted, fares have soared, and environmental damage from personal car reliance has increased. This is because the buses, timetables, fares, conditions of service are publicly regulated or owned only in London,³² and 33 councils that have maintained municipal bus networks.³³ Like for trains, UK councils are prohibited from starting new bus companies, though French, German and Dutch governments run many bus services: the only governments in the world that cannot run our transport are our own.³⁴

²⁴ Office of Rail and Road, Rail Finance: 2018-19 Annual Statistical Release (14 November 2019)

²⁵ e.g. N Sommerlad (2 January 2017) Mirror.

²⁶ 'Will the UK ever get electrification back on track?' (13 June 2018) Railway Technology, 'a paltry 42%.'

²⁷ 'Electrified railway lines' (2016) ec.europa.eu. Switzerland has 100% electrified rail.

²⁸ Scotland Act 2016 s 57

²⁹ Railways Act 1993 s 25. D Keating, 'Almost all British train lines are now owned by other EU countries' (15 August 2019) Forbes.

³⁰ Capital Allowances Act 2001 s 104AA(4)

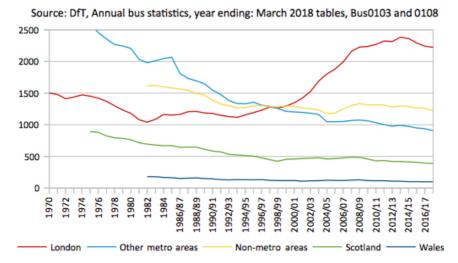
K Palmer, JE Tait, Z Wadud and J Nellthorp, 'Total cost of ownership and market share for hybrid and electric vehicles in the UK, US and Japan' (2018) 209 Applied Energy 108, finding lower costs after 16,000 miles for hybrid vehicles, and that with government subsidies at the time of writing, electric cars were cheaper overall.

³² Greater London Authority Act 1999 ss 154-155, 174-175, 180-188 and Sch 10

These include Suffolk, Nottingham, Blackpool, Guisborough, Skipton, Cardiff, Newport, Ipswich, Edinburgh, Dumfries and Galloway, Moray, and Northern Ireland.

³⁴ Bus Services Act 2017 s 22

Bus passenger journeys, 1970-2017



Section 11 gives local authorities the power to regulate fares and timetables as they can in London, and removes the prohibition on UK governments owning bus companies. It requires no new buses that have exhaust pipe emissions and requires replacement of diesel or petrol fleets by 20% a year.

Fourth, taxis are licensed by local authorities and account for 2% of emissions. Section 12 requires that, like in London, all new hackney carriages, private hire vehicles, or equivalents have zero exhaust pipe emissions. After 2022 it requires clean vehicles only.

Fifth, personal car manufacturers in Europe are far behind China, where Changan and BAIC will produce 100% electric vehicles by 2025, while Geely has a 50% pledge.³⁵ As World War Two unfolded, the British and American governments went to the auto-makers and said they needed to retool to build planes. The auto-makers said the government's time scale was impossible. No way. Only 10-15% of production could be converted a year. But then it was done.³⁶ The covid-19 crisis has shown us today that manufacturers can rapidly build ventilators or protective equipment, and if needed this can be done using emergency legislation.³⁷ Parliament has declared a climate emergency. Rapid decarbonisation is a matter of law and will, not economics, because the technology is there. Section 13 requires no new vehicles are produced by manufacturers unless they have zero exhaust pipe emissions.

To assist rapid decarbonisation, auto-manufacturers need to be under public oversight, illustrated by the 'dieselgate' scandal. In 2007 the European Court of Justice held that 'golden shares' in Volkswagen, held by the German state, Lower-Saxony, violated the

e.g. Civil Contingencies Act 2004 s 22

T Dixon (26 October 2017) EVObsession, on Changan. (18 December 2017) CleanTechnica, on BAIC. (22 April 2020) Automotive World, on Geely.

J Zeitlin, 'Flexibility and Mass Production at War: Aircraft Manufacture in Britain, the United States, and Germany, 1939-1945' (1995) 36(1) Technology and Culture 46, 52, Table 1 and 56.

right to free movement of capital.³⁸ The government argued that having a golden share, giving it special powers over Volkswagen's governance, was needed to protect workers (it did not mention the environment). But the court held the government's aims in having a golden share were not objectively justified. Just as the golden share litigation was being completed (and now without public scrutiny) Volkswagen's chief executive launched a strategy to become the world's biggest car company, and used 'cheat devices' to do it. These switched on when a car was being tested for pollution, but switched off on the road. Volkswagen made millions of cars with toxic emissions, killing thousands of people.³⁹ Other companies did the same, and have continued to break the law, engaging in a wanton pattern of fraud.⁴⁰ This means that for a transitional period to decarbonise, auto-makers need oversight. Section 14 gives the UK government a special share in all auto and engine makers in the UK for the purpose of decarbonising production. The special share carries rights to call meetings, speak, make resolutions, vote, and the other rights that members have. On issues of decarbonisation, the special share is deemed to carry a majority of votes.

Clean vehicles need more charging points. Petrol station companies have ideal locations, but they have a conflict of interest in installing new points because they profit from fossil fuels. The Automated and Electric Vehicles Act 2018 currently says that the Secretary of State 'may' direct petrol stations to install charging points. The Green Recovery Act section 15 says that the Secretary of State 'shall' require charging points to be installed.

Planes cause around 2% of global greenhouse gas emissions. For a small number of journeys there is currently no technological equivalent to flights, yet many flights are unnecessary. As the covid-19 crisis showed, video conferencing may work as well as many business trips. Less flying also reduces other disadvantages such as cancerous radiation exposure during flights,⁴¹ and noise pollution. But also, air travel exists even where rail journeys are equal or faster in time, for instance, from Edinburgh to London, or London to Paris. Section 16 empowers the Secretary of State to close air travel routes where total transport time, including average commuting and check in times, between city or town centres is faster or equal by rail. The Secretary of State must report to Parliament what subsidies or legal changes, if any, are needed to reduce rail prices to plane price levels.

³⁸ Commission v Germany (2007) C-112/05

³⁹ See J Armour, 'Volkswagen's Emissions Scandal: Lessons for Corporate Governance?' (2016) Oxford Business Law Blog parts 1 and 2

e.g. P McGee, 'EU finds evidence carmakers are manipulating results' (24 July 2018) FT and D Keating, 'Carmakers Are Cheating Again - But This Time They're Inflating Their Emissions' (26 July 2018) Forbes.

⁴¹ A Matthews-King (26 June 2018) Independent.

Part 3 Energy

Just 33% of UK electricity was renewable in 2018,⁴² even though wind turbines, solar power, and batteries, are now cheaper and more secure than toxic sources,⁴³ and even excluding the costs of climate damage. The UK's six largest energy companies charge around £10.6 billion a year to customers in electricity bills, and make £4 billion a year in profit,⁴⁴ but have no credible plans to decarbonise as fast as technology allows. On present costs alone, just £9.2 billion a year in investment is needed over five years to give every home renewable energy,⁴⁵ not including so called 'biomass' to which ex-coal power plants have converted. 'Biomass' is deemed renewable by law,⁴⁶ because it was argued that trees take in as much carbon when they grow as they release when burned. This is false, because there are emissions released by machinery in deforestation, in soil degradation, and in transport.⁴⁷ Biomass smoke also damages health. Full carbon capture and storage is a myth: as yet it operates nowhere.⁴⁸

Section 17 requires the Gas and Electricity Markets Authority (known as Ofgem) to take into account the public interest in 'elimination' (not just 'reduction') of greenhouse gas emissions. It further requires that biomass or carbon capture users must prove total emissions are lower in the whole production chain than in combustion before they operate. Section 18 requires that any holder of an electricity supply licence must reduce emissions by 20% each year.

Small scale production by businesses is key to reducing costs, although there is not yet a clear right to sell energy to the grid at reasonable prices. Because small-scale solar and wind producers must sell surplus energy, and have little bargaining power against larger energy companies, reasonable prices need to be guaranteed. Section 19 ensures that the feedin tariff rates paid by companies to energy producers are no less than 90% of the market price charged by the company to its own consumers.

⁴² DBEIS, Digest of UK Energy Statistics (2019) 80

e.g. M O'Boyle, 'The coal cost crossover: economic viability of existing coal compared to new local wind and solar resources' (March 2019) Energy Innovation. N Harmsen, 'South Australia's giant Tesla battery output and storage set to increase by 50 per cent' (19 November 2019) ABC.

⁴⁴ A Davis, 'What is the average cost of utility bills per month?' (5 July 2019) Money Advice Service. A Vaughan, 'Profits slide at big six energy firms as 1.4m customers switch' (11 October 2018) Guardian

The Moray East wind farm is costing £2.6 billion to build, and provides enough electricity for just under 1 million homes. There are around 27 million homes in the UK, and one-third of electricity is already renewable. This means a rough investment figure of £46.8 billion would electrify the remaining 18 million UK homes: that is £9.2 billion a year for 5 years.

⁴⁶ Renewable Energy Directive 2009 art 17 and Annex V

M Le Page, 'The Great Carbon Scam' (24 September 2016) 231 New Scientist 20–21

D Kuch, "Fixing" climate change through carbon capture and storage: Situating industrial risk cultures' (2017) 92 Futures 1, 2, 'CCS has monumentally failed to reach key milestones.' See also K Burton, 'Carbon con: does capturing carbon from power stations really work?' (11 March 2020) Geographical.

Part 4 Coal, oil and gas elimination

The UK's history as the home of the industrial revolution, and the forefront of the coal, oil and gas industry creates a special responsibility to lead the elimination of fossil fuels. By 2010, just 90 corporate entities were responsible for 63% of all historical greenhouse gas emissions,⁴⁹ and among the top 20 are British Petroleum, Shell, BHP-Billiton, and Anglo-American each with UK headquarters, incorporations, and listing on the London Stock Exchange. Coal, oil and gas companies are no longer viable, even if they pay for climate damage (see section 39 below). The UK government used to charge a Petroleum Revenue Tax at 75% from 1983 to 1993, but this has now become a subsidy that the Treasury gives away, supposedly for the purpose of decommissioning North Sea oil rigs: £1.1 billion in subsidies from 2018 to 2020.⁵⁰ This is similar abroad where UK companies operate: for instance Australia – the world's biggest coal producer in 2016, now being burned by apocalyptic bushfires – receives almost no tax revenue from coal, oil and gas companies.⁵¹

Despite the vast subsidies from non-enforcement of tax, fossil-fuel investments have consistently under-performed other industries, and were the worst performing sector in the S&P 500 in 2018 and 2019.⁵² The Church of England pension fund, which has led divestment, has had higher returns than almost all asset managers.⁵³ But despite the Climate Change Act 2008 duty to reduce carbon emissions, the Infrastructure Act 2015 created a duty on the Oil and Gas Authority to 'maximise the economy recovery' of petroleum. This backward law makes no sense.

The Green Recovery Act eliminates the fossil fuel industry in a swift, orderly and profitable fashion. Section 20 creates duties on the Coal Authority and the OGA and to eliminate coal, oil and gas as soon as technologically practicable. Section 21 requires that the Secretary of State investigates and then brings petitions for winding-up of all coal, oil and gas companies that are incorporated in the UK, wherever they operate globally. Section 22 creates personal liability for directors and senior managers for all decommissioning projects,

⁴⁹ R Heede, 'Tracing anthropogenic carbon dioxide and methane emissions to fossil fuel and cement producers, 1854–2010' (2014) 122 Climatic Change 229

e.g. *Budget* 2020 (March 2020) 114, Table C.5, showing negative £700 million in 2018-19 and negative £400 million in 2019-20 under Petroleum revenue tax current 'receipts'. The tax was reduced to zero in Finance Act 2016 s 140(1).

N Khadem, 'ATO data reveals one third of large companies pay no tax' (2 January 2020) ABC. Note the entries for Glencore Investments, Origin Energy, Woodside Petroleum, Shell Energy, Santos, Anglo American, Whitehaven Coal, Chevron, BHP Billiton Mitsui, ConocoPhillips, QCoal, Petronas and Kogas.

^{52 &#}x27;2019 Stock Index Results Show Fossil Companies as Worst-Performing Segment' (14 January 2020) Energy Mix

P Smith, 'Church of England fund becomes top world performer' (21 May 2017) FT and S Nasralla and S Jessop, 'Church of England pension fund shifts \$789 million to climate index' (30 January 2020) Reuters. The Church's deadline is 2023.

so that environmental obligations cannot be escaped. The Secretary of State is required to review the environmental impact of decommissioning with evidence only from marine scientists and biologists working in UK higher education institutions.

Like the industry itself, all promotion of fossil fuels must end, just as tobacco advertising was banned. Section 23 prohibits the advertising of fossil fuel companies or products, including vehicles, machinery or unnecessary plastic. In addition, several countries with major fossil fuel exports own media in the UK to promote their interests, sow conflict, and spread online disinformation for political sabotage. This includes Russia, which controls RT and Sputnik. Section 24 requires the Office of Communications to review licences of broadcasters, in whatever medium, that are influenced by nation-states with limited democracy, rule of law, or respect for human rights, and which export fossil fuels. Ofcom must further review licences of broadcasters that are influenced by individuals with assets in fossil fuel business. Ofcom also acquires the power to prohibit 'large internet broadcasters' from broadcasting any media that promotes the interest of fossil fuel states, denial of climate damage or science, and division, discrimination or harassment within the meaning of the Equality Act 2010. It finally requires information on climate damage in weather reporting.

Part 5 Full employment, income and training guarantee for fossil fuel workers

There are workers in coal, oil and gas industries who must be fully supported as their jobs change. In the covid-19 crisis, the UK government subsidised 80% of income for over 8 million workers. By contrast, there around 62,000 workers in the UK coal, oil and gas industries.⁵⁵ Fossil fuel lobbies claim that their toxic industry 'supports' thousands more jobs,⁵⁶ but this is false. North Sea oil rig engineer jobs have been replaced with jobs laying building wind turbines and laying cables. Coal and gas extraction jobs can be replaced with safer, better paying jobs in solar plant building and building maintenance. Because renewable energy is cheaper, and its benefits are more decentralised, the fossil fuel industry's concentrated nature is damaging to, not supporting employment.⁵⁷

Section 25 requires that any affected fossil fuel workers have the 'FIT guarantee'. First, there is a right to Full employment, and to be redeployed into a job of comparable skill.

⁵⁴ See in particular, the Mueller Report, Report On The Investigation Into Russian Interference In The 2016 Presidential Election (2018) 1, referring to 'sweeping and systematic' interference. This was mainly possible by exploiting lack of regulation on social media networks.

House of Commons, 'Oil and Fossil Fuel Production (including Gas) Sector Report' (2017) reporting 67,652 employees, and deducting 4000 staff fired after the covid-19 outbreak: F Harnett (27 March 2020) City AM.

⁵⁶ OGUK, Workforce Report (2019) 10.

⁵⁷ See historically, T Mitchell, Carbon Democracy: Political Power in the Age of Oil (Verso 2011) ch 1, 36 explaining how oil and modern coal extraction requires smaller workforces.

Second, there is a right to the same Income, that is, at least the same pay as a previous job. Third, there is a right to Training, to pay the full cost of new skills before being redeployed. The Secretary of State may exempt categories of senior managerial worker from the FIT guarantee, to prevent payment of excessive salaries or bonuses. Section 26 further restores the duty on government (which lapsed in 2017) to report on how it will achieve full employment.⁵⁸ This defines full employment to mean fair wages, reasonable working time, a rate of under 2.5% unemployment, and a fair regional distribution of jobs.⁵⁹

Part 6 Agriculture, supermarkets and stores

In spite of the farming community's resilience, the UK's food chain is wasteful and anti-competitive. Under the Common Agricultural Policy, \in 58.8 billion in the EU (a third of its budget), and £3.5 billion in the UK, is spent on subsidies to farms, but without conditions to promote sustainable practice. Most farm subsidies do not even go to farm workers, ⁶⁰ or farm owners, but are taken by supermarkets that use their market power to underpay farmers. Subsidies are also paid to Sheikhs who kidnap and torture their daughters, ⁶¹ and grouse hunters that burn the land. ⁶²

Today we know much more about good agricultural practice. Not tilling soil with heavy machinery saves the average farm thousands of pounds, improves soil quality, crop yields, and worm and bird populations. Small robot weed killers can replace mass herbicide sprays and machinery at a fraction of the cost. The Green Recovery Act section 27 places a duty on the Secretary of State of Environment, Food and Rural Affairs to eliminate fossil fuel use in agriculture, supermarkets and stores, improve greenhouse gas absorption on land, reduce emissions in imports, and reduce food waste. Farm subsidies should be targeted to reduce tillage, improve soil quality, reduce pesticides, herbicides and fertilisers, and restore forests or other ecological focus areas.

Consumers want products that do not damage the environment, but are not given information to decide, like the ingredients list or energy and sugar contents. Section 28 requires that every supermarket, retailer or manufacturer has a duty to place traffic light

⁵⁸ See previously the Welfare Reform and Work Act 2016 s 1

⁵⁹ This definition follows W Beveridge, Full employment in a free society (1944) 18.

P Lord, 'Valuing labour: The interaction of law and informal norms in UK agriculture' (2019) 1 Journal of the Oxford Centre of Socio-legal Studies 1, 16-25, interviewing a cross section of farm workers. An Agricultural Wages Board is gone since 2013 but continued in Wales and Scotland, ensuring fair wage scales beyond the minimum.

⁶¹ Panorama, Escape from Dubai: The mystery of the missing princess (6 March 2020) BBC. L Carter and C Dowler, 'UAE Prime Minister given £1m in farm subsidies for horse breeding empire' (23 October 2016) Unearthed.

⁶² G Shrubsole, Who Owns England (2019) ch 4, 96-97 (grouse).

e.g. DR Montgomery, Growing a Revolution: Bringing our Soil Back to Life (2017)

⁶⁴ e.g. 'Meet the robot that maps weeds on farm for National Trust' (4 December 2019) Shropshire Star

labels (red, amber, green) on all products to reflect their greenhouse gas emissions in production and distribution. The Food Standards Agency oversees this.

Plastic packaging, clothing or other non-recyclable products are a special problem. Supermarkets use plastic, which is produced using oil, to tie products together so that people buy more, and to protect produce from marks. But they have a conflict of interest in regulating themselves. Plastic clothing (such as polyester, acrylic, nylon) is of lower quality and durability than natural fibres like cotton, wool or linen, and releases trillions of plastic micro-fibres into our drinking water. ⁶⁵ Section 29 requires that supermarkets, retailers and manufacturers eliminate plastic packaging and clothing, and empowers the Secretary of State to make exceptions based on strict necessity for the purposes of safety and security. Section 30 creates a general duty on supermarkets and retailers to ensure that all packaging is recycled in the local authority where it is sold. (Section 44 also enables councils to charge supermarkets for waste collection costs.)

Part 7 Finance and corporate governance

Today's financial system funds climate damage, and this starts with the priorities our government sets. The UK Treasury currently follows 'Gross Domestic Product' as a measure for economic success. GDP adds up government spending, investment, consumption, and net exports, however wasteful or harmful the activity. For example, the US spends an average of \$10,586 per person a year on health care, and US life expectancy is 78.6 years. The UK spends the equivalent of \$3,121 (around £2,450) per person a year (through the public NHS) and UK life expectancy is 81.3 years. Perversely, in GDP per capita this makes the US looks like it is \$7,465 better off – more spending on health care adds to GDP – even though Americans are made poorer and die quicker under their health system. GDP also goes up if business profits from climate damage, for instance by building oil rigs that explode, and then again by paying someone to clean up the filth. This makes no sense, and it damages our welfare. Section 31 requires the Bank of England to conduct regulatory and monetary policy so as to eliminate investment and funding in fossil fuels. Section 32 requires the Treasury, the Bank of England, and all other public bodies to replace GDP with measures based on

⁶⁵ T Herbert, 'Plastic in water and food: Brits eat a credit card's worth of micro-plastics every week according to new study' (12 June 2019) Evening Standard

There are different methods of calculating GDP, but they should add up to the same thing. See HM Treasury, 'User's guide: Background information on GDP and GDP deflator' (2006). The more that human rights or public goods, like health, are monetised, the more that GDP goes up when people are in fact becoming poorer. The same is true when businesses overcharge people for transport, electricity, water, food, communication or information, and when working hours are high.

⁶⁷ See OECD, Health expenditure and financing (2018) stats.oecd.org

objective criteria, including real wages, working time, life expectancy, health, and years of education,⁶⁸ not subjective criteria that damage our well-being and the environment.

Better corporate governance is vital to accelerate a just transition to clean energy. For companies, clean transport and energy generation is already cheaper than fossil fuel sources. However, as a matter of behavioural psychology, businesses often show a *status quo* bias.⁶⁹ Many business do not switch vehicles, switch energy sources, or insulate buildings even when it would save money in the medium to long term, because change means effort. Section 33 clarifies that a director's duty of care, which may be enforced by all company members, includes a duty to 'invest in the replacement of fossil fuel vehicles, the insulation of buildings, and the installation of clean energy generation, with regard to the savings in the long term.' This duty extends to equivalent positions in all public bodies.

Rapid divestment from all fossil fuels is essential not only because coal, oil and gas are damaging retirement funds (fossil fuels were the worst performing sector from 2017 to 2020⁷⁰), but because they also create conflicts of interest. For example, if a shareholder invests in an oil company, and a car company, it has less incentive to use its voting rights to make the car company stop petrol and diesel vehicles, because that may harm its oil investments. Some argue that divestment achieves nothing, but these arguments are uninformed about the conflicts of interest that result from diversification and modern portfolio theory, and do not appreciate the urgency. Section 34 places a duty on all financial institutions to divest from fossil fuels, enforced by the Financial Conduct Authority and Prudential Regulation Authority. It further codifies a criminal offence to invest in fossil fuels anywhere in the world from April 2021, and raises the punishment for fossil fuel investment to the level of the Criminal Damage Act 1971 in April 2022. Schedule 1 sets out limited, and temporary exceptions to the investment ban based on technological necessity.

Climate damage exists because economic decisions of corporations are not democratically accountable. Shareholders control most voting rights in the economy, but shareholding firms take those votes from 'other people's money'.⁷¹ If combined, the three

⁶⁸ This example follows the model of the United Nations Inequality Adjusted Human Development Index, but replaces GDP with a ratio of real wages for working time. Another possible model is the Genuine Progress Indicator.

⁶⁹ D Kahneman, JL Knetsch and RH Thaler, 'Anomalies: The endowment effect, loss aversion, and status quo bias' (1991) 5(1) Journal of Economic Perspectives 193. Among other things, this insight led to auto-enrolment: Pensions Act 2008 ss 1-8.

^{70 &#}x27;2019 Stock Index Results Show Fossil Companies as Worst-Performing Segment' (14 January 2020) Energy Mix

of A Smith, The Wealth of Nations (1776) Book V, ch 1, §107. Today, see E McGaughey, 'Democracy in America at Work: The History of Labor's Vote in Corporate Governance' (2019) 42 Seattle University Law Review 697, 744-748 and in the UK see 'Does corporate governance exclude the ultimate investor?' (2016) 16 Journal of Corporate Law Studies 221.

largest US asset managers (BlackRock, State Street, and Vanguard) would be the largest shareholder in 438 of the S&P 500 companies.⁷² They have under 50 people in their corporate governance departments casting votes on shares,⁷³ all with other people's money. The situation is similar or more concentrated in the UK. The money in company shares comes mainly from workers saving for retirement in pension, life insurance, and mutual funds. But the true investors are excluded from voting. So are workers, despite their investment of labour. More democratic economic governance means higher productivity, employment, and innovation,⁷⁴ and strongly supports environmental reform.⁷⁵ Section 35 states that financial intermediaries may only vote on company shares when following instructions from the beneficial owner (e.g. elected pension fund trustees). It also extends existing laws (first introduced in 1995) so that at least one half of all capital funds are nominated by the true investors. Section 36 requires that all workers are registered as members of companies, and hold at least 20% of voting rights on a one person, one vote basis in the general meeting.⁷⁶ The Secretary of State may raise this threshold.

As well as the true investors, and workers, businesses and consumers must be empowered to stop climate damage. For example, if all competitors in an industry agree to not use plastic packaging (despite any cost increases), or to eliminate petrol and diesel vehicles, they risk having to argue in court that this falls within a block exemptions for competition law, and they must prove agreement is justified in the consumer interest. This deters obviously pro-competitive, clean conduct. Section 37 clarifies that any agreement is lawful if it is to 'eliminate the use of fossil fuels as fast as reasonably practicable, provided that the agreements are publicised on a website of the undertaking.' This positive right to cooperate is a necessary and overdue element of a sustainable competition law.

One of the most important contributions to climate damage is the sheer volume of excessive production. Products are built to fail, not built to last. Companies plan obsolescence so that they may sell more replacements. Section 38 introduces a consumer

⁷² EA Posner, FM Scott Morton and EG Weyl, 'Proposal to Limit the Anti-Competitive Power of Institutional Investors' (2017) 81 Antitrust LJ 1, 2

S Krouse, D Benoit and T McGinty, 'Meet the New Corporate Power Brokers' (24 October 2016) Wall St Journal

⁷⁴ Z Adams, L Bishop, S Deakin, C Fenwick, SM Garzelli, G Rusconi, 'The economic significance of laws relating to employment protection and different forms of employment: Analysis of a panel of 117 countries, 1990–2013' (2019) 158(1) International Labour Review 1

e.g. AMNT, *Red Line Voting* (2016) showing a series of ESG proposals from member nominated trustees of pensions that UK asset managers have initially refused to follow. See also S Hirst, 'Social Responsibility Resolutions' (2018) 43 Journal of Corporation Law 217, 224-27 on US asset managers consistently opposing proposals.

The guarantee of voting rights for staff was first introduced by the Oxford University Act 1854 s 6. Another old example is the Port of London Act 1908, sponsored by Winston Churchill.

right to products of 'lasting and durable' quality, based on guidance issued by the Competition and Markets Authority.

Finally, all incentives of companies to engage in climate damage must cease. Polluters must pay. Section 39 codifies the principles of common law of negligence and criminal liability into a statutory wrong of 'climate damage'. Any company, director, or shareholder that may exercise control, is jointly liable for damage based on that company's percentage of historic greenhouse gas emissions, and the material increase in risk that it creates. Punitive damages must be paid where a defendant's conduct was calculated to make a profit. After 2025, a criminal offence is extended extra-territorially, so that carrying on a fossil fuel company anywhere in the world falls under the Criminal Damage Act 1971.

Part 8 Local authority empowerment

Local transport, energy generation, building, and recycling are all issues that local authorities should be empowered to regulate: at least 281 councils have declared a 'climate emergency', including Conservative, Labour, SNP, Liberal and cross-party councils. There is no single codified list of local authority powers, and so council powers are often unclear or limited. As well as the power to establish a bus company in section 11, section 40 empowers a local authority to create a smart emission zone. An SEZ may charge fossil fuel vehicles for entering an area, and graduate the charge based on any business turnover: this ensures the council can target the largest polluters with the greatest ability to switch. Section 41 empowers a local authority to create a clean energy company, and also to require businesses to switch contracts to the local authority on prices at least equivalent to existing energy contracts. Section 42 empowers a local authority to make planning permission conditional upon buildings having energy generation, storage, and transport charging points. It may also require landlords to provide energy generation and batteries where reasonably practicable, and to transform streets from car parks into garden parks.

One of the biggest restrictions on UK local authorities is ability to raise finance, despite the cost of its duties. In particular, an average of 25% of council budgets are spent on waste collection, totalling at least £2.3 billion a year. 80 Yet councils do not have clear powers

In the UK, see *Chandler v Cape plc* [2012] EWCA Civ 525 (shareholder liability), *Fairchild v Glenhaven Funeral Services Ltd* [2002] UKHL 22 (material increase of risk), *Rookes v Barnard* [1964] AC 1129 (calculation to make a profit). For ongoing cases in New Zealand see *Smith v Fonterra Co-Operative Group Ltd* [2020] NZHC 419 and in Germany see *Lliuya v RWE AG* (2015) Case No. 2 O 285/15 Essen Oberlandesgericht.

⁷⁸ See a list at www.climateemergency.uk/blog/list-of-councils/

M Sandford, Local government in England: structures (2018) HC Briefing Number 07104, Appendix, is excellent.

⁸⁰ R Nierynck, 'Council waste spending topped £2.3 billion in 2013/14' (15 August 2016) LetsRecycle.com.

to make waste producers pay. The waste creators are overwhelmingly supermarkets.⁸¹ There is currently a 'Landfill Tax', but this is levied on the party bringing waste to landfill, not the supermarkets or other businesses that are responsible for it. They increase wasteful packaging (that they could easily change) because they do not pay the cost of disposal. Section 43 enables a local authority to require full recycling rates by business, and to require that supermarkets meet the cost of waste collection. This will potentially increase local authority income by up to £2.3 billion a year, and drastically reduce waste to prudent levels.

Local authorities must also meet pension obligations, but the Local Government Pension Scheme is made up of thousands of trustees, and hundreds of funds. ⁸² Because the LGPS is divided, it has no bargaining power against asset managers raising fees, and cannot manage money in house. This raises costs for taxpayers, and reduces the value of council worker pensions. Section 44 requires the establishment of a unified Local Government Pension Scheme with a board of eleven trustees. The first board is elected by existing trustees, and it must write a policy on the use of its investment power on environmental, social and governance issues. Subsequent boards shall be elected by an electronic ballot of local government workers, except for two trustees appointed by the Secretary of State.

Part 9 International and trade agreements

Because there is one planet, the UK's actions must be fully coherent between home and international affairs. The Climate Change Act 2008 and the Paris Agreement 2015 count greenhouse gas emissions at the point of production. In reality, the UK consumes vastly more than it accounts for because production with coal, oil and gas takes place abroad, and products are imported. Products abroad may be made with poor labour practices, which also increase emissions, because high working time and low leisure time raises consumption. The single biggest source of greenhouse gas emissions, however, is movements of military forces, even without a war. Section 45 requires that the UK negotiates in every international agreement for the non-proliferation and elimination of coal, oil and gas. Section 46 requires that in every international agreement, the UK negotiates for raising of environmental and work standards. Section 47 requires that the UK negotiates for reduction in military movement, and to replace military spending with investment in restoration of the world's

e.g. '£1 in every seven now spent in Tesco' (16 April 2007) Telegraph

⁸² The Public Service Pensions Act 2013 c 25 failed to combine all funds into one, where they could have benefited from economics of scale, like major funds abroad such as CalPERS, CalSTRS or OMERS.

e.g. F Devetter and S Rousseau, 'Working Hours and Sustainable Development' (2011) 69(3) Review of Social Economy 333, showing longer hours increases impulse buying, and carbon intensive activity.

e.g. NC Crawford, 'The Pentagon Emits More Greenhouse Gases Than Any Other Part of the US Gov't.' (12 June 2019) Live Science

environment. Climate damage is worldwide, and so principles to create a living planet must extend worldwide too.

Schedule 1 - Temporary exemptions from prohibitions on fossil fuels

Although there is technology to decarbonise almost all transport, energy, and agriculture, there are limits where there are not yet adequate alternatives to coal, oil and gas. Schedule 1 recognises this by providing that the Secretary of State may supervise exceptions to the prohibitions on fossil fuels based on strict technological necessity. Any investments in exempt fossil fuels must carry a duty to pay 1 per cent of revenues to a research and development fund to produce alternatives. The Schedule finally defines what 'as soon as technologically practicable' means, according to expert evidence in judicial review. It empowers courts to enforce decisions of public bodies or directors to a strict standard, by enabling the substitution of the court's judgment, and the award of effective remedies.

By Dr Ewan McGaughey⁸⁵

School of Law, King's College, London. Centre for Business Research, University of Cambridge. Please contact a tewan.mcgaughey@kcl.ac.uk or @ewanmcg. This document results from many people's contributions of ideas, but I am especially grateful for discussion and comments from Laura Bear, Jason Hickel, Liv Jores, Alan Simpson, Ann Pettifor, Ania Zbyszewska, Laura Mai, Henry Leveson-Gower, Fergus Green, Thomas Piketty, Grace Blakeley, Steve Daly, Tim Ashton, Declan Kuch, Mathias Boer-Maher, Michelle Meagher, David Adler, Pawel Wargen, Caroline Lucas, Ruth Potts, Leslie-Anne Duvic-Paoli, Nathan Tamblyn, John Balson, Mat Lawrence, Richard Benwell, Sally Longford and Richard Murphy.



Green Recovery Act 2020

2020 CHAPTER 415

CONTENTS

Part 1

GREEN RECOVERY COMMISSION

1 Duty of the Secretary of State for green reco	, . Cz j
2 Objectives of the Green Recovery Commiss	ion
3 Governance of the Green Recovery Commis	ssion
4 Report of the Green Recovery Commission	
5 Funding of the green recovery strategy	
6 Legislative changes for the green recovery s	strategy

Part 2

Transport

7	Duty of the Office of Rail and Road to decarbonise transport
8	Tax deductions only for non-fossil fuel vehicles
9	Restoration of local bus networks, fare, timetabling and emission regulation
10	Duty of transport authorities to licence clean taxis and private hire vehicles
11	Duty of railway companies for electrification
12	Removal of railway ownership restrictions
13	Golden share in automobile manufacturers for decarbonisation
14	Duty of automobile manufacturers to produce zero emissions vehicles
15	Duty of large fuel retailers to install electric charging points
16	Closure of air travel where other total transport time is faster or equal

Part 3

Energy

17 18 19	Duty of the Gas and Electricity Markets Authority to decarbonise energy Feed-in tariff minimum price guarantee Annual emission reduction duties on energy generators up to 2025	
	Part 4	
	COAL, OIL AND GAS ELIMINATION	
20 21 22 23 24	Duty of the Oil and Gas Authority and Coal Authority eliminate fossil fuels Duty to petition for fossil fuel corporation insolvency and to cancel subsidies Personal liability of fossil directors and senior managers for decommissioning Prohibition on advertising of all fossil fuel products Office of Communications duty to review licences of fossil fuel state media	
Part 5		
	FULL EMPLOYMENT, INCOME AND TRAINING GUARANTEE FOR FOSSIL FUEL WORKERS	
25 26	Full employment, income and training guarantee Restoration of duty on Secretary of State to report on full employment	
	Part 6	
	AGRICULTURE, SUPERMARKETS AND STORES	
27	Duty of the Secretary of State for Environment, Food and Rural Affairs to decarbonise food	
28 29 30	Traffic light labelling for emissions on all products Elimination of plastic packaging and clothing General recyclability duty	
	Part 7	
	FINANCE AND CORPORATE GOVERNANCE	
31 32 33 34 35 36 37 38 39	Duty of the Bank of England for decarbonisation in monetary policy and finance Replacement of Gross Domestic Product with objective criteria Duty of care of directors for clean transport, building and energy investment Duty on financial institutions to divest from fossil fuels and criminal enforcement Financial intermediaries not to vote without instructions from representatives Requirement of worker voting rights in enterprise governance Block exemption from competition law for cooperation to decarbonise Consumer right to products of durable quality, and to repair General liability of companies, directors and shareholders for climate damage	

Part 8

LOCAL AUTHORITY EMPOWERMENT

d streets

44

Part 9

INTERNATIONAL AND TRADE AGREEMENTS

45	Duty of the Secretary of State to negotiate for elimination of coal, oil and gas
46	Duty of the Secretary of State to negotiate for environmental and work standards
47	Duty of the Secretary of State to minimise military movement and negotiate reduction

Schedule 1 – Temporary exemptions from prohibitions on fossil fuels $\,$



Green Recovery Act 2020

2020 CHAPTER 415

An Act to place duties for a green recovery on the relevant Secretaries of State, the Office of Rail and Road, the Gas and Electricity Markets Authority, the Oil and Gas Authority, the Coal Authority, the Department for the Environment, Food and Rural Affairs, the Bank of England, the Financial Conduct Authority, the Prudential Regulation Authority, and all public and private bodies, including an investment strategy, a just transition for workers in fossil fuel industries, and improvement of the economy and environment of the United Kingdom and the world.

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Part 1

GREEN RECOVERY COMMISSION

1 Duty of the Secretary of State for green recovery

- (1) The Secretary of State shall have the duty to -
 - (a) conserve and enhance economic sustainability, nature and biodiversity,
 - (b) replace all fossil fuels with renewable energy, subject to Schedule 1, and
 - (c) level up income, wealth, health and opportunity, according to the standards set under section 32.
- (2) The Secretary of State shall establish a Green Recovery Commission within 6 months.

2 Objectives of the Green Recovery Commission

- (1) The objectives of the Green Recovery Commission shall be to -
 - (a) prepare a green recovery strategy to meet the duties in section 1(1),

- (b) promote the green recovery strategy among all public bodies, the private sector, and across society,
- (c) advise the Secretary of State on an appropriate timeframe for policy change, the financial implications of acting or not acting, and how costs should be met,
- (d) report to Parliament in accordance with section 4, and
- (e) recommend the date of the dissolution of the Commission, upon completion of decarbonisation, and as soon as technologically practicable.
- (2) The strategy under subsection (1)(a) shall be laid before Parliament within 1 year.

3 Governance of the Green Recovery Commission

- (1) The Secretary of State shall appoint between 9 and 15 members to the Green Recovery Commission, having regard to
 - (a) knowledge in natural science, social science, law, or any other relevant field,
 - (b) representation of civil society groups,
 - (c) representation of trade unions, and
 - (d) diversity to reflect the society of the United Kingdom, including gender, race, age, class, geography, and political or religious belief or its absence.
- (2) Members shall be appointed for a term of up to three years, and may be appointed for one further term.
- (3) The Secretary of State may make regulations for the governance of the Commission.

4 Report of the Green Recovery Commission

- (1) The Green Recovery Commission shall prepare reports for Parliament on,
 - (a) the progress towards meeting the duties in section 1(1),
 - (b) any appropriate interim targets, in light of technological possibility,
 - (c) the progress of public bodies,
 - (d) the progress of the private sector,
 - (e) the implementation of sections 7 to 47 of this Act, and
 - (f) any other material as the Commission sees fit.
- (2) The first report shall be laid by the Secretary of State before Parliament within 1 year. Subsequent reports shall follow at six month intervals.
- (3) The Green Recovery Commission shall consult with Scottish Ministers, Welsh Ministers, the Greater London Authority, and the Department of the Environment in Northern Ireland on the green recovery strategy.

5 Funding of the green recovery strategy

- (1) The Green Recovery Commission report shall include recommendations to fulfill section 1(1) on
 - (a) how planned government investment can be spent to eliminate fossil fuels,
 - (b) what additional investments are desirable and for how many years to complete decarbonisation, including through the creation of national or regional investment banks, and
 - (c) what changes to taxation are desirable.
- (2) The strategy may include any other funding policies consistent with section 1(1).

6 Legislative changes for the green recovery strategy

(1) The Green Recovery Commission report shall include recommendations for legislative or any other changes to fulfil the duty in section 1(1). These may include changes to the regulation of –

- (a) transport,
- (b) energy,
- (c) fossil fuels,
- (d) labour rights,
- (e) agriculture, retail, or buildings,
- (f) finance and corporate governance,
- (g) local authorities and regional government,
- (h) international relations, and
- (i) taxation.
- (2) The report may include any other recommendations related to the duty in section 1(1).

Part 2

Transport

7 Duty of the Office of Rail and Road and Secretary of State to decarbonise transport

- (1) The Office of Rail and Road and Secretary of State shall have a primary duty to -
 - (a) eliminate the use of fossil fuels in rail and road transport as soon as technologically practicable, and subject to that,
 - (b) coordinate a comprehensive bus and rail network, with the objective of decreasing reliance on individual vehicles.
- (2) The Secretary of State shall have the power to establish bus or rail services in any route where, in its opinion, passenger demand is not fulfilled.
- (3) In this Act the term 'fossil fuel' refers to coal, lignite, peat, natural gas, crude liquid petroleum, petroleum products, or any substance that releases greenhouse gas emissions. The Secretary of State may make regulations providing further definition.
- (4) In section 12(2) of the Infrastructure Act 2015, before paragraph (a) insert "(za) the primary duty to eliminate the use of fossil fuels from road transport and infrastructure,".
- (5) In section 4(1) of the Railways Act 1993, before paragraph (zb) insert "(za) to eliminate the use of fossil fuels from rail transport and infrastructure,".

8 Duty of railway companies for electrification

- (1) In section 9 of the Railways Act 1993, after subsection (1) insert -
- "(1A) A condition of each existing or future licence shall include the duty of each railway operator in agreement with Network Rail to electrify all existing lines over five years, at a rate of at least 20 per cent of total distance each year.
- (1B) A condition of each existing or future licence shall include the duty of each railway operator to install wind turbines, solar panels and battery facilities, with regard to its long-term economic interests."

9 Removal of railway ownership restrictions

Section 25 of the Railways Act 1993 (Public sector operators not to be franchisees) is repealed.

10 Tax deductions only for non-fossil fuel vehicles

- (1) No deductions from a chargeable tax shall be allowed for vehicles or machinery that run on fossil fuels.
- (2) In section 104AA(4) of the Capital Allowances Act 2001 for "110" substitute "0".

(3) The Secretary of State shall have the power to make regulations to remove deductions in relation to plant and other machinery, with regard to the cost of available alternatives.

11 Restoration of local bus networks, fare, timetabling and emission regulation

- (1) A local authority shall have the power to -
 - (a) establish a company for the provision of bus services,
 - (b) determine the level and structure of fares to be charged for any public passenger transport services provided within its boundaries, and
 - (c) determine the structure of routes of such services and the frequency of operation within its boundaries,

and any other relevant power to manage bus services equivalent to Transport for London under the Greater London Authority Act 1999.

- (2) The Secretary of State shall make regulations to determine the procedures for cooperation among local authorities in any case of overlapping geographical boundaries.
- (3) In section 22(1) of the Bus Services Act 2017, omit the word "not".
- (4) In section 4C of the Public Passenger Vehicles Act 1981, after subsection (1) insert "(1A) The guidance of the senior traffic commissioner shall include duties to (a) issue no vehicle operator's licence unless all vehicles have zero exhaust pipe emissions, and (b) replace the fleets of existing licensees with vehicles that have zero exhaust pipe emissions by at least 20 per cent each year, in reference to the first year."
- (5) In section 181 of the Greater London Authority Act 1999 after subsection (5) insert "(6) Transport for London shall replace the fleet of existing buses with vehicles that use no fossil fuels by at least 20 per cent each year, in reference to the first year."

12 Duty of transport authorities to licence clean taxis and private hire vehicles

- (1) Every new hackney carriage, private hire vehicle or equivalent shall have zero exhaust pipe emissions.
- (2) In section 2 of the Private Hire Vehicles (London) Act 1998, after paragraph (1) insert "(1A) No person shall receive a licence to operate a private hire vehicle unless it has zero exhaust pipe emissions. (1B) No person shall operate a private hire vehicle unless it has zero exhaust pipe emissions after 1 April 2022."
- (3) In section 37 of the Town Police Clauses Act 1847 after "fit" insert ", provided that the vehicle has zero exhaust pipe emissions."
- (4) In section 48 of the Local Government (Miscellaneous Provisions) Act 1976 after paragraph (b) insert "(c) that the vehicle has zero exhaust pipe emissions,".

Duty of automobile manufacturers to produce zero emission vehicles

- (1) Automobile manufacturers shall have a duty to produce zero emission vehicles, and shall produce no further vehicles that do not have zero exhaust pipe emissions.
- (2) The Secretary of State may make regulations to exempt certain classes of vehicle from the duty in subsection (1) on the basis of strict necessity, and lack of available technological alternatives, for a maximum of one year.

14 Golden share in automobile manufacturers for decarbonisation

- (1) The Secretary of State shall have a special share in all automobile and engine manufacturing companies incorporated in the United Kingdom.
- (2) The special share shall carry the right to,
 - (a) call a general meeting,
 - (b) attend and speak at company meetings,

- (c) propose resolutions,
- (d) vote at meetings, and,
- (e) all other rights of ordinary members of the company.
- (3) The voting rights of the special share shall be deemed to be a majority of votes on any issue connected to the elimination of fossil fuels in the company's production.
- (4) Where any automobile or engine manufacturing business has productive assets within the United Kingdom, it shall have a duty to incorporate a company under the Companies Act 2006 to hold those assets. The Secretary of State may make regulations to ensure the effectiveness of this provision.

Duty of large fuel retailers to install electric charging points

(1) In section 11(1) of the Automated and Electric Vehicles Act 2018 for "may" substitute "shall". In section 11(2) for "may, for example" substitute "shall".

16 Closure of air travel where other total transport time is faster or equal

- (1) In consultation with the Civil Aviation Authority, the European Aviation Safety Authority, the Office of Rail and Road and other relevant bodies, the Secretary of State shall have the duty and the power to close air traffic routes where total transport time, including average commuting and check in times, between city or town centres is faster or equal by rail or bus. The Secretary of State may increase the scope of closures by order.
- (2) The Secretary of State shall consider what financial arrangements are necessary to reduce railway fares and report these to Parliament.
- (3) The Secretary of State shall consider what financial arrangements are necessary to internalise the pollution and climate damage cost of air travel and report these to Parliament.

Part 3

ENERGY

17 Duty of the Gas and Electricity Markets Authority to decarbonise energy

- (1) The Gas and Electricity Market Authority shall have a principal objective to eliminate the use of fossil fuels in energy generation and distribution as soon as technologically practicable.
- (2) For the purpose of energy generation, licences shall enable the use of biomass and carbon capture and storage only where more greenhouse gas emissions over the entire production chain are proven to have been absorbed than are released upon combustion. In determining this question, a court shall rely upon independent scientific advice.
- (3) In section 3A(1A) of the Electricity Act 1989, in paragraph (a) for "reduction" substitute "elimination".
- (4) In section 4AA(1A) of the Gas Act 1986, in paragraph (a) for "reduction" substitute "elimination", and in paragraph (b) for "security" substitute "replacement with electricity".

18 Annual emission reduction duties on energy generators up to 2025

(1) The holder of an electricity supply licence under section 6 of the Electricity Act 1989 shall have the duty to eliminate its emissions over five years, by at least 20 per cent each year.

19 Feed-in tariff minimum price guarantee

(1) In section 41 of the Energy Act 2008 after subsection (3) insert – "(3A) The Secretary of State shall provide that the payment to a small-scale low-carbon generator shall be no less than 90 per cent of the market price charged by the holder of a supply licence to its average customer."

Part 4

COAL, OIL AND GAS ELIMINATION

20 Duty of the Oil and Gas Authority and Coal Authority eliminate fossil fuels

- (1) The Oil and Gas Authority and the Coal Authority shall have the duty to cease the extraction of fossil fuels as soon as technologically practicable.
- (2) In section 9A of the Petroleum Act 1998, for "maximising the economic recovery of UK petroleum" substitute "eliminating the extraction of UK petroleum", and omit paragraph (a).
- (3) In section 2(1) of the Coal Industry Act 1994 for paragraphs (a) and (b) substitute "(a) that no coal extraction shall be licensed or continued; and".

21 Duty to petition for fossil fuel corporation insolvency and to cancel subsidies

- (1) The Secretary of State shall have a duty to appoint investigations of all fossil fuel companies that extract coal, oil or gas anywhere in the world, with assets or listings in the United Kingdom, under the Companies Act 1985 Part XIV. The investigations shall be completed within three months from the date of this Act.
- (2) Following the investigations in subsection (1), the Secretary of State shall petition the court for the investigated companies to be wound up on grounds of the public interest, under the Insolvency Act 1986 section 124A.
- (3) The Secretary of State shall review the Petroleum Revenue Tax and report to Parliament on the viability of restoring it to 100 per cent under section 1(2) of the Oil Taxation Act 1975.

22 Personal liability of directors and senior managers for decommissioning

- (1) The Secretary of State shall review all decommissioning projects under the Petroleum Act 1998 Part IV with a view to suspension of decommissioning, and diversion of allocated resources to building renewable energy infrastructure.
- (2) The review of the Secretary of State shall gather evidence exclusively from marine scientists and biologists who work at United Kingdom higher education institutions.
- (3) The directors and senior managers of licensed petroleum companies shall be jointly, severally and personally liable for any necessary decommissioning costs.

23 Prohibition on advertising of all fossil fuel products

- (1) Advertising of fossil fuel companies or products by newspaper, billboard, television broadcast, radio broadcast, internet broadcast, or any other medium is prohibited.
- (2) In section 321(1) of the Communications Act 2003 before paragraph (a) insert "(za) must prohibit advertising of fossil fuel companies or products, including products that use fossil fuels, such as vehicles, machinery, or unnecessary plastics,".

24 Office of Communications duty to remove fossil fuel state media

- (1) The Office of Communications shall review licences granted to all broadcasters that are owned or influenced by nation-states that
 - (a) have limited or non-existent democratic political systems,
 - (b) fail to uphold human rights and the rule of law, and,
 - (c) export fossil fuels.
- (2) The Office of Communications shall review licences granted to all broadcasters that are owned or influenced by individuals with assets in fossil fuel business.
- (3) The Office of Communications shall have the power to prohibit large internet broadcasters from broadcasting media of kind from persons that
 - (a) promote the interests of fossil fuel states,
 - (b) promote the denial of climate damage, man-made global warming, or science, or
 - (c) promote social division, discrimination, or harassment within the meaning of sections 4 to 19 and 26 of the Equality Act 2010.
- (4) The Office of Communications shall require that licence holders include information on atmospheric pollution and climate damage in its daily weather reporting.

Part 5

FULL EMPLOYMENT, INCOME AND TRAINING GUARANTEE FOR FOSSIL FUEL WORKERS

25 Full employment, income and training guarantee

- (1) A worker of a fossil fuel company who becomes redundant by virtue of sections 20 or 21 shall be guaranteed full employment, on fair wages and working hours, from Her Majesty's government, until such time as they can be redeployed to an appropriate job.
- (2) A worker under subsection (1) shall be guaranteed -
 - (a) the same income that they earned before their redundancy, while employed by the government, or when they are redeployed to the first appropriate job, and
 - (b) the right to training for work on renewable energy.
- (3) The Secretary of State may by regulation exempt categories of senior managerial worker, and may include further categories of worker, under subsection (1).

26 Restoration of duty on Secretary of State to report on full employment

- (1) The Secretary of State must lay a report before Parliament annually on the progress which has been made towards full employment.
- (2) In the report under subsection (1) "full employment" shall mean -
 - (a) at fair wages,
 - (b) with reasonable working time,
 - (c) an unemployment rate under 2.5 per cent of those willing and able to work, and
 - (d) with fair regional distribution of employment opportunities.

Part 6

AGRICULTURE, SUPERMARKETS AND STORES

27 Duty of the Secretary of State for Environment, Food and Rural Affairs to decarbonise food

- (1) The Secretary of State for Environment, Food and Rural Affairs shall have a duty to -
 - (a) eliminate the use of fossil fuels in agriculture, supermarkets and stores,
 - (b) improve the absorption of greenhouse gases by agriculture and forests,
 - (c) secure food imports with the least greenhouse gas emissions possible, and
 - (d) reduce the waste of food.
- (2) The Secretary of State, acting through the Rural Payments Agency or otherwise, shall give financial assistance under the basic payment scheme, rural development support, or any other scheme, so as to prioritise,
 - (a) the reduction of tillage and machinery so far as technologically practicable,
 - (b) the improvement of the soil quality, earthworm and wildlife populations,
 - (c) the elimination or reduction of environmentally detrimental herbicides, pesticides and fertilisers so far as technologically practicable, and,
 - (d) the restoration of forests, or other ecological focus areas.

28 Traffic light labelling for emissions on all products

- (1) All supermarkets, retailers and manufacturers shall have a duty to apply traffic light labelling to food or other products, including the greenhouse gas emissions created in the production and distribution of those products.
- (2) The traffic light labelling shall be display -
 - (a) red for high greenhouse gas emissions,
 - (b) amber for low greenhouse gas emissions, and
 - (c) green for zero greenhouse gas emissions.
- (3) Traffic light labels shall be displayed prominently
 - (a) on each product where the product has packaging, and
 - (b) immediately next to the price on display where the product is sold.
- (4) The Food Standards Agency shall determine the conditions for traffic light labelling, and shall monitor its implementation.
- (5) After six months from the date of this Act, where the Food Standards Agency finds that any supermarket or large retailer has failed to display appropriate traffic light labelling, it may impose a fine of up to 1 per cent of annual turnover for each violation.
- (6) Greenhouse gas emissions shall include the release of carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF_6). The Secretary of State may add substances by order.

29 Elimination of plastic packaging and clothing

- (1) All supermarkets, retailers and manufacturers shall have a duty to eliminate plastic packaging and clothing within six months from the date of this Act.
- (2) The Secretary of State may make regulations to grant exceptions based upon strict necessity for the purpose of safety and security.

30 General recyclability duty

- (1) All supermarkets and retailers shall ensure that packaging for products are recycled in the locality where they are sold.
- (2) The Secretary of State shall make regulations specifying the types of materials that must be recycled by local authorities.

Part 7

FINANCE AND CORPORATE GOVERNANCE

31 Duty of the Bank of England for decarbonisation in monetary policy and finance

- (1) An objective of the Bank of England shall be to eliminate investments and funding in the coal, oil, and gas industry.
- (2) In section 11 of the Bank of England Act 1998 before paragraph (a) insert "(za) to eliminate investments and funding in the coal, oil, and gas industry, (zb) to eliminate greenhouse gas emissions so far as technologically practicable,".

32 Replacement of Gross Domestic Product with objective criteria

- (1) Her Majesty's Treasury, the Bank of England, and all other public bodies shall replace Gross Domestic Product, or related measures of growth, with measures based on objective criteria, including
 - (a) real wages,
 - (b) progressive reduction of working time,
 - (c) life expectancy,
 - (d) health,
 - (e) years in education,

and in so doing take into account any inequality in the distribution of those criteria.

(2) The objective criteria in subsection (1) shall not include any revenue from the production of goods or services that may damage safety, health, the environment, the climate, education, or other human right within the meaning of the Universal Declaration of Human Rights.

33 Duty of care of directors for clean transport, building and energy investment

- (1) In section 174 of the Companies Act 2006, after subsection (2) insert "(3) A director of a company shall invest in the replacement of fossil fuel vehicles, the insulation of buildings, and the installation of clean energy generation, with regard to the savings in the long term, and eliminate greenhouse gas emissions in production and supply chains as fast as technologically practicable."
- (2) This duty shall be deemed to apply to people in positions equivalent to directors in all public bodies, including
 - (a) the executives of any National Health Service foundation, trust or other body,
 - (b) the principals and governing body members of any school or higher education institution,
 - (c) the councillors of any local authority,
 - (d) the chief constable of any police service.

The Secretary of State may write regulations defining categories of responsible person.

34 Duty on financial institutions to divest from fossil fuels and criminal enforcement

- (1) The Financial Conduct Authority and the Prudential Regulation Authority shall ensure that all regulated entities divest from fossil fuels.
- (2) In section 1B(3) of the Financial Services and Markets Act 2000 before paragraph (a) insert "(za) the objective to eliminate all investment or funding in fossil fuels;".
- (3) In section 2B(3) of the Financial Services and Markets Act 2000 before paragraph (a) insert "(za) ensuring that all investment or funding in fossil fuels is eliminated,".
- (4) Investment in coal, oil, or gas enterprises anywhere in the world shall be a criminal

offence from April 2021, punishable at level 5 on the standard scale.

(5) Investment in coal, oil, or gas enterprises anywhere in the world shall be a criminal offence within the meaning of section 1 of the Criminal Damage Act 1971 from April 2022.

35 Financial intermediaries not to vote without instructions from representatives

- (1) Every financial intermediary has a duty to follow the voting policy and specific instructions of trustees or clients on how voting rights on securities shall be voted.
- (2) No financial intermediary that manages funds on behalf of any client may vote on securities except in accordance with the policy or instructions from that client.
- (3) Where a financial intermediary pools savings from different clients into single funds, it shall ensure that votes are cast where necessary on a split basis in relation to each client's portion of funds.
- (4) Every financial intermediary has a duty to facilitate electronic voting in the simplest manner possible, free of charge to its clients, and to publicly report its voting records.
- (5) The Secretary of State shall exercise its power under the Pensions Act 2004 section 243 to require that a minimum of one half of pension trustees or directors of trust corporations are member nominated trustees.
- (6) The requirement for member nominated trustees shall apply to all saving funds, whether constituted as a trust, a corporation, a contract, or any other legal form. The Secretary of State may write regulations specifying included or exempt funds.

36 Requirement of worker voting rights in enterprise governance

- (1) Every worker has the right to be entered on the register of members of their company.
- (2) Each worker shall have one vote in the meetings of companies. Workers as a group shall be entitled to a minimum of twenty per cent of the total votes in the company. The Secretary of State may by order raise the minimum percentage of votes.
- (3) Workers as members shall be entitled to bring derivative claims for breach of the duties of directors as listed under sections 170 to 177 of the Companies Act 2006 or for any other breach of legal or equitable duty.
- (4) Where a company controls the governance of another company, workers shall be entitled to be entered onto the register, to vote, and to bring claims on a proportionate basis in the controlling company as well as their own.
- (5) A worker may delegate their vote on a revocable basis to an independent trade union.
- (6) Companies shall facilitate voting by electronic means in the simplest possible manner.
- (7) Where a worker works for partnership, statutory body, unincorporated association, or any other legal form of organisation, they shall be entitled to be registered, vote in meetings, and bring claims against the board of directors, or other governing body, on the same basis as in a company, regardless of legal form. The Secretary of State shall make regulations amending such legislation as is necessary to achieve this objective.

37 Block exemption from competition law for cooperation to decarbonise

In section 3 of the Competition Act 1998, after subsection (1) insert "(1A) The Chapter I prohibition does not apply where undertakings agree to cooperate to eliminate the use of fossil fuels as fast as technologically practicable, provided that the agreements are publicised on a website of the undertaking."

38 Consumer right to products of durable quality, and to repair

(1) In section 9 of the Consumer Rights Act 2015 for the word "satisfactory" substitute "lasting and durable".

- (2) In section 9, after subsection (1) insert "(1A) "Lasting and durable" means products that are designed to last as long as is reasonable with regard to technical possibility, and the total minimisation of greenhouse gas emissions. Hardware and software manufacturers shall be jointly liable to provide relevant software upgrades."
- (3) A trader shall have a duty to inform customers of their right to repair under section 23 of the Consumer Rights Act 2015 on product packaging or by notice at the time of purchase.
- (4) In consultation with relevant consumer rights and environmental groups, the Competition and Markets Authority shall give guidance on the appropriate time for product life. Such guidance shall be taken into account as a minimum standard in interpreting section 9 of the Consumer Rights Act 2015.

39 General liability of companies, directors and shareholders for climate damage

- (1) The general liability of companies, directors and shareholders for climate damage are based on certain common law rules and equitable principles and have effect in place of those rules. Regard shall be had to corresponding common law rules and equitable principles in interpreting and applying general liability.
- (2) A company, a director of a company, and any shareholder that may exercise control in a company at a relevant time, shall be jointly and severally liable for any damage caused by greenhouse gas emissions including
 - (a) personal injury or death,
 - (b) damage to property,
 - (c) economic loss, or
 - (d) the cost of building defences,

on the basis of the proportion of greenhouse gases that have been historically produced or emitted by that company.

- (3) Punitive damages shall be paid in addition to compensatory damages where the conduct of a defendant was calculated to make a profit.
- (4) This section shall apply with the necessary changes to all forms of partnership, trust, unincorporated association or any other entity that carries on business like a company.
- (5) The causation of "climate damage" in subsection 2 shall be determined according to the percentage likelihood that global warming has materially increased the risk of the damage occurring.
- (6) The Secretary of State may make exemptions from liability under subsection 2 on the basis that the defendant took all reasonable steps to avoid the damage. An exemption may not apply to defendants whose conduct was calculated to make a profit from greenhouse gas emissions. A consumer of fossil fuel products shall not be liable for contribution to climate damage.
- (7) Carrying on a fossil fuel enterprise anywhere in the world shall be a criminal offence within the meaning of section 1 of the Criminal Damage Act 1971 from April 2025.

Part 8

LOCAL AUTHORITY EMPOWERMENT

40 Smart emission zones for transport

- (1) A local authority shall have the power to create a smart emission zone for all highways under its jurisdiction.
- (2) A smart emission zone may include -

- (a) the power to levy a charge upon road transport users based upon exhaust pipe emissions,
- (b) graduated levies based upon the size of the business of the road transport user,
- (c) an exemption for sole traders, and the power to exempt other individual users,
- (d) the right of any subcontracted driver to pass the duty to pay the levy to one or more businesses for which they carry out road transport work.
- (3) A driver shall be considered to be subcontracted under subsection (2)(d) by taking into account the proportion of time spent carrying out work for the contracting party, and the relative bargaining power of the parties.
- (4) The Secretary of State may issue guidance on the definition of the subcontractor, and the appropriate party to pay any levy, having regard to the relative size of the business.

41 Clean energy companies

- (1) A local authority shall have the power to create a clean energy company.
- (2) A clean energy company may include,
 - (a) generation of electricity by wind turbines,
 - (b) generation of electricity by solar panels,
 - (c) storing of electricity in batteries or other facility, or
 - (d) the purchase of electricity from renewable energy installations.
- (3) A local authority shall have the power to require businesses operating within its boundaries switch its energy supply contracts to the local clean energy company at prices equivalent to their existing contracts.

42 Planning permission for clean energy, buildings, and streets

- (1) A local authority shall have the power to make planning permission conditional upon,
 - (a) building material use and insulation,
 - (b) buildings generating or storing energy through solar, wind or batteries,
 - (c) buildings having electric charging points for transport, and
 - (d) any other measure relevant to conservation and renewable energy.
- (2) A local authority shall have the power to require that business properties and landlords of any description insulate, install energy generation, and install battery facilities where reasonably practicable. The Secretary of State shall publish guidelines for the installation of such facilities.
- (3) A local authority shall have the power, in consultation with local residents, to designate any highway to,
 - (a) reduce or remove vehicle parking spaces,
 - (b) reduce or remove thoroughfares, and
 - (c) plant trees, hedges, flowers, or plants of any description.

43 Power to require full business recycling rates

- (1) A local authority may require that businesses that use waste collection recycle or compost 100 per cent of their waste, and impose reasonable charges to prevent any failure to do so.
- (2) A local authority may require that supermarkets pay for the costs of waste collection within that local authority.

44 Local authority pension fund governance

- (1) The assets of all funds in the Local Government Pension Scheme ('the scheme') shall be merged into one entity.
- (2) The scheme shall be managed by a board of eleven trustees. The first trustees shall be

elected for a term of four years by the current trustees of the scheme fund.

- (3) The first board of trustees shall write a constitution for the scheme. This shall include its policy on environmental, social and governance issues in choosing investments and in casting voting rights. The constitution shall provide for its amendment through a 60 per cent resolution of the beneficiaries of the scheme. Each beneficiary shall have one vote.
- (4) After the first term, the subsequent trustees shall be elected by a confidential electronic ballot of the beneficiaries of the scheme. Each beneficiary shall have one vote.
- (5) The Secretary of State shall have the right to appoint two trustees to the board with the same rights and duties as elected trustees.
- (6) The Secretary of State shall provide adequate training for all trustees in carrying out their professional responsibilities.

PART 9

INTERNATIONAL AND TRADE AGREEMENTS

Duty of the Secretary of State to negotiate for elimination of coal, oil and gas

The Secretary of State shall have a duty in all future international agreements, including on trade, to negotiate with other nation-states for the elimination of coal, oil and gas from the economy by analogy to the provisions set out in this Act.

Duty of the Secretary of State to negotiate for environmental and work standards

The Secretary of State shall have a duty in all future international agreements, including on trade, to negotiate with other nation-states to progressively raise standards –

- (a) for the protection of the environment,
- (b) of real wages through voice at work, and
- (c) for the reduction of working time,

by analogy to the provisions set out in this Act.

47 Duty of the Secretary of State to minimise military movement and negotiate reduction

- (1) The Secretary of State shall have a duty to minimise all military movements for the purpose of conserving energy including by
 - (a) the British Army,
 - (b) the Royal Marines,
 - (c) the Royal Navy, and
 - (d) the Royal Air Force.
- (2) The Secretary of State shall have a duty in all future international agreements, including on trade, to negotiate with other nation-states to progressively reduce military expenditure in order to invest in renewable energy and to restore the world environment.

SCHEDULE 1 – Temporary exemptions from prohibitions on fossil fuels

- 1 For the purposes of this Act, the following shall be temporarily exempt so far as strictly necessary from the prohibitions on the investment in and carrying on of fossil fuel companies
 - (a) the manufacture of steel,
 - (b) the manufacture of concrete,
 - (c) the use of gas for pre-existing heating installations,
 - (d) the distribution of petroleum for vehicles,
 - (e) the production of aviation fuel, and
 - (f) the production of heavy shipping fuel.
- Any person who uses or invests in fossil fuels for the purposes listed in paragraph 1 shall have an obligation to pay at least 1 per cent of annual revenue into research and development fund administered by the Secretary of State. The Fund shall be constituted separately from the Consolidated Fund, and shall be distributed as the Secretary of State sees fit to higher education institutions in the United Kingdom to research and develop technological alternatives to fossil fuels.
- 3 The Secretary of State has a duty to review the exemptions listed in paragraph 1 and report to Parliament on the progress made in developing alternatives.
- 4 The Secretary of State shall write regulations to amend paragraph 1 in light of technological restraints and developments as soon as technologically practicable.
- In judicial review of the duties in this Act upon any public body or director, a court shall interpret the phrase 'as soon as technologically practicable' with regard to expert evidence. Where a court finds that action taken to fulfil a duty is not reasonable to meet the goal of stopping climate damage, it shall substitute its judgement for the conduct of the public body or director, and shall grant an effective, dissuasive and proportionate remedy.

38