

CEN briefing: 2024 Conservative Party manifesto

Recommitments to existing policies:

- **Annual oil and gas licensing rounds.** This would require the independent oil and gas regulator, the North Sea Transition Authority (NSTA) to run annual licensing rounds. Licensing rounds are **already** effectively annual events, but were previously called at the NSTA's discretion. The government committed to this in the 'Offshore Petroleum Licensing Bill', which has not yet passed.
- **Build new gas power stations.** The government has **said** these will need to be 'net zero ready' and equipped for carbon capture, usage, and storage (CCUS). The government's independent advisor on climate change, the Climate Change Committee, is **clear** that both abated and a very small amount of unabated gas power generation will be required out to 2050.
- **Windfall tax on oil and gas profits.** The government is levying up to **35%** tax on UK oil and gas sector profits until 2029, raising the sector's overall tax burden to **75%**. Companies also get an **80%** tax relief on low-carbon investments. Revenues **almost quadrupled** to £9.9 billion following Russia's invasion of Ukraine in 2021; although they have now fallen they are still **more than twice** as high as before the war.
- **Treble our offshore wind capacity.** The UK currently has nearly 15 GW of offshore wind capacity, which generates 14% of the country's electricity. The government **committed** in 2022 to 50 GW of offshore wind by 2030. The rollout is being delayed by unnecessary, bureaucratic planning delays and long wait times to connect new projects to the electricity grid: these barriers can unnecessarily delay offshore wind farms by **up to 8 years**.
- **Build the first two CCUS clusters.** A 'cluster' is a geographical area where several facilities (e.g. manufacturing, transport, power generation etc.) share CCUS infrastructure and knowledge. The government **committed** in 2022 to 4 CCUS clusters by 2030, the first two have been **chosen** and are located in Teesside and Liverpool.
- **Invest £1.1 billion into the Green Industries Growth Accelerator.** This fund supports the UK's clean manufacturing industry to build up capacity in key 'net zero' technologies such as the offshore wind, CCUS, networks, and nuclear sectors. The £960 million fund was **announced** in the 2023 Autumn Statement and increased to £1.1 billion in March 2024.
- **Approve two fleets of small modular reactors (SMRs) in the first 100 days of the next Parliament.** SMRs are made of standardised factory-manufactured modular parts delivered ready for assembly - essentially the flat-pack version of a conventional nuclear power station. **Six** SMR companies have been competing in a government competition to get their designs approved.

- **Halve the time it takes for new nuclear reactors to get approved.** This would be done by letting regulators assess projects while designs are still being finalised and join up with overseas regulators looking at the same technologies, as well as speeding up planning and environmental impact assessments.
- **£500 million granted to modernise Port Talbot steel manufacturing.** The government reached an agreement with Tata Steel in September 2023 to co-fund a new electric arc furnace to replace two old fossil fuel blast furnaces.
- **Implement a new import carbon pricing mechanism by 2027.** A carbon border adjustment mechanism (CBAM) will ensure imports of iron, steel, aluminium, ceramics and cement from countries with lower or no carbon prices are comparable in cost to those goods produced in the UK which does. This will stop ‘carbon leakage’, where companies move to more polluting countries with relaxed pollution limits, and help UK businesses to stay competitive.
- **Implement the recommendations of the Winser Review.** The [Winser Review](#) was conducted in June 2023: it assessed the state of the UK’s electricity networks and provided recommendations to improve how they are run. There is not enough buildout of the electricity grid to keep up with the number of new renewables coming online. Some projects will have to wait until the [late 2030s](#) to connect and these long wait times are deterring investment. Some of the recommendations included bill discounts for those living near infrastructure, actions for the regulator Ofgem, and reforms to the planning system.
- **Our updated National Planning Policy Framework seeks to ensure local areas that host onshore wind directly benefit, including potentially through energy bill discounts.**
 - The government changed planning rules on onshore wind development last year by relaxing the language on the level of community support required for new onshore wind to be built and expanding the number of planning documents which could be used to grant consent. Despite the changes, [no new](#) onshore wind turbine applications have been submitted.
 - Bill discounts for communities which host new transmission or generation infrastructure are referred to as ‘community benefits’. The government has previously consulted on implementing this for communities living near pylons and substations, and they would have received £10,000 off their energy bills over 10 years. Before the general election, the government was considering extending this to renewables as well as power lines.
- **Restricting solar deployment.** The Secretary of State released a [ministerial statement](#) in May 2024 on solar farms and food security. This reiterated

existing planning policies and committed to making a new arm's length body to verify agricultural land soil surveys.

- **Investing £6 billion in energy efficiency over the next three years to make around a million homes warmer.** Energy use in homes accounts for around [14% of UK emissions](#). Installing cavity wall insulation can reduce bills by up to [£235 per year](#) for a semi-detached house. Without insulation, leaky walls and roofs can mean bill payers lose [up to a third](#) of the heat they pay for.
- **Using water company fines to invest in river restoration projects, creating a river recovery network.** In England, just [15%](#) of rivers and [16%](#) of waterways (rivers, lakes, and streams) are in good ecological condition. The 'polluter pays' principle is a core conservative value. It is right that water companies responsible for polluting our water pay to clean it up.

CEN wins:

- **Overhaul regulation of the water sector.** The government has taken action to tackle the pressures on our country's streams, rivers, lakes, and seas, including modernising and upgrading sewerage infrastructure.
- **Rolling out rapid charging infrastructure and delivering the zero emission vehicle (ZEV) mandate.**
 - 'Range anxiety' and concerns about a lack of chargers is one of the [main barriers](#) to purchasing an electric vehicle (EV). There are already more than a million EVs registered in the UK, but only [60,000](#) public charge points to serve them - only a fifth of these are 'rapid' chargers that take [30 minutes](#) for a full charge. This is a welcome commitment but lacks detail on how the government will deliver it.
 - The ZEV mandate is a requirement for [80%](#) of car manufacturers' sales to be zero-emissions by 2030, rising to 100% by 2035. This is different to the 'phase out date' which was a policy to end the sale of new petrol and diesel cars and vans by 2030; this was moved back to [2035](#) in September last year. Keeping the ZEV mandate in place will create certainty for businesses to invest in UK EV supply chains.
- **Backing sustainable aviation through the SAF mandate, a revenue support mechanism, and investment in future aviation technology.**
 - Sustainable aviation fuel (SAF) is made from sustainable feedstocks, like waste cooking oil and solid waste such as food scraps, paper or packaging, delivering carbon emissions savings of up to [70%](#). The SAF mandate will require [at least 10%](#) of UK aviation fuel to be sustainably sourced by 2030.

- The 'revenue support mechanism' is a policy designed to de-risk investment into domestic SAF production plants. It gives businesses long-term certainty by guaranteeing a minimum price.
- **Increase the UK farming budget by £1 billion over the next Parliament and link it to inflation.** To strengthen our food security and tackle environmental threats like biodiversity loss, farmers need flexible and generous support to help them adopt more sustainable practices. The transition from the EU's wasteful and inefficient Common Agricultural Policy to the new Environmental Land Management schemes has helped to deliver this with over [55,000](#) agreements now in place. But the budget has been frozen in cash terms during this parliament, meaning inflation has eroded its value. The Conservatives' commitment to increase the budget by £1 billion and increase it with inflation is welcome.
- **Fast-track planning permission for building on-farm glasshouses, slurry and grain stores, and small-scale reservoirs.** Too often, planning red tape ties farmers in knots and prevents them from doing the right thing. Building more small- and medium-sized glasshouses strengthens the UK's food security and reduces food miles. Despite government grants to build more slurry stores, lengthy planning processes often make them too expensive for farmers, but they are integral to improving water quality. Similarly, on-farm reservoirs will be key to helping farmers mitigate the effects of climate change and deal with drought, but protracted environmental impact assessments often push them out of reach. Taken together, these measures will improve UK food security and the sustainability of farmers' produce.
- **Deliver tree planting and peatland commitments and continue work to unlock private investment.** Up to [70%](#) of our ancient woodlands and [87%](#) of our peatlands have been destroyed or degraded. These are natural carbon sinks and key habitats for nature. Reversing their decline will be key to halting species decline by 2030 and meeting net zero emissions by 2050. The commitment to the £650 million Nature for Climate fund will provide certainty to tree planting efforts, both public and private, beyond 2025.
- **Cut red tape in the planning system that holds back tree planting by streamlining processes and permits in suitable areas for it.** To encourage areas which are well-suited to tree planting, tree planters, commercial and otherwise, could benefit from streamlining the application process for woodland creation and be fast-tracked toward the relevant funding pots across the forestry supply chain.
- **Introduce forest risk commodities legislation early in the next Parliament, tackling our impact on illegal deforestation internationally.** Forests are sometimes illegally cleared overseas to graze cattle, grow animal feed, and

produce palm oil. Due diligence checks for financial services will help to ensure investments are not fuelling these practices which contribute to deforestation.

- **Consult UK Overseas Territories on expanding the Blue Belt.** Established in 2014, the Blue Belt is the world's largest network of marine conservation areas, now covering an area the size of India.
- **Ratify the Global Oceans Treaty.** Just 1.2% of the world's oceans are currently protected, threatening their biodiversity and 10% of the global population who rely on them for protein and employment. To implement the treaty, 60 UN states are required to sign the treaty. The UK should use its global influence and ratify the treaty early as a clear signal that we are committed to the health of the world's oceans.
- **Continue to develop a UK-wide Deposit Return Scheme (DRS), while working to minimise the impact on businesses and consumers.** DRS is a system that encourages consumers to recycle an item by charging a monetary deposit at the point of purchase. This deposit is refunded when the item is returned for recycling. The DRS scheme, first proposed in the Waste and Resources Strategy 2018, was originally due to be rolled out in 2023. Since the strategy, there have been two consultations on DRS. Both England and Wales have now delayed the launch of DRS until October 2025.

Further action the next government could take:

- **Create new tax incentives to reduce home energy waste.** Research suggests that households in an average property with an Energy Performance Certificate (EPC) rating of D paid **£235 per year** more than band C properties, showing the potential of energy efficiency to cut people's bills and ease the cost of living. Tax incentives are voluntary for households, go with the grain of consumer behaviour, and involve less admin than complex government grant schemes. To unlock private capital for home upgrades from the new tax incentives, innovative green lending products should also be enabled, so loans can be attached to homes rather than households.
- **The government should rebalance green and social levies from electricity bills onto gas bills and general taxation.** Rebalancing levies will deliver a saving for electric-only households, providing a market-based incentive to switch to the lower-emission more efficient option. Shifting some of the levy costs into general taxation will ensure that dual fuel households are not penalised. Currently, only around **15% of households** are electric-only. As the electrification of home heating increases, through more heat pump installations, the number of households using gas (and as such the size of the government subsidy) will decrease. Legacy renewables schemes should be

taken off electricity as these levies expire sooner than more recent levies. This would be a greener way to deliver cheaper electricity bills than the commitment on reducing levies in the manifesto, and also doesn't risk acting as a disincentive on much-needed new energy investment.

- **Unleash more rooftop solar.** More action should be taken to boost rooftop solar, which is a very efficient use of space and can help households and businesses take control of their energy bills. Solar is the cheapest available energy source, and the price has come down 64% in the past decade. The UK has low levels of domestic rooftop solar, with just 6% of homes having panels. The next government should strengthen the Future Homes Standard to ensure that solar panels are required on new homes and commercial buildings. The cost of adding panels to a new house is paid back in under a decade through energy bill savings. To boost the financial attractiveness of rooftop solar, the government should also review the minimum tariff under the Smart Export Guarantee, which pays households and businesses for any excess power they export to the grid.
- **Increase competition between train operators.** Privatised railways have seen rising passenger demand: before the pandemic hit, the railways delivered a third more journeys than before privatisation. But the relatively high cost of train fares is stopping more people from choosing this sustainable transport mode. To bring down rail prices, the government should turbocharge competition between private providers, rather than create a nationalised rail company.
- **Encourage more green supply chain investment inside investment zones, freeports, and ports.** Turbocharging green investment incentives inside freeports will make the UK more competitive, boost job creation, and regenerate industrial heartlands. After Brexit, repatriated powers around trade policy and regulation have enabled the UK to establish a number of freeports. These zones have already used their favourable tax regime to attract green supply chain firms to the UK, such as SeAH's wind turbine base factory in Teesside and Pensana's rare earth processing facility in Hull.
- **Stop fishing vessels from damaging our marine environment and wildlife.** Free from the EU's Common Fisheries Policy, we have the power to prevent damaging fishing activity from taking place in offshore marine protected areas (MPAs). This power has already been deployed in a number of MPAs around England, but harmful practices, like bottom trawling, are still allowed to take place in most. However, just 6% of this suspected bottom trawling activity is carried out by UK vessels, whilst over a quarter of this damaging activity is suspected to be done by just ten EU vessels. This is often harmful to the commercial interests of smaller-scale British inshore fishers.

- **Create local nature recovery zones around towns and cities.** Following the passage of the Environment Act, local authorities are now tasked with producing Local Nature Recovery Strategies. The strategies will identify zones that are suitable for nature recovery in villages, towns, and cities across England, restoring our natural inheritance and ensuring people have access to vibrant and abundant biodiversity near to their homes. Councils should be resourced to deliver the ambitions of these strategies.