



TAKING ROOT

A CONSERVATIVE PLAN FOR
THE ENVIRONMENT

**CONSERVATIVE
ENVIRONMENT
NETWORK**



The Conservative Environment Network (CEN) is the independent forum for conservatives in the UK and around the world who support net zero, nature restoration, and resource security.

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Company Number: 08582661

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INTRODUCTION

“It is we conservatives who are not merely friends of the Earth - we are its guardians and trustees for generations to come. The core of Tory philosophy and the case for protecting the environment are the same.”

In the years since Margaret Thatcher uttered those words, conservatives have done vital work in tackling many of the UK’s environmental challenges, taking crucial steps to combat climate change and restore nature at home and around the globe.

UK greenhouse gas emissions have halved since 1990, while the economy has grown by over 80%; coal has virtually been banished from our electricity mix; the five biggest offshore wind farms in the world have been built; hundreds of thousands of green jobs have been created; and the COP26 summit saw 90% of the world’s economy follow us in committing to net zero. At the same time, an area of ocean bigger than India around the UK Overseas Territories has been protected; a suite of measures to tackle the scourge of waste has been advanced; developers must now ensure all new homes improve nature; and reforms to agricultural subsidies to reward nature-friendly farming have been rolled out. Conservatives should celebrate and feel pride in these environmental achievements.

But there is much still to do in the next parliament if we are to avoid the worst impacts of climate change and reverse the decline in nature. We must continue to expand the supply of clean energy, decarbonise industry and transport, improve the energy efficiency of our buildings, support the transition to nature-friendly farming, clean up our rivers and air, and

restore nature across our most treasured landscapes and habitats, all while boosting economic, food, and energy security.

The UK has some of the most ambitious climate and nature targets in the world. We now need to make sure that we meet them through bold and practical policies. These policies should be rooted in core conservative insights: they should go with the grain of individual preferences, free markets, and free trade; they should support economic growth and reinforce national security; they should be focused on unlocking private investment into environmental solutions and new green industries, while letting the market innovate and scale technologies; and they should take advantage of the opportunities post-Brexit to redesign environmental policies to achieve better environmental outcomes and tailor them to our own national circumstances.

Environmental action is also a political imperative for conservatives. Even in a tumultuous period for the economy and geopolitics, the environment has consistently remained one of voters’ top five concerns during this parliament and reaching net zero and halting biodiversity loss have enjoyed large majorities of public support.¹ If the centre-right is to win back voters from left-wing parties and win over younger voters who are especially environmentally conscious, polling evidence shows that an ambitious set of policies on the environment is a must. Conversely there is little evidence to suggest a platform of weakening environmental commitments would be capable of uniting right-wing voters, with Reform UK voters overwhelmingly motivated by immigration rather than net zero.

Conservatives should not cede environmental leadership to the left. They should put forward a bold environmental agenda for the next parliament, which builds on the achievements of recent years and is anchored in conservative values, that will protect our communities, our country, and our planet for generations to come.

OUR 10 POINT PLAN

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Create new tax incentives to reduce home energy waste

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Unleash more rooftop solar

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Work with the UK Overseas Territories (UKOTs) to restore nature

1 Create new tax incentives to reduce home energy waste

To save households money on their bills, improve energy security, and tackle energy waste, we need new incentives to encourage home energy efficiency improvements. They are particularly needed in the owner-occupier and private rented sectors, which are not well covered by existing government grant schemes. 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.² Tax incentives are voluntary for households, go with the grain of consumer behaviour, and involve less administration than complex government grant schemes. These incentives could include creating a stamp duty rebate for homes that are retrofitted within two years of purchase, creating an employee benefit scheme for home energy efficiency improvements, and allowing landlords to deduct the costs of energy efficiency improvements from their tax liability. Stamp duty reform could be designed to be revenue neutral for the Treasury. To target these tax cuts more effectively and better inform households' retrofit choices, the system of EPCs should be reformed to measure energy efficiency as opposed to cost. 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. Similarly, retail energy market rules should be liberalised to enable suppliers to offer more 'energy as a service' tariffs, where households can pay a monthly fee for clean technologies rather than buying them upfront.



2 Unleash more rooftop solar

Continuing annual auctions for wind and solar, alongside deciding the outcome of the small modular nuclear reactor competition, will provide the most cost-effective way to cut emissions and boost energy security in the next parliament. But more action should be taken to boost rooftop solar too, which is a very efficient use of space and can help households and businesses take control of their energy bills. The UK has low levels of domestic rooftop solar, with just 6% of homes having panels.³ To boost solar coverage, solar panels should be 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.⁴ The government should also review the minimum tariff under the Smart Export Guarantee for rooftop solar, which pays households and businesses for any excess solar power they export to the grid. Increasing the minimum tariff would boost the financial attractiveness of rooftop solar. Currently, many larger-scale rooftop solar projects are held back by long waiting times for grid connections. To enable more solar in industrial areas and on commercial rooftops, the government should urgently deliver its plans to accelerate new transmission infrastructure, while instructing Ofgem to allow distribution networks to invest in local grid upgrades ahead of projected demand.⁵ Another barrier is that most commercial buildings are rented, many on short-term leases. To overcome these barriers, ministers should enable innovative leasing structures that empower shorter-term commercial tenants to install rooftop solar, while protecting building owners from liabilities. Finally, ministers should replenish and extend the grant scheme for farmers to install solar panels on their barn roofs, using the inflation-linked sustainable farming budget.



3 Increase competition between train operators

When Britain invented the railways, they were powered by coal, but increasingly electrified trains now offer a greener alternative to driving or flying, helping us tackle air pollution and climate change. Privatised railways have seen rising passenger demand: before the pandemic hit, the railways delivered a third more journeys than before privatisation.⁶ But the relatively high cost of train fares is stopping more people 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. Ministers should deliver competitive contract procurement on key routes, as proposed in the Williams-Shapps plan, which will boost competition in the sector after it had declined under the old franchising model. In addition, ministers should place a duty on Network Rail to prioritise open access operator applications to increase competition on the railways where there is spare capacity, incentivising operators to drive down fares and improve the customer experience. This should include HS1. Alongside measures like electrifying more of the rail network (underpinned by a consistent programme of electrification to enable the private sector to build and maintain a supply chain), research shows this can help bring down rail fares: where on-track competition has been introduced across Europe, fares have been reduced by 20-60% over time.⁷

4 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. Ministers should build on this success by offering a green premium to the existing tax breaks inside investment zones and freeports to incentivise low-carbon investment. In addition, on-site renewable energy generation should be expedited in both investment zones and freeports, with looser planning rules and streamlined environmental permitting, to give businesses access to cheap power and make them more competitive. Similarly, ministers should modernise port infrastructure for offshore wind, with fast-tracked planning decisions and a revenue certainty mechanism to enable ports to invest in new facilities, expand capacity, and deepen their harbours to manage increasingly large offshore wind infrastructure. These measures will strengthen the UK's attractiveness for international green supply chain investment in response to the generous subsidies on offer through the USA's Inflation Reduction Act and EU's Green Industrial Plan.



5 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. In the next parliament, the government should reform legacy EU water regulation to drive stronger economic growth and more innovation, while responding to the public concern about water quality and biodiversity loss. Current water regulation is overly prescriptive and output-based, with companies required to develop a vast array of different plans and strategies for the water environment. We should move to a more outcome-based approach to water regulation. New targets and plans to reduce different pollutants and governance based on river catchments would increase flexibility, tailor solutions to local priorities, rationalise regulations, reduce the costs of compliance, and encourage innovation, while ensuring the full range of pollutants is reduced.⁸ This comprehensive approach will become essential as other, new sources of pollution continue to be uncovered, such as the growing concern and recognition of the threat posed by so-called "forever chemicals" and microplastics. New water regulation should specifically encourage private funding for nature-based solutions, such as wetland creation, river re-wiggling, and regenerative farming, which enhance wildlife as well as improving water quality. Ministers should ensure regulators have clear guidance that encourages them to authorise nature-based solutions to meet the new outcome-based regulatory requirements.

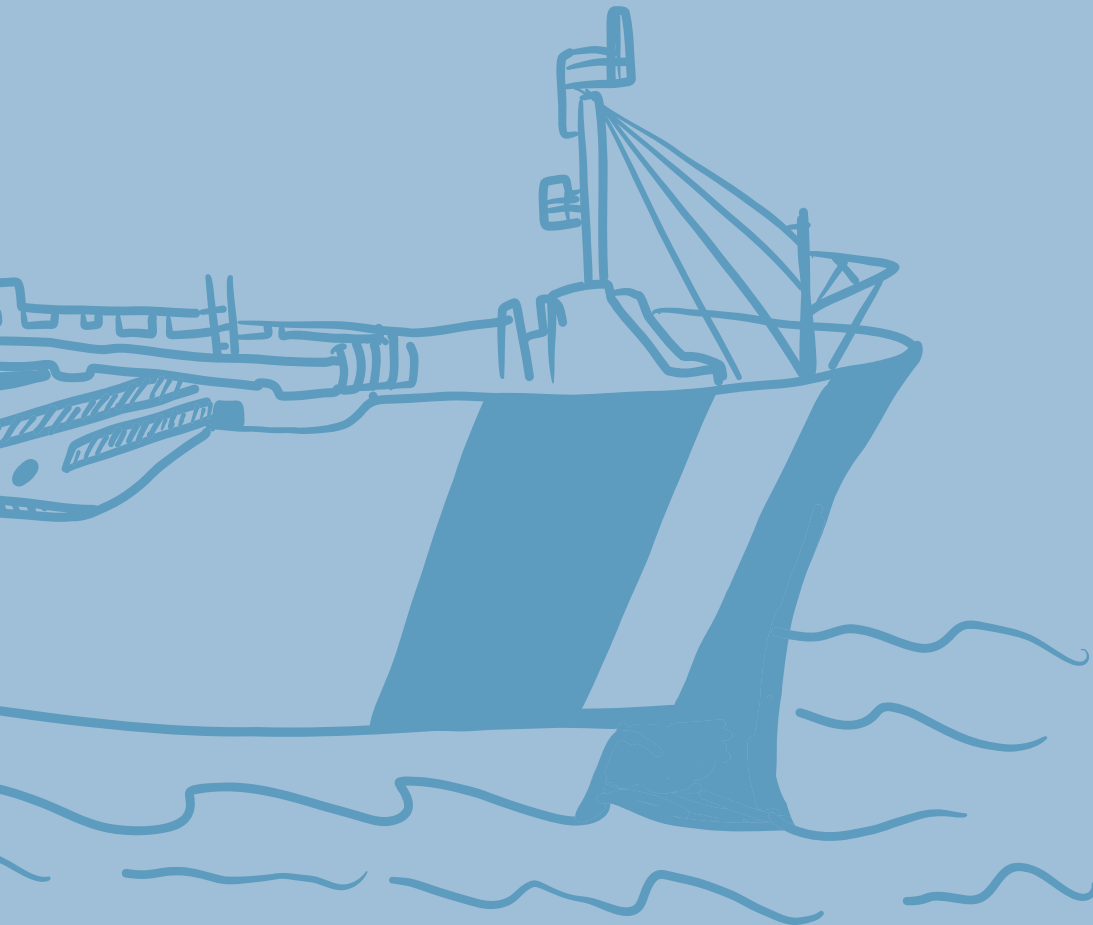
6 Create local nature recovery zones around towns and cities

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, through blending funding from biodiversity net gain, the community infrastructure levy, the flood defences budget (through natural flood management schemes), water company business plans, and a successor scheme to the Green Recovery Challenge Fund. The zones should encompass not only larger-scale projects such as woodlands, but a range of smaller urban and semi-urban habitats, from roadside verges, street trees, and rain gardens, to old cemeteries, wetlands, and pockets parks. The funding should also be made available to community groups, to support the ‘little platoons’ seeking to deliver the aspirations of Local Nature Recovery Strategies and to improve nature near to their homes. The strategies should be given force in planning policy too and perhaps given a new ‘wildbelt’ designation. At the same time, statutory guidance for councils should be updated to empower them to manage their green spaces for nature (for instance, by not over-mowing verges, establishing wilder margins around playing fields, rewilding under-used areas of public land, and planting more street trees along local authority-controlled roads).⁹ Finally, the government should offer community groups the chance to buy at a discount disused public land or ownerless land for the purpose of restoring nature near to where people live.



7 Stop large 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.¹⁰ This is often harmful to the commercial interests of smaller-scale British inshore fishers. The government should face down the current EU legal challenges against its marine conservation measures, deliver the commitment in the Environmental Improvement Plan to end bottom trawlers operating in all protected waters, and restrict the fishing of forage species, such as sandeels, that native British wildlife depends on.¹¹ This will also have significant benefits for climate action, with evidence showing emissions from bottom trawling contribute roughly the same emissions as the global aviation sector.¹² Enhanced marine protections will enable the restoration of 'blue carbon' habitats, such as seagrass meadows, which are excellent for the climate and biodiversity. Blue carbon recovery projects should be funded through the sale of carbon credits to companies seeking to improve their climate impact and through the introduction of marine biodiversity net gain for new offshore energy infrastructure.



8 Boost incentives for trees, woodland, and forests

The planting of a tree is a fundamentally selfless act of inter-generational exchange, a core tenet of conservatism. Yet despite recent improvements in tree planting rates, we are still lagging behind our target to increase tree cover to 16.5% of England's land area.¹³ This is detrimental to climate action, nature recovery, flood risk management, and timber security. Rather than a bidding war on the scale of tree planting targets, the focus should be on ensuring practical delivery and unlocking private investment. The government should encourage farmers to integrate more trees into the farmed landscape, alongside food production, by proceeding with creating attractive options under both the Sustainable Farming Incentive and Countryside Stewardship schemes for agroforestry and riparian tree planting. The Nature for Climate Fund grant scheme should be extended into the new parliament to incentivise larger-scale afforestation on appropriate land. And more private investment in forestry should be unlocked through the introduction of Forestry Creation Zones, with lower regulatory requirements and a streamlined grant application process, the phasing in of woodland credits to the UK Emissions Trading Scheme (with regulatory safeguards to ensure the credits genuinely fund new and permanent carbon sequestration), and clarified guidance on the stacking of multiple private credits for nature, carbon, and nutrients.¹⁴

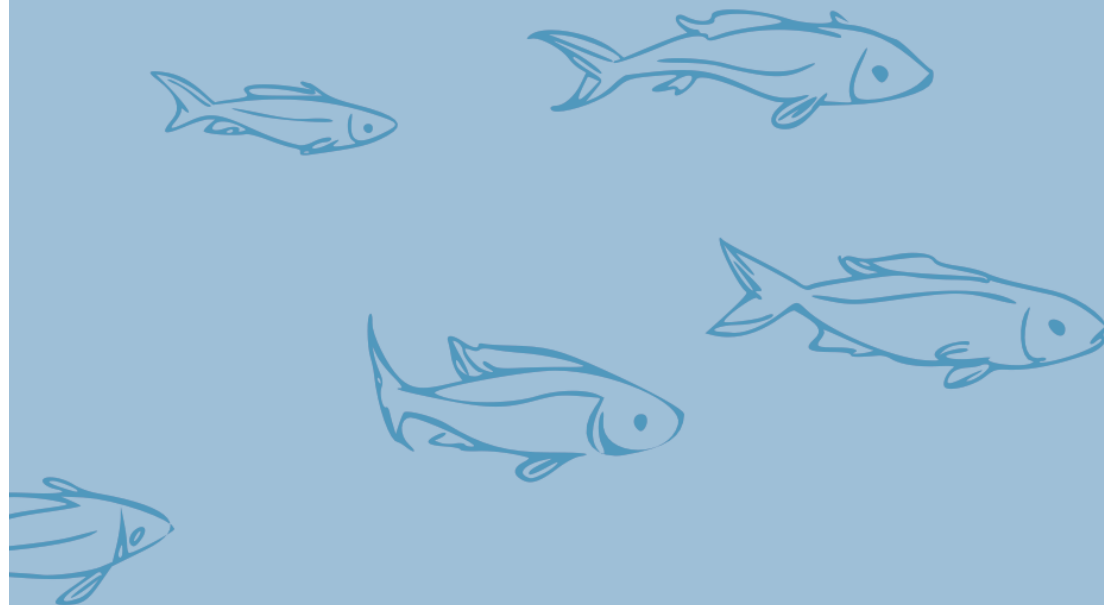


9 Maintain the nature-friendly farming budget in real terms for the next parliament

To strengthen our food security and tackle environmental threats like biodiversity loss, farmers need flexible and generous support to help them adopt more sustainable and resilient farming practices. The transition from the wasteful, inefficient, and environmentally harmful EU Common Agricultural Policy is already underway and offers substantial benefits for farmers, taxpayers, food security, and the natural environment. The new schemes have been improved and take-up has grown, with over 55,000 agreements with farmers in place.¹⁵ But the budget has been frozen in cash terms during this parliament, meaning high levels of inflation have eroded its value. The budget should be protected throughout the next parliament in real terms, with funding to safeguard and restore the foundations of food production, such as healthy soils and pollinators, that also deliver environmental benefits.¹⁶ In addition, the range of options for livestock farmers should continue to be expanded, with new standards for hay meadows, mob grazing, and methane-suppressing feed additives developed. To deliver on the original vision for this post-Brexit transformation, greater focus in the next parliament should be put on blending public nature-friendly farming incentives with private markets for nature, to maximise incomes for farmers and value for taxpayers' money, and to avoid crowding out private sources of funding. And measures to grow demand for private nature credits, such as requiring large companies to report on their impacts on biodiversity and exposure to nature-related risks, should also be put in place¹⁷

10 Work with the UK Overseas Territories (UKOTs) to restore nature

To protect some of the most important biodiversity and marine habitats in British waters from harmful activities, the Blue Belt was established in 2014 and has grown significantly under successive Conservative governments, working closely with the UKOTs. It is now the world's largest network of marine conservation areas and an environmental achievement the UK should feel great pride in. In the next parliament, ministers should look to build on this success by consulting UKOT governments about potentially extending the Blue Belt of MPAs to more Caribbean islands, as well as continuing to manage and enforce the current MPA network of 4.3 million square kilometres across 10 UKOTs, an area equivalent in size to India. Funding for the programme should be guaranteed and increased modestly for the next parliament in line with inflation, given the incredibly good value for money of the scheme and the expansion in the total area under protection. To date, the scheme has cost approximately £1.86 per year for every square kilometre protected. Private finance should also be crowded in to support the restoration of marine habitats inside the Blue Belt, through including UKOTs in new blue carbon codes and private markets for nature.¹⁸ Similarly, funding for the Darwin Plus scheme, which only costs the exchequer £10 million per year and supports governments and NGOs to restore nature across the UKOTs, should be extended into the next parliament.



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