



# Climate Change Act 2008

## 2008 CHAPTER 27

### PART 1

#### CARBON TARGET AND BUDGETING

##### *Carbon budgeting*

#### **4 Carbon budgets**

- (1) It is the duty of the Secretary of State—
  - (a) to set for each succeeding period of five years beginning with the period 2008-2012 (“budgetary periods”) an amount for the net UK carbon account (the “carbon budget”), and
  - (b) to ensure that the net UK carbon account for a budgetary period does not exceed the carbon budget.
- (2) The carbon budget for a budgetary period may be set at any time after this Part comes into force, and must be set—
  - (a) for the periods 2008-2012, 2013-2017 and 2018-2022, before 1st June 2009;
  - (b) for any later period, not later than 30th June in the 12th year before the beginning of the period in question.

#### **5 Level of carbon budgets**

- (1) The carbon budget—
  - (a) for the budgetary period including the year 2020, must be such that the annual equivalent of the carbon budget for the period is at least 26% lower than the 1990 baseline;
  - (b) for the budgetary period including the year 2050, must be such that the annual equivalent of the carbon budget for the period is lower than the 1990 baseline by at least the percentage specified in section 1 (the target for 2050);

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- (c) for the budgetary period including any later year specified by order of the Secretary of State, must be such that the annual equivalent of the carbon budget for the period is—
  - (i) lower than the 1990 baseline by at least the percentage so specified, or
  - (ii) at least the minimum percentage so specified, and not more than the maximum percentage so specified, lower than the 1990 baseline.
- (2) The “annual equivalent”, in relation to the carbon budget for a period, means the amount of the carbon budget for the period divided by the number of years in the period.
- (3) An order under this section is subject to affirmative resolution procedure.
- (4) For the purposes of subsection (1)(a) there shall be left out of account—
  - (a) so much of the carbon budget for the budgetary period including the year 2020 as the Secretary of State may determine relates to targeted greenhouse gases other than carbon dioxide, and
  - (b) so much of the 1990 baseline as is attributable to targeted greenhouse gases other than carbon dioxide.

## **6 Amendment of target percentages**

- (1) The Secretary of State may by order amend—
  - (a) the percentage specified in section 5(1)(a);
  - (b) any percentage specified under section 5(1)(c).
- (2) That power may only be exercised—
  - (a) if it appears to the Secretary of State that there have been significant developments in—
    - (i) scientific knowledge about climate change, or
    - (ii) European or international law or policy,
 that make it appropriate to do so, or
  - (b) in connection with the making of—
    - (i) an order under section 24 (designation of further greenhouse gases as targeted greenhouse gases), or
    - (ii) regulations under section 30 (emissions from international aviation or international shipping).
- (3) The developments in scientific knowledge referred to in subsection (2)(a) are—
  - (a) in relation to the first exercise of the power conferred by this section in relation to the percentage specified in section 5(1)(a), developments since June 2000 (the date of the Royal Commission on Environmental Pollution’s 22nd Report, “Energy – the Changing Climate”);
  - (b) in relation to the first exercise of the power conferred by this section in relation to any percentage specified under section 5(1)(c), developments since the evidential basis for the order setting that percentage was established;
  - (c) in relation to a subsequent exercise of any of those powers, developments since the evidential basis for the previous exercise was established.
- (4) The power conferred by this section to amend the percentage in section 5(1)(a) includes power to amend or repeal section 5(4) (which directs that targeted greenhouse

gases other than carbon dioxide are to be left out of account for the purposes of that provision).

(5) An order under this section is subject to affirmative resolution procedure.

## **7 Consultation on order setting or amending target percentages**

(1) Before laying before Parliament a draft of a statutory instrument containing an order under section 5(1)(c) (order setting target percentage) or section 6 (order amending target percentage), the Secretary of State must—

(a) obtain, and take into account, the advice of the Committee on Climate Change, and

(b) take into account any representations made by the other national authorities.

(2) The Committee must, at the time it gives its advice to the Secretary of State, send a copy to the other national authorities.

(3) As soon as is reasonably practicable after giving its advice to the Secretary of State, the Committee must publish that advice in such manner as it considers appropriate.

(4) The Secretary of State may proceed to lay such a draft statutory instrument before Parliament without having received a national authority's representations if the authority does not provide them before the end of the period of three months beginning with the date the Committee's advice was sent to the authority.

(5) At the same time as laying such a draft statutory instrument before Parliament, the Secretary of State must publish a statement setting out whether and how the order takes account of any representations made by the other national authorities.

(6) If the order makes provision different from that recommended by the Committee, the Secretary of State must also publish a statement setting out the reasons for that decision.

(7) A statement under this section may be published in such manner as the Secretary of State thinks fit.

## **8 Setting of carbon budgets for budgetary periods**

(1) The Secretary of State must set the carbon budget for a budgetary period by order.

(2) The carbon budget for a period must be set with a view to meeting—

(a) the target in section 1 (the target for 2050), and

(b) the requirements of section 5 (requirements as to level of carbon budgets), and complying with the European and international obligations of the United Kingdom.

(3) An order setting a carbon budget is subject to affirmative resolution procedure.

## **9 Consultation on carbon budgets**

(1) Before laying before Parliament a draft of a statutory instrument containing an order under section 8 (order setting carbon budget), the Secretary of State must—

(a) take into account the advice of the Committee on Climate Change under section 34 (advice in connection with carbon budgets), and

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- (b) take into account any representations made by the other national authorities.
- (2) The Secretary of State may proceed to lay such a draft statutory instrument before Parliament without having received a national authority's representations if the authority does not provide them before the end of the period of three months beginning with the date the Committee's advice was sent to the authority.
- (3) At the same time as laying such a draft statutory instrument before Parliament, the Secretary of State must publish a statement setting out whether and how the order takes account of any representations made by the other national authorities.
- (4) If the order sets the carbon budget at a different level from that recommended by the Committee, the Secretary of State must also publish a statement setting out the reasons for that decision.
- (5) A statement under this section may be published in such manner as the Secretary of State thinks fit.

## **10 Matters to be taken into account in connection with carbon budgets**

- (1) The following matters must be taken into account—
  - (a) by the Secretary of State in coming to any decision under this Part relating to carbon budgets, and
  - (b) by the Committee on Climate Change in considering its advice in relation to any such decision.
- (2) The matters to be taken into account are—
  - (a) scientific knowledge about climate change;
  - (b) technology relevant to climate change;
  - (c) economic circumstances, and in particular the likely impact of the decision on the economy and the competitiveness of particular sectors of the economy;
  - (d) fiscal circumstances, and in particular the likely impact of the decision on taxation, public spending and public borrowing;
  - (e) social circumstances, and in particular the likely impact of the decision on fuel poverty;
  - (f) energy policy, and in particular the likely impact of the decision on energy supplies and the carbon and energy intensity of the economy;
  - (g) differences in circumstances between England, Wales, Scotland and Northern Ireland;
  - (h) circumstances at European and international level;
  - (i) the estimated amount of reportable emissions from international aviation and international shipping for the budgetary period or periods in question.
- (3) In subsection (2)(i) “the estimated amount of reportable emissions from international aviation and international shipping”, in relation to a budgetary period, means the aggregate of the amounts relating to emissions of targeted greenhouse gases from international aviation and international shipping that the Secretary or State or (as the case may be) the Committee estimates the United Kingdom will be required to report for that period in accordance with international carbon reporting practice.
- (4) Such amounts may be estimated using such reasonable method or methods as the Secretary of State or (as the case may be) the Committee considers appropriate.

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- (5) The duty in subsection (2)(i) applies if and to the extent that regulations under section 30 do not provide for emissions of targeted greenhouse gases from international aviation and international shipping in the budgetary period or periods in question to be treated as emissions from sources in the United Kingdom for the purposes of this Part.
- (6) Section 30(1) (emissions from international aviation and international shipping not to count as emissions from UK sources for the purposes of this Part, except as provided by regulations) does not prevent the Secretary of State or the Committee from taking into account the matter referred to in subsection (2)(i) for the purposes of this section.
- (7) Nothing in this section is to be read as restricting the matters that the Secretary of State or the Committee may take into account.