

Chancellor must invest in Green New Deal to protect climate and communities



Green Party

10 March 2020

- Greens say budget must include the necessary investment in climate action to create thousands of jobs and protect the environment
- Party calls on government to end fuel duty freeze and introduce Frequent Flyer Levy to help fund public transport revolution
- Jonathan Bartley: “This is about making the transition to a low-carbon economy while putting more money into people’s pockets.”

The Chancellor must use this week’s budget [Wednesday 11 March] to announce the rapid and deep investment necessary to tackle the climate crisis and rebuild our communities, the Green Party has said.

As coronavirus threatens an economic slowdown [1] and further damages public services already suffering from chronic under-investment, the Greens have set out two main asks for the budget.

The party is calling on the government to announce:

- An ambitious programme of investment in climate action, to be funded from borrowing, direct credit creation and changes to banking regulation and business incentives.
- The reversal of a decade of cuts that have left our communities vulnerable and our public services threadbare, to be funded through reducing tax exemptions for the wealthy and increasing the rate of environmental taxes.

At the last general election, the Greens pledged to invest £100 billion a year in climate action for the next ten years.

Green Party co-leader Jonathan Bartley said this is the level of investment needed to protect our climate and invest in our poorer regions.

He said: "This is about making the transition to a low-carbon economy while putting more money into people's pockets.

"We can no longer accept the same old business as usual approach, which just sees the most wealthy prosper while the environment and everybody else pays the price.

"Social and climate crises are all around us. We need to see real leadership from the Chancellor to address these through proper investment in green jobs and decarbonisation."

Green Party finance spokesperson Molly Scott Cato said: "Tax incentives which encourage the burning of more fossil fuels are simply wrong.

"That is why we want to see the return of the fuel duty escalator. We know that freezing fuel duty has cost the government £9 billion a year since 2010, while also damaging the environment. [3]

"The extra revenue should then be invested in developing a reliable and affordable public transport network across the UK.

"At the same time, air travel has to be taxed responsibly. We want to see the introduction of a frequent flyer levy and aviation fuel duty, the proceeds of which need to be invested in improving regional rail links."

Notes

1 <https://www.independent.co.uk/news/business/news/coronavirus-uk-economy-bank-of-england-treasury-a9371656.html>

2 The current best estimates of the likely investment needed comes from the think tank [Common Weal](#) who calculate the likely total investment for a Scottish Green New Deal as £170bn. Extrapolating their calculations suggests the cost for the UK as a whole may be £100 billion a year, for a minimum of ten years. £100 billion is less than 5 per cent of UK GDP. The Green Party is committed to invest on the scale the science dictates to save our climate.

At the last general election the [Green Party pledged](#) to invest £100 billion a year for the next decade in climate action as part of the most ambitious Green New Deal of any political party. We proposed to borrow £91.2 billion a year, to pay for capital expenditure. A further £9 billion a year of operational spending will be met from tax changes, including increasing Corporation Tax to 24%

3 <https://www.theguardian.com/politics/2018/oct/03/theresa-may-pledges-to-free>

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