



Rt Hon Rachel Reeves MP  
Chancellor of the Exchequer  
HM Treasury  
1 Horse Guards Road  
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## **Autumn Budget - UKYCC Submission**

Dear Chancellor,

I am writing on behalf of the UK Youth Climate Coalition (UKYCC) in advance of your Autumn Budget Statement on 30 October 2024.

UKYCC is a group of 18-29 year olds with the mission to mobilise and empower young people to take positive action for global climate justice. Our generation faces an unprecedented convergence of crises, each demanding immediate and comprehensive policy responses. The UK government spends around £1.2 trillion each year, and a significant portion of this public money is actively contributing to the interconnected crises facing people and planet. We wish to highlight several pressing issues and propose steps that the UK Government can take to ensure a just, equitable, and sustainable future for all.

We understand that the Labour Government has adopted difficult economic pressures, poorly managed public finances, and has taken leadership during a time of great national and international unrest. The current environment and policies UKYCC recommends the new government take during this budget period are outlined below.

- 1. Align economic decision-making with the needs of people and planet**
- 2. Increase investment in the economy and environment**
- 3. Redistribute wealth**

### ***1. Aligning economic decision-making with needs of people and planet***

The last few summers have further shown that the impacts of climate change are no longer distant threats—they are here now. We need bold, immediate action to transition to a green economy. While the public purse might seem strained at the moment, the

Government's self-imposed fiscal rules should not stand in the way of taking meaningful investment in tackling climate change now. As noted by the OBR in 2021, delaying action by ten years could result in UK debt being 23% of GDP higher in 2050<sup>1</sup>, doubling the fiscal cost of achieving net zero and failing to take advantage of economies of scale. Not only will this inaction be fiscally irresponsible, but it will worsen the impacts of climate change, hurting today's young people and future generations more profoundly.

To better align economic decision-making with the needs of people and planet, we recommend the following policy approach:

- **Integrate Social and Environmental Justice into All Spending Decisions:**  
Social and environmental justice must be integrated into all fiscal frameworks and actively upheld by the Treasury and Office for Budget Responsibility. Every spending decision should be evaluated for its impact on equity and sustainability.
- **Shift the Bank of England's Remit:**  
The Bank of England's mandate should be expanded to place social and environmental justice on equal footing with other economic priorities. This will ensure that our financial system supports a fair and green transition.
- **Incorporate Social and Environmental Value into Planning and Procurement:**  
Social value principles should be embedded in planning processes, including housing and transport, and in procurement, through mechanisms such as social licensing for providers. This will ensure that public projects deliver broader benefits for society. Currently the UK's 2050 net zero target is not explicitly referenced in the national planning policy framework, which may lead to this being overlooked when making future planning decisions.
- **Advance Deliberative Democracy:**  
The government should promote new models of deliberative democracy, including citizens' assemblies and participatory budgeting, to give communities a greater say in how public resources are allocated and ensure that policies reflect the needs and values of the people.

## ***2. Increase investment in the economy and environment***

The UK is still reeling from the effects of the cost of living crisis, which has disproportionately affected young people. Affordable housing remains out of reach for

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<sup>1</sup> <https://obr.uk/frs/fiscal-risks-report-july-2021/>

many, and the financial strain is exacerbating mental health issues among the youth. The Autumn Budget must address the root causes of the housing crisis, including the chronic under-supply of affordable homes and exploitative rental practices. We also call for targeted financial support for young people, including increased access to affordable housing and home improvements, to make rapid progress on energy efficiency measures, low carbon heat and power sources and other adaptive measures, that can reduce living costs and ensure a comfortable standard of living in the changing climate.

Youth unemployment remains a critical issue. The lack of job opportunities, coupled with a skills mismatch in emerging sectors, is leaving many young people without a clear path to a stable future. The government should introduce initiatives that focus on skills development, particularly in sectors that will drive the green economy. Apprenticeships, vocational training, and support for entrepreneurship are crucial to ensuring that young people are equipped to thrive in the job market of tomorrow.

UKYCC recommends that the Government considers the following areas to invest in:

- **Affordable Housing Fund and Reform to Private Letting:**  
Establish a dedicated Affordable Housing Fund and introduce reforms to the private letting market to include legal and regulatory protection to address exploitative practices. This would make housing more accessible and secure for all, particularly for young people who are more likely to be renters and financially excluded from home-ownership.
- **Youth Engagement on Employment and Skills Development:**  
Ensure young people and education providers are consulted with and actively participate with the development of Skills England and other new offices such as the Office for Clean Energy jobs. This will ensure that educational routes to industries are appropriately mapped and to empower young people to adopt skills fit for the future. This will also help to reallocate budget to particular vocations that are presenting with the biggest skills gaps.
- **Invest in Community-Led Solutions:**  
There should be national and regional investment in community-led solutions, such as co-operatives and social enterprises, that can simultaneously tackle economic and environmental crises. These initiatives empower local communities and create sustainable, locally-rooted economies.
- **Clarify the National Wealth Fund:**

Provide clear details on the National Wealth Fund, including how it differs from existing investments and how it will accelerate the transition to renewable energy. This should be linked to a specific timeline within the industrial strategy, ensuring transparency and accountability in its deployment.

- **Provide a roadmap for GB Energy:**

Further clarity is needed regarding the remit of GB Energy, the new publicly owned energy company. It is essential that GB Energy's mission and operations are clearly defined in relation to tackling the climate crisis, benefiting working people, and supporting young people. GB Energy can play a pivotal role in reducing energy costs for households, creating green jobs, and ensuring energy security. We urge the government to provide a detailed plan outlining how GB Energy will accelerate the renewable energy transition, with clear budget allocation up until 2030 and how this will contribute to broader social and environmental goals.

### ***3. Redistribute wealth***

Big polluters—such as companies in the fossil fuel, mining, and heavy industry sectors—often generate substantial profits while contributing disproportionately to environmental damage and climate change. A windfall tax can capture part of these profits to address environmental and societal costs associated with pollution.

Additionally, the growing concentration of wealth among a small segment of society has exacerbated inequality, particularly during crises like the COVID-19 pandemic. A wealth tax can serve as a tool for wealth redistribution and ensure that the wealthiest individuals contribute their fair share to the economy.

Our recommendations to support the redistribution of wealth would be:

- **Promote Public and Community Ownership:**

We advocate for the nationalisation of essential public goods and services and the advancement of legislation to support Community Wealth Building. Public and community ownership of economic assets is key to building resilience and ensuring that wealth is shared more equitably.

- **Introduce a Windfall Tax on Big Polluters:**

Companies exceeding a specific threshold of greenhouse gas emissions should be subjected to a progressive tax rate tied to profit margins that are deemed to be 'supernormal' as determined by industry-specific benchmarks. This revenue

would then be earmarked for climate adaptation projects, energy transition funds, and investment in green infrastructure or subsidise organisations looking to adopt greener technologies.

- **Introduce a Wealth Tax:**

Taxable wealth thresholds could start at £10 million in net assets (e.g., property, stocks, bonds, and other investments) with a progressive structure to ensure the high-net worth individuals pay their fair share. Revenues can be allocated to addressing pressing social issues such as funding for the NHS, social care, and affordable housing, or to support climate efforts. There would need to be a mechanism introduced for anti-avoidance including international collaboration to avoid offshoring or transferring wealth to tax havens.

The suggested taxes would help reduce wealth inequality and provide funds for vital public services and sustainable initiatives, without hindering entrepreneurship or investment, particularly if the rates are designed not to stifle growth, competitiveness or driving businesses overseas. The windfall tax should also include incentives for companies that meet specific environmental standards or invest heavily in green technologies, thereby rewarding progress alongside penalising pollution.

The Autumn Budget represents a pivotal opportunity to address these interconnected crises. We urge you to champion policies that prioritise social justice, climate action, and economic resilience. As young people, we are committed to building a future where everyone can thrive, but we need your support to make this vision a reality.

UKYCC is keen to work with HM Treasury and other government departments on the issues we have outlined in this letter and would be happy to set up a meeting to discuss this further. We eagerly await the outcome of Autumn Budget statement.

Yours sincerely,

Sarah Reay and Tom Wilson

Policy and Advocacy Co-Coordinators