Liberal Democrats

Online Spring Conference

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Natural Environment

Consultation Paper 147

Background

This consultation paper is presented as the first stage in the development of new Party policy in relation to the natural environment. It does not represent agreed Party policy. It is designed to stimulate debate and discussion within the Party and outside; based on the response generated and on the deliberations of the working group a full policy paper will be drawn up and presented to Conference for debate.

The paper has been drawn up by a working group appointed by the Federal Policy Committee and chaired by Richard Benwell. Members of the group are prepared to speak on the paper to outside bodies and to discussion meetings organised within the Party.

Comments on the paper, and requests for speakers, should be addressed to: Joseph Wright, Policy Unit, Liberal Democrats, 1 Vincent Square, London SW1P 2PN. Email: policy.consultations@libdems.org.uk Comments should reach us as soon as possible and no later than 18 March. Further copies of this paper can be found online at www.libdems.org.uk/policy_papers

1 Nature Policy Consultation Paper

Introduction

1.1 This consultation paper invites party members and others to contribute ideas and evidence to inform party policy on the natural environment. Please see below for details of how to submit comments. The Federal Policy Committee plans to submit a full policy paper for debate at the autumn conference in 2022.

1.2 Successive governments have failed to halt the decline of nature nationally, failed to play their full part in stopping the destruction of nature around the world, and failed to guarantee people a healthy natural environment at the local level.

1.3 These losses have consequences for people, economy and wildlife. The ecosystems that sustain essential services like food provision and climate regulation are being pushed beyond their limits. In the UK, evidence of the decline of the natural environment, the pressures that are contributing to the decline, and some of the proven solutions are set out in the State of Nature Reports, which bring together the most up-to-date scientific evidence of the challenges facing our natural world.

1.4 Until the UK has a nature-positive society, it will not have an ethical, equitable or sustainable society. A nature positive society is one in which biodiversity is thriving, ecosystems are stable, water and air quality are healthy for wildlife and people, and natural assets are used sustainably.

1.5 This ecological challenge is inseparable from the climate change challenge. It will be impossible to stabilise global temperatures at 1.5ºC above pre-industrial

temperatures without large-scale investment in halting land-use emissions and restoring entire ecosystems. It will be impossible to adapt to a changing climate unless ecosystems are healthy and resilient. It will be impossible to stop nature's decline without stopping climate change.

1.6 We know that many of the choices needed to help restore the natural environment will involve costs for the taxpayer and for particular industries. Some sectors—such as agriculture, water and development—will need to play a particularly large part. However, it is clear that the costs of inaction will very soon outweigh the costs of creating a more sustainable economy. It is also clear that green investment can create jobs and improve productivity, including in the most neglected parts of our country and economy. We are seeking views on how the necessary transition can be achieved in a way that does not create sudden shocks, or harm vulnerable communities—we want a fair and manageable transition, that is also swift and decisive.

1.7 In this consultation, we are looking for policy proposals that are both ambitious and achievable, as part of a comprehensive plan to make England—and the UK as a whole—a truly nature-positive society and a wonderful, healthy, and wildlife-filled place to live.

2 Our overarching goals

2.1 The natural environment is extraordinary, resilient and adaptable, but it is being pressed to breaking point by pollution and unsustainable consumption.

- The UK has lost nearly half of its biodiversity since the Industrial Revolution and is ranked in the bottom 10% in the world and worst among G7 nations for biodiversity;

- The Government has missed its 2020 target for 50% of Sites of Special Scientific Interest to be in favourable condition with just 38% in favourable condition in England;

- The Government has missed its 2020 target for UK seas to meet Good Environmental Status, failing on 11 out of 15 indicators of marine health;

- The Government is set to miss its target for 75% of rivers and streams to be in good condition by 2027, with just 14% of surface waters in good ecological condition in England and 0% in good overall condition.

2.2 Typically, environmental challenges are dealt with in isolation from one another and in isolation from economic and social policy. This is misguided because:

- **the environment is a web of complex and highly interdependent systems**; improvement in one area, such as climate change mitigation, relies on action in other areas, such as restoring ecosystems to sequester and retain carbon.

These interdependencies cross local, national and international boundaries.

- **the economy is ultimately entirely dependent on the natural environment**; in economic parlance, it is nature that provides the provisioning and regulating services that our economies depend upon and, without investment in the natural assets that sustain those services, the economy will ultimately fail.

- **individual and community wellbeing are wrapped up in the state of our natural world**; people's mental and physical health depend on a thriving natural environment, as do jobs and pride of place.

2.3 With this interdependence in mind, a comprehensive environmental policy should include goals that span a range of key features of the natural environment (including biodiversity, fresh water and the marine environment, and air quality), at the individual, national and international level. We want to set overarching goals that are ambitious and based on sound science. For example, we may wish to set objectives to:

- **guarantee everyone equitable access to a healthy natural environment.**

- **stop the decline of nature nationally by 2030 and begin to revive our natural world**.

- **reduce the UK's "global footprint" on nature**.

Questions for consultation:

2A Should party policy include overarching environmental objectives for the individual, national and international levels?

2B What is the right level of ambition for overarching environmental objectives?

3 Managing the land for nature

3.1 It will not be possible to restore our natural environment without creating a stronger, greener, more sustainable farming and land use sector. According to the State of Nature report:

> *"A wide range of changes in agricultural management in recent decades has led to greater food production but they have also had a dramatic impact on farmland biodiversity. For example, populations of farmland birds have more than halved on average since 1970, and similar declines have been seen in many other taxonomic groups. Targeted wildlife-friendly farming, supported by government-funded agri-environment schemes (AES), can halt and reverse these declines, but to date the only successes have been for rare and localised species. The area of land receiving effective agri-environment measures may have helped slow the decline in nature but has been insufficient to halt and reverse this trend."*

3.2 Already, the UK has some of the highest standards of environmental protection and animal welfare in the world, but practises need to evolve further to work in harmony with nature to create a regenerative and sustainable farming system. To do so, there is no doubt that a major transition will be required in the way we farm and manage our land, moving toward a system that pays for public goods (such as environmental restoration) alongside sustainable food production.

3.3 The Government has promised a transition but instead of delivering effective reform, it has left farmers struggling with uncertainty, while pursuing international trade deals that could undermine domestic production standards.

Its first steps toward reform have been inchoate and insufficient.

3.4 Farmers and growers continue to face severe disruption as a result of Brexit and shambolic implementation of the Government's farming reform proposals. A major worker shortage is disrupting supply chains; rising inflation and increased costs to farms are affecting tight margins; and disrupted trade flows and fierce retail price wars are threatening to push many farms out of business.

3.5 This disruption is exacerbating a lack of confidence to invest in environmental farming; farmers may be forced toward short-term intensification and cost-saving measures by uncertainty about future expectations. This kind of upheaval and uncertainty threatens to exacerbate existing difficulties in the agriculture sector and the rural economy, where mental health problems and suicide rates are already running high.

3.6 The amount of land in organic production has decreased by 56% since 2002, while the area of land treated with pesticides and the average number of treatments have increased, despite total agricultural land area decreasing.

3.7 The Environment Agency's 2021 annual report states that for water, "the top pollutants are pesticides and nitrates from fertilisers" including animal manure. This is largely due to non-compliance with regulation: "a 2019 study of the River Axe found 95% of the 86 dairy farms visited by the Environment Agency were non-compliant with agricultural regulations. Of these, 49% were causing pollution at the time of the visit."

3.8 The Government has only guaranteed the budget for farming payments to the end of this parliament, leaving considerable uncertainty about the future of environmental land management. The Government has promised to support

high-standards farming, but has refused to protect farms against lower standard imports, as it will not apply domestic production standards to food from other countries.

3.9 It will be necessary to ask farmers to do more to contribute to nature's recovery and climate change mitigation in a way that recognises that farming businesses are often family businesses, in need of clarity and support to adapt to public priorities.

- At the moment, farming and land use is a net carbon emitter, with major emissions from livestock, soil carbon and from the use of fertilisers. British agricultural GHG emissions in 2017 were 10% of total GHG emissions. To meet net zero across the economy as a whole, this emissions profile must be significantly reduced and ultimately land-use must quickly become a major negative emissions sector to compensate for hard to abate emissions elsewhere in the economy.

- Biodiversity in the farmed environment is in overall decline. Although losses have slowed, the overall average change for the farmland bird 19 species tracked by the UK Farmland Bird Indicator is a 48 per cent decline since 1970. Intensification of production and the use of chemical inputs such as pesticides

- Diffuse pollution from agriculture is the cause of around a third of failures of water quality for rivers and streams in England, as nutrients like nitrates and phosphates run off the land into

water courses. This run off combines with over-abstraction of water

Questions for consultation:

3A How can we create a GHG-negative and nature-positive agriculture and land use sector with certainty, while supporting farm businesses in a fair and rapid transition?

3B How can the inspection and enforcement regime be improved to ensure that high standards are maintained in a fair way?

3C Should we guarantee that domestic farming standards are not undercut by lower quality imports?

3D How much investment is required in agriculture to support a transition to a sustainable system?

3E What is the best way to ensure that farmers feel like valued partners in an essential environmental transition, rather than feeling like they are having changes imposed upon them?

4 Managing our seas for nature

4.1 Our seas must be managed better to make space for nature, renewable energy and sustainable fisheries, both in domestic waters and in the UK Overseas Territories and Crown Dependencies.

4.2 At the moment, marine spatial planning is haphazard. The development of offshore wind has huge potential to contribute to the decarbonisation of the economy, but is currently being deployed in a chaotic fashion, harming the marine environment. In particular, poorly planned grid connections are causing destruction of sensitive marine habitats, and badly sited developments are threatening seabirds and marine wildlife.

4.3 60% of UK fish stocks are overfished and many non-target sea creatures (such as dolphins) are accidentally killed in fishing operations each year as 'bycatch'. Fishing quotas are locked in a historical distribution (both between jurisdictions and between different companies), with no regard for the sustainability of fishing operations.

4.4 The Government's marine protected areas are extensive but weak. They may be designated for protection, but there are few measures in place to reduce harm to marine ecology from human activities or to promote recovery. The promise of Highly Protected Marine Areas has not been followed through with action. Destructive bottom trawling is still taking place in 98% of the UK's offshore Marine Protected Areas and there was a 10% increase in total trawling hours in UK benthic MPAs in 2020.

4.5 The same picture of poor monitoring and enforcement affecting nature is apparent with regard to the discard ban. This is a ban on discarding unwanted catch at sea,

which can have major environmental consequences. New rules introduced following EU legislation have not been properly enforced. According to the State of Nature Report, "*serious concerns exist that the ban is not being implemented and enforced properly and that this could result in overfishing, given levels of unaccounted mortality*".

4.6 Many coastal communities are suffering from significant economic deprivation and health inequality, with high levels of mental ill-health and lower life expectancy than other areas. The retreat of traditional industries has not been matched by investment in new green and sustainable jobs. In the wake of Brexit, the government failed to strike annual fisheries agreements with Norway, the Faroes and Greenland, and the fisheries agreement with the EU for 2021 was delayed and accompanied by export difficulties, leaving the fishing industry in further turmoil.

Questions for consultation:

4A *What opportunities are there to invest in coastal communities in a way that will contribute to environmental recovery?*

4B *How can a sustainable balance be struck between competing environmental and commercial interests at sea?*

4C *What changes are required to support sustainable fisheries management and how can they be implemented in a way that improves fairness and livelihoods in coastal communities?*

5 Managing our lakes, rivers and streams for nature

5.1 Our freshwater environment is in a state of disrepair, not suitable for people or wildlife to enjoy. Just 14% of rivers in England are in good ecological condition and 0% are in good overall condition. According to the State of Nature Report:

> *"there are few pristine freshwater ecosystems remaining in the UK. Many rivers have been straightened, piped and dammed, marshland and agricultural land has been drained, groundwater abstracted and floodplains built upon. Species reliant on the range of wet habitats affected by these changes have seen long-term declines and face ongoing pressures of unsustainable water abstraction and the continuing drainage and conversion of wetlands to other land uses."*

5.2 In England, there has been long-term failure to fix chronic problems in the water system, including leakage and storm overflows. This failure can be traced back to a lack of enforcement action by Government agencies and a lack of investment in upgrading infrastructure and incorporating natural solutions. The Government is responsible for the strategic direction and funding of bodies like the Environment Agency and Ofwat and has progressively cut back on essential funding and failed to direct them toward the changes required.

5.3 Many of our sewers combine rainwater from surface drains as well as foul water from homes and industry. Combined sewers should only overspill when there is heavy rainfall and the system is overwhelmed, but in 2020, 45% of CSOs spilled more than twenty times. This pollution causes

algal blooms to occur in our waters, which starve wildlife of oxygen.

5.4 Pollution problems are exacerbated by rivers running dry. Across England and Wales, almost 3 billion litres of water leaks away every day. At the same time, over-abstraction continues in many waterways, including the extremely sensitive and globally important network of English chalk streams.

5.5 Pollution from sewage, slurry, fertiliser, and industry must be stopped to make English rivers and streams safe for people to swim in and to allow wildlife to thrive. Rivers should be naturalised and reconnected with flood plains wherever possible to help play their full role in preventing damage from flooding. By investing in waterways and making them more ecologically diverse and accessible for people, rivers and streams could become "blue corridors" across the landscape that connect up ecosystems and bring nature to the heart of communities.

Questions for consultation:

5A *What changes, if any, are needed in (a) the water industry and (b) in the statutory agencies responsible for water?*

5B *How can water scarcity issues be dealt with at the same time as ensuring plenty of water for wildlife?*

5C *How can we clean up our rivers and streams in a way that limits effects on customer bills, particularly for vulnerable customers?*

6 Our economy: making money work for nature

6.1 The Dasgupta Review recognised nature as “our most precious asset” and found that humanity has collectively mismanaged its “global portfolio”. The amount we take from nature far exceeds the Earth’s capacity. We would need 1.6 Earths to maintain humanity's current way of life.

6.2 Gross Domestic Product continues to be the driving objective of political economics. However, this old-fashioned view continues to misidentify thriving economies by their abstraction and use of natural resources, while the environmental assets that sustain society and economy are mortgaged away to fund present consumption. Between 1992 and 2014, produced capital per person doubled, but the stock of “natural capital” per person declined by nearly 40%.

6.3 The old economics still influences government decision-making. Economic health is measured with GDP at the forefront and Budget and Spending Review cycles pay little heed to environmental considerations. Environmental taxes as a share of GDP has remained at a broadly consistent level of between 2% and 3%. Public spending on the natural environment remains low with just £502 million of UK public sector funding allocated to biodiversity in the UK in 2019/20.

6.4 These macroeconomic misjudgements feed through to everyday choices for consumers. Too often, environmental choices are the more expensive choices, putting consumers in a dilemma that the ethical choice may be an unaffordable choice.

6.5 Meanwhile, regulation of markets is unfit to take proper account of business impacts on nature. Disclosure of

nature-related harm in the supply chain is in its infancy compared with carbon disclosure, for example, so the damage caused by industries is often invisible, particularly where it falls in other countries, such as global deforestation. Egregious environmental wrongdoing like the "diesel gate" defeat devices, unlicenced water pollution, or unlawful development actions still often go unnoticed and without accountability.

6.6 By contrast, a green economy brings with it the prospect of job creation, particularly in the most economically-challenged parts of the country. Improving woodland, peatland and urban parks could create 16,050 jobs across the 20 per cent of British constituencies experiencing the most severe employment challenges. However, more positive private sector actions, such as investment in nature-based solutions to flooding, climate change and biodiversity loss, remain stubbornly small-scale because they are not underpinned by the regulation needed to drive demand and avoid corporate greenwash.

Questions for consultation:

6A *How could HM Treasury objectives, measures and decision-making processes be realigned toward a sustainable economy?*

6B *What would a genuine application of "polluter pays" and "(environmental) provider is paid" look like?*

6C *What role do private markets have to play in restoring nature and how can their integrity be guaranteed?*

6D *What are the priorities for public spending on nature's recovery?*

7 Making planning work for nature

7.1 The planning system has an integral role to play in nature's recovery. Without intelligent spatial planning, combining local preferences with national need, it will be impossible to use our scarce supply of land to provide the homes, food and natural spaces we need.

7.2 The State of Nature Report concluded that "*Urbanisation has direct consequences for wildlife in terms of land use and land cover changes, but it also acts to fragment landscapes by creating barriers between habitats, thus isolating some populations and in turn reducing their genetic fitness*", but it emphasised that well-planned development that integrates natural habitats can be positive for nature.

7.3 At the moment, however, the planning system has grown lopsided, with too great a focus on development. Major infrastructure projects have avoided proper environmental assessment. House-building has become a numbers game, with the idea of "sustainable development" warped into a notion of continued construction. Local people's preferences and scientific ecological information have often been squeezed out of the decision-making process, with few Councils having access to professional ecological advice.

7.4 The UK's network of environmental protected sites also remains partial and in poor condition. The network of Sites of Special Scientific Interest is incomplete and, of those sites that have been designated, less than 40% are in favourable condition. At the same time, the laws that protect the UK's most important nature sites—derived from the EU Birds and Habitats Directives—are under review and could be tampered with for the first time in decades.

7.5 If it is done well, better strategic planning can have real benefits for the environment and for development alike. For example, housing development contributes to environmental problems such as poor water quality and, where environmental issues reach dangerous thresholds, development can be affected. This is happening in Hampshire, where water quality issues in the Solent have led to a moratorium on house-building. Better strategic planning of catchments to improve biodiversity and reduce pollutants would help to anticipate and avoid problems of this kind before they arise.

7.6 In other circumstances, better and more accessible data about habitats and species would enable development to avoid costly mistakes, reduce the need for legal actions, and help to direct development away from more sensitive sites. However, the norm remains for environmental survey data to be collected and held by individual companies, with insufficient public provision for collating accurate environmental information and making it available to Local Planning Authorities in user-friendly fashion.

7.7 Recent reforms to planning are too half-hearted to make a real difference. For example:

- "biodiversity net gain", which requires developers to more than compensate for destruction of habitat, is likely to prove ineffective. The "gain" requirement is just 10%, there is no reliable system for monitoring whether on-site biodiversity commitments are honoured, and off-site habitat creation is only required to be maintained for 30 years.

- "local nature recovery strategies" are a positive concept supported by green NGOs for

environmental spatial planning. However, while there is a duty to create strategies, there is no real duty to implement them in planning and spending decisions, so there is a risk that they will prove an added burden for local authorities with no tangible environmental benefits.

7.8 The planning system has also proven ineffective in creating equitable access to quality natural "green and blue" spaces. More affluent communities are more likely to be in "leafy", biodiverse places. Ethnic minority communities and poorer socio-economic groups, by contrast, are more likely to be deprived of access to a high-quality environment, with serious implications for mental and physical health and wellbeing.

Questions for consultation:

7A *Does biodiversity net gain go far enough in compensating for the environmental effects of development?*

7B *How could the network of protected sites in England be improved to form a "bigger, better and more joined up" series of wildlife sites?*

7C *Should the planning system take better account of water and air and, if so, how?*

7D *Should the targets and purposes of planning be changed to include environmental objectives?*

8 Nature and climate change

8.1 As well as being the right thing to do for its own sake, restoring nature can provide many benefits for people: mental and physical health benefits, disaster risk reduction, food security, clean water, and climate change mitigation and adaptation. "Nature-based solutions" to these societal challenges could be mainstreamed across all relevant government departments, providing cost-effective solutions. This should be done quickly but carefully, recognising the potential for "greenwashing", especially in private markets.

8.2 Among these nature-based solutions, the links between climate and nature are the closest. Climate change is among the greatest threats to nature and, at the same time, it will be impossible to effectively mitigate and adapt to climate change without protecting and restoring nature. Around a third of the "effort" required to reach net zero in the UK will rely on the power of restoring nature to sequester and store greenhouse gases. The ecological crisis and the climate crisis are interdependent and they are two parts of the wider challenge of living within our planetary means.

8.3 Nevertheless, not every solution to climate change is good for biodiversity, and not every action to restore biodiversity is an effective solution to climate change. Too often, these issues are considered separately and this can lead to perverse outcomes, where our solutions to one problem worsen another.

8.4 This separation has sometimes been apparent in policy. For example, too great a focus on carbon sequestration in tree-planting policies has sometimes led to the destruction of other valuable habitats (such as grasslands or even peatlands) in the pursuit of carbon credits; the rush to become

the “Saudi Arabia of offshore wind” has failed to take into account the effects of large infrastructure projects on the marine environment.

8.5 To achieve the scale of natural sequestration necessary to meet net zero targets will require a combination of regulation and large scale public and private investment to create and restore a range of habitat types. This will need to be balanced with competing land use options, such as agriculture and development. It will need to be done in a way that makes trade-offs between nature and climate completely transparent, capitalising on win-wins wherever possible.

8.6 At the moment, the scale of public funding necessary to achieve major gains - for example in the amount of carbon stored in agricultural soils - has not been sufficient. At the same time, private markets are small and, often, unreliable with the prospect of “greenwashing” emissions through unreliable offsets.

Questions for consultation:

8A *Which nature policies should be strengthened to deliver more on climate change?*

8B *Which climate policies should be strengthened to deliver more for nature?*

8C *Can private markets be a reliable way to deliver large-scale investment in nature- based solutions? What changes are needed to avoid greenwash?*

8D *What is the right balance between regulation and payment to encourage nature-based solutions to climate*

change and where can that balance be improved in public policy?

Natural Environment Working Group

The members of the working group who have prepared this consultation paper are listed below.

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Further copies of this paper can be found online at
https://www.libdems.org.uk/natural_enviroment

Remit

The remit of this group is to review the party's policies on the natural environment, both domestic and international, and come up with updated proposals. The proposals should help to communicate our values and attract support for our objective of building a liberal society.

The group will be expected to build on existing policy proposals as set out in the 2019 Election Manifesto, Policy Paper 93 Our Natural Heritage (2009), and Policy Paper 139 Tackling the Climate Emergency (2019). The group is expected to consider and address Liberal Democrat principles on diversity and equalities in developing their proposals.

This group will as a top priority:

- Develop up to three headline policies on the natural environment which the party can communicate widely to win votes.

The working group will look at:

- Biodiversity and habitats, including the marine environment.
- How to manage demands on natural capital and land.
- Water management and flooding.
- How to attain our goal of Zero Waste.
- Sustainable use of finite natural resources and the 'circular economy'.
- Making agriculture and fishing sustainable.

- Public enjoyment of and access to green spaces.
- International action on the environment relevant to the issues above

The group will also need to consider the development of more detailed proposals to implement relevant headline policies included in the climate change paper, including on low-carbon agriculture and land use and natural climate solutions to carbon dioxide removal (such as forests and peatland).

The group will also consider the need for institutional change at central and local government levels to embed these approaches firmly in policy.

The group will take evidence and consult widely from both within and outside the party. This evidence should inform the group's proposals, which will be presented alongside an analysis of costs and an Equalities Impact Assessment. A policy paper of no longer than 10,000 words should be produced for debate at Autumn Conference 2022. Prior to that a consultative session should be held at Spring Conference 2022, and a draft policy paper should be presented to the Federal Policy Committee by June 2022.

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