WRITTEN QUESTION TO THE MINISTER FOR THE ENVIRONMENT
BY DEPUTY J. RENOUF OF ST. BRELADE
QUESTION SUBMITTED ON MONDAY 5TH FEBRUARY 2024
ANSWER TO BE TABLED ON MONDAY 12TH FEBRUARY 2024

Question

"Will the Minister state the Climate Emergency Fund's total expected income for the period 2022 to 2026; and will he advise how much additional income it is estimated would have accrued to the Fund in 2023 and 2024 had fuel duty been uprated in line with inflation in the last two Government Plans?"

Answer

The Climate Emergency Fund (CEF) was established in 2020 with an allocation of £5 million from the Consolidated Fund.

The intention was that above RPI increases in fuel duty year on year, as well as income from VED, would be allocated into it.

The 2020 Government Plan agreed a 4p per litre increase in fuel duty would go into the fund. The 2021 Government Plan agreed a further increase of 2p per litre, and in 2022 a further increase of 3p per litre took the total to 9p per litre going into the CEF.

In the 2023 and 2024 Government Plans the decision was taken to freeze fuel duty, with no increase either in line with RPI or in addition to this to go into the CEF. The total therefore remained at 9p per litre from fuel duty going into the CEF.

The current projected total expected income, on top of the initial allocation, into the Climate Emergency Fund from 2022 to 2026 is £20.15m. This includes both the contribution from fuel duty and VED at the current rates.

Each 2p above RPI increase in fuel duty is estimated to accrue approximately £1 million into the fund.

If agreement had been given to continue the annual above RPI increase in fuel duty by 2p per year in both 2023 and 2024, a total of 11p per litre would have gone in in 2023 and 13p per litre would go in in 2024. Under this scenario it is projected that an additional £2.44m would have accrued into the Climate Emergency Fund in total in 2023 and 2024. Policy delivery will need to be adapted to reflect this and there will be an impact on the rate of emission reductions achieved.