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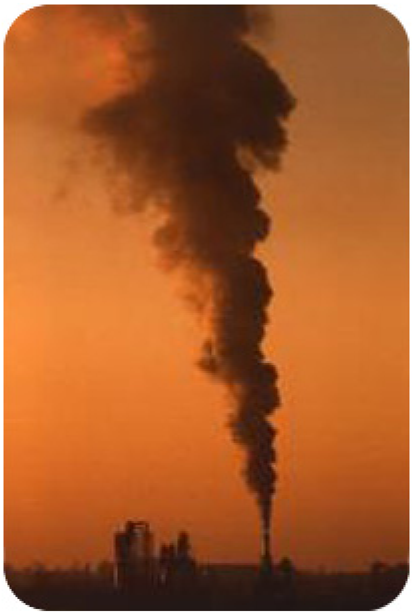
PICKING UP THE BILLS FOR CLIMATE CHANGE



I had intended to write this week's column as a demolition job on carbon emissions trading, but it will have to wait a bit. The announcement of my decision not to stand again in the next general election probably demands the more urgent explanation.

The decision does not reflect any lack of spirit for the conventional fights that have to go on in parliament. I will continue to fight (and vote) for the restoration of people's stolen pensions, for Labour's re-engagement with universal entitlements rather than means-testing, for public services rather than privatised ones and for peace making rather than war mongering.

Strangely enough it was a crusty old establishment figure who brought home to me that the biggest political issue of our time will have to be led from outside parliament rather than within it. Nicholas Stern's report on climate change was the watershed. I have long argued that Gordon Brown has only ever had green gimmicks rather than a green agenda. Like many things in the Chancellors shopping basket, environmental initiatives always had more wrapping than substance. The only thing ecological about them was the number of times that spending pledges were re-cycled.

I have become used to the annual battle for enough money in the Budget to meet the year on year targets we will have to hit if we are to meet the legal undertaking to completely eradicate fuel poverty by 2016. With each year that we fall behind, the promise is that we will catch up the next. It's a battle, and I have always understood that.

Why Stern was important is that he was Brown's man. So when a former board member of the World Bank pops up and tells the Treasury we are all stuffed if Britain doesn't now commit to putting 1% of GDP each year into tackling climate change damage, you would expect the Chancellor (and everyone else) to sit up.

I still have big arguments to pick with Stern. He is a great fan of carbon emissions trading. But then, since the World Bank charges 8% commission on handling carbon trading activities, you would expect the financial world to be rubbing its hands with glee at such bucket loads of easy money. My shock was at the sterile silence from the Treasury at Stern's proposals.

After an initial press fanfare, Stern became as popular as a fart at a funeral. Brown may have gulped at the prospects of a £10 billion a year climate change programme. He had the chance, though to use Stern as the cover for why we had no choice. He could have given the Treasury green light; moving Britain to a renewable energy economy and delivering mitigation measure for both water management and food security. But he didn't.

I have trailed round half of Europe looking at exciting ways of making this shift. The 'do little' approach to climate change may scare the life out of me, but the bold, imaginative alternatives on offer are uplifting.

The key lies in having a complete re-think of market intervention and regulation. This flies in the face of everything the Treasury now stands for. Suddenly it came home to me that, down at the Treasury the lights were on but no one was in.

Whatever the spin said, the Stern challenge would go unanswered. In the 10 years or so that we have left to push for radical changes, I was going to have to push them from outside parliament rather than inside.

It isn't just the Treasury's ideological opposition to market intervention that is a problem, but their control freak obsessions with no one else having a power to change market rules either. Let me take you through an example of the dead hand of government thinking both about local democracy and planning.

There are two Private Members Bills trying to make their way through parliament at the moment that both connect to climate change. The Sustainable Communities Bill is being introduced by a Conservative MP whilst the Local Planning Authorities (Energy and Energy Efficiency) Bill is being fronted by Labour's Martin Caton. Both have all Party support. Both have massive backing from local authorities, local communities across the land. Both, however, have the disadvantage of being serious about government claims to support the devolution of decision making.

Martin Caton's Bill essentially allows local authorities to set higher energy efficiency standards for buildings than the minimum ones set out in national building regulations. Ministers have always said that the building regulations were just a minimum platform that could be improved upon. Behind the scenes, however, new planning guidelines are being drawn up that would make it illegal for local authorities to set overall higher standards for their area.

At the moment Ministers and the civil servants who are really behind this, are saying that in specific circumstances (and only for designated parts of their areas) local authorities can apply for the right to set higher standards. Such exemptions will, however, only apply to houses and not commercial or other buildings.

Compare this with the rights of cities in Germany, France, the Netherlands and Denmark and Britain just looks a joke. Why would a Labour government – a Labour government – want to take up a position that is so biased the system in favour of no more than current building standards? The answer is that house builders and developers don't want to build to higher standards.

Ministers argue that to set higher standards, and to require buildings to make provision for generating their own energy, collecting and recycling their own water or dramatically improving thermal efficiency standards, would just push house prices up unaffordably. Ask anyone in the South of England what is pushing house prices forever beyond their reach and they will tell you the reason.

Labour has abandoned its commitment to build social housing and left everything to the market. Developers are delighted for there to be an annual shortfall of around 40,000 houses. It means there will always be more households chasing properties than there are houses. Prices spiral and the Chancellor pockets loads of money out of the taxes on property transfers. Only the poor get stuffed.

When developers cry about increased costs they forget the small fortune they make on developments themselves. Britain is almost alone in Europe in refusing to set new standards for planning and building that will turn the environment into a source of energy and a key part of water management strategies. The sadness is not only that government lacks the courage to give this lead; it also lacks the willingness to allow local authorities to set the pace, as many are longing to do.

When government becomes so intertwined with big business, and when business interests are happy to loot the planet in pursuit of short term profits, its time to look elsewhere for a principled lead. If the challenge won't come from within parliament then we need to look in more robust and creative terms to drive it from outside.

With a breathing space of only 10 years to do this, I just felt the need to try something beyond the limits of parliament's playground games.