



## Autumn Budget 2025 Representation - UK Youth Climate Coalition (UKYCC)

This document is the Autumn Budget 2025 representation from the UK Youth Climate Coalition (UKYCC), a group of 18-29 year olds with the mission to mobilise and empower young people to take positive action for global climate justice.

This Budget represents an opportunity to address the convergence of crises that our generation faces: deepening inequality, declining wellbeing, and escalating climate emergency. We call on the Treasury to take urgent measures to tackle these immediate challenges without sacrificing long-term prosperity and wellbeing.

The mission to kickstart economic growth must align with objectives to enhance social and economic wellbeing, championing intergenerational justice and sustainable development in its truest form: meeting the needs of today without compromising the ability of future generations to meet their own needs.<sup>1</sup>

UKYCC recommends the following actions during this budget period that the Treasury can take to ensure a just, equitable, and sustainable future for all:

- Introduce mechanisms to align economic decision-making with the needs of people and planet, advancing the wellbeing of current and future generations
- Take action to tax and redistribute extreme wealth, in order to fight inequality and finance the economic transformation we need to face the future

### ***RECOMMENDATION 1: ALIGN ECONOMIC DECISION-MAKING WITH THE NEEDS OF PEOPLE AND PLANET***

Embedding the wellbeing of current and future generations into Government decision-making processes would deliver substantial benefits for the UK and its people, including:

- Strengthened macroeconomic stability in the medium- and long-term
- The opportunity to become a global leader in emerging economic sectors

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<sup>1</sup> [Our Common Future: Report of the World Commission on Environment and Development](#)



- Higher standards of living, through a growth strategy that centres people's wellbeing

Policy actions to achieve this could include:

- Extending the remit of institutions including the Treasury, the Office for Budget Responsibility, and the Bank of England, to put economic, social, and environmental wellbeing on equal footing with other economic priorities and allowing economic planning to take long-term impacts into account.
- A Wellbeing of Future Generations Act (following the leadership of Welsh Labour)<sup>2</sup>, or equivalent national wellbeing framework, allowing decisions made all across government to centre the needs of people and planet.
- Strengthening opportunities for the participation of affected communities in economic decision-making at all levels of government.

### Strengthened macroeconomic stability in the medium- and long-term

The last few summers have demonstrated that the impacts of climate change are no longer distant threats - they are here now. While we welcome recent government progress, particularly the DESNZ consultation on climate-related transition planning for companies and financial institutions, this same level of foresight must extend to government itself. Embedding the wellbeing of future generations within economic decision-making is essential to safeguard long-term prosperity.

The macroeconomic impact of failing to address the climate crisis imminently will be significant, and this cost is only increasing over time. Even cautious estimates suggest that the cost of climate change to the UK economy will increase to 3.3% of GDP by 2050, while the latest research suggests this figure could be far higher.<sup>3</sup> The most prudent fiscal strategy is to invest now to avoid higher costs in the future, as noted in

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<sup>2</sup><https://futuregenerations.wales/discover/about-future-generations-commissioner/future-generations-act-2015/>

<sup>3</sup> [Rising et al, 2022, Policy brief: What will climate change cost the UK?](#), and [Milman, 2024, Economic damage from climate change six times worse than thought – report](#)



the Office of Budget Responsibility's (OBR) latest fiscal risk report.<sup>4</sup> The changing climate, and its physical and economic impacts on future generations, must be accounted for in fiscal decision-making.

A future generations-centred approach to policy making would also strengthen the UK's long-term macroeconomic stability by recognising that environmental and economic systems are fundamentally interconnected. The UN's System of Environmental-Economic Accounting (SEEA) notes that economies depend on natural capital and that "environmental issues are also economic issues".<sup>5</sup> By accounting for natural capital, the UK can avoid unsustainable growth from depleting capital and encourage policies that promote productivity and stability over the long term.

### The opportunity to become a global leader in emerging economic sectors

The UK faces vast skill shortages in sectors that will become essential to the global economy as the climate crisis continues to deepen. The opportunity to become a leading actor in the transition to a green economy cannot be forgone. Integrating long term thinking that champions the needs of future generations into our economic policymaking would provide an opportunity to lead new industries such as renewable energy and sustainable infrastructure, while also providing secure and well-paid green jobs for current and future generations.

Green skills are central to economic growth; sustainability should not be seen as a drag on economic prosperity but instead as a source of innovation and competitive advantage in a sector where global demand is imminent. Green businesses are already growing three times faster than the rest of the economy, and the Confederation of British Industry projects that shifting to a low-carbon economy could contribute between £37 billion and £57 billion annually to the UK's GDP, representing 14-20% of total economic output.<sup>6</sup>

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<sup>4</sup>[OBR, 2025, Fiscal risks and sustainability report](#)

<sup>5</sup>[Agarwala and Zenghelis, 2020, Natural Capital Accounting for Sustainable Macroeconomic Strategies](#)

<sup>6</sup>[CBI, 2025, Going for green: The UK's net zero growth opportunity](#)



PwC's Green Jobs Barometer showed that in 2024 there were 272,178 green job adverts in the UK, up by 9.2%, despite the overall job market contracting by 22.5%.<sup>7</sup> However, despite this demand, there remains skills shortages for these roles. Only one in eight workers currently possess green skills, and in sectors such as energy and construction there is estimated to be a shortfall of upwards of 200,000 workers by 2030. Embedding the wellbeing of future generations into economic decision-making would help the UK to seize this clear opportunity.

### Higher standards of living, through a growth strategy that centres people's wellbeing

Integrating wellbeing metrics into government decision-making is necessary to ensure that economic actions deliver meaningful and measurable benefits to UK households. For this reason, UKYCC urges the Treasury to expand its definition of economic growth and prosperity beyond GDP alone, to formally include wellbeing indicators such as equity, health, environmental protection, social cohesion, and more.

A wellbeing economy, defined by the Wellbeing Economy Alliance as "an economy designed to serve people and the planet, not the other way around," places human and planetary needs at the centre of its activities, rather than treating GDP growth as the primary indicator of progress. A narrow focus on economic output overlooks the social, environmental, and cultural dimensions of a thriving economy. By contrast, a wellbeing-centred framework would allow government to direct policy toward outcomes that raise living standards across regions, not just in prosperous areas.

Multiple countries have already implemented such frameworks and protections; from Wales' 2015 Wellbeing of Future Generations Act, empowering public bodies to adopt wellbeing-based approaches suited to their context; through to Iceland and New Zealand, who have demonstrated that wellbeing frameworks can be successfully integrated into government decision making.

The UK Youth Climate Coalition would welcome the opportunity to contribute to further discussions on developing a similar wellbeing framework at UK level; and in the meantime, urge the Treasury to integrate the wellbeing of future generations into immediate economic decision-making.

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<sup>7</sup>[PwC, 2024, UK sees surge in the demand for green skills despite overall job market decline](#)



## **RECOMMENDATION 2: TAX AND REDISTRIBUTE EXTREME WEALTH**

To finance the economic transformation needed to protect and advance the wellbeing of people and planet, it is clear that the richest in our society need to contribute their fair share. The most obvious vehicle for this would be a progressive wealth tax, as advocated by a large group of leading economists,<sup>8</sup> as well as by people and communities across the UK.

Wealth inequality in the UK is rapidly deepening, driven by a taxation system that leaves most forms of accumulated wealth largely untouched. The number of UK billionaires has risen from 15 in 1990 to 165 in 2024,<sup>9</sup> illustrating a growing concentration of wealth. This trend intensified during the COVID-19 pandemic, when global billionaires increased their share of household wealth from 2% in 2020 to 3.5% in 2021.

If taxable wealth thresholds started at £10 million in net assets (including property, stocks, bonds, and other investments), this would impact fewer than 0.04% of the population. Applying a 2% annual rate on wealth above this threshold could raise approximately £24 billion a year,<sup>10</sup> helping to close the fiscal gap. We recommend a progressive structure to ensure the high-net worth individuals pay their fair share.

To ensure fairness and effectiveness, a wealth tax will need to be supported by robust anti-avoidance mechanisms, including international collaboration to avoid offshoring or transferring wealth to tax havens. 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.

A Wealth Tax 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.

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<sup>8</sup>[Tax Justice UK, 2025, Leading economists call for a wealth tax in the UK](#)

<sup>9</sup>[Equality Trust, 2025, Billionaire Britain 2025 - Equality Trust](#)

<sup>10</sup><https://arunadvani.com/taxreform.html>



### Complementary measures to redistribute wealth

We would also urge the Treasury to consider a range of complementary actions that can further strengthen public finances while simultaneously tackling the deep inequality in our economy and society. Actions to be explored should include:

- A permanent and progressive windfall tax on the oil and gas sectors, building on the current energy profits levy by introducing taxation on all excess profits generated through these destructive sectors.
- Taxing accumulated wealth over earned income, by increasing rates and closing loopholes on capital gains tax and applying national insurance to investment income.
- Increasing inheritance tax and closing loopholes, to strengthen fiscal revenue while also tackling the entrenchment of inequalities across generations.

### ***NEXT STEPS***

This Budget represents a pivotal opportunity to address the interconnected crises faced by the generation that UKYCC represents. 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. We advocate for the Treasury to champion policies that prioritise social justice and climate action, as well as economic resilience. We would welcome the opportunity to discuss the content of our representation further with you.