



House of Commons
Environmental Audit
Committee

**Government Response to
the Committee's Thirteenth
Report, Session 2002-03 on
Greening Government 2003**

**Third Special Report of Session
2003–04**

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The Environmental Audit Committee

The Environmental Audit Committee is appointed by the House of Commons to consider to what extent the policies and programmes of government departments and non-departmental public bodies contribute to environmental protection and sustainable development; to audit their performance against such targets as may be set for them by Her Majesty's Ministers; and to report thereon to the House.

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A list of Reports of the Committee in the present Parliament is at the back of this volume.

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References

In the footnotes of this Report, references to oral evidence are indicated by 'Q' followed by the question number. References to written evidence are indicated by page number as in 'Ev12'.

Third Special Report

Greening Government 2003—Government Response

1. The Environmental Audit Committee published its report on *Greening Government 2003* on 13 November 2003 as HC 489.
2. The Government's Response to the Committee's Report was received on 27 February 2003 in the form of a memorandum to the Committee. It is reproduced as an Appendix to this Special Report.

Appendix

GOVERNMENT RESPONSE TO ENVIRONMENTAL AUDIT COMMITTEE REPORT: "GREENING GOVERNMENT 2003" (Thirteenth Report of Session 2002-03)

INTRODUCTION

1. The Government welcomes the Thirteenth Report of the Environmental Audit Committee, the latest in its series of reports on the Greening Government initiative. The report provides a detailed analysis of the 2002 Sustainable Development in Government (SDiG) Report and we have given careful consideration to the Committee's many conclusions and recommendations.
2. It was not, of course, possible to take account of the Committee's findings in preparing the 2003 SDiG Report which was also published in November 2003. The Committee's findings will be taken into account wherever possible in the 2004 SDiG Report. However, the scope to do so may be limited since many of the systems, especially for data collection, are already in place for the current year. Government is strongly committed to integrating sustainable development into its policies and practices and will work with the Committee and other expert bodies to improve its performance and reporting. We also hope that closer working with the Committee will enable the reporting cycles of the Committee and the Government to move closer together.
3. The Government response is set out below. The Committee's recommendations are highlighted in bold and cross-referenced to the body of its report.

THE GOVERNMENT RESPONSE

Recommendation 1. The First Annual Report is based on a questionnaire sent out to departments. In response to an earlier recommendation we made, DEFRA have made available both the questionnaire and the complete departmental responses. We welcome the provision of this detailed information. It marks a significant step forward in terms of transparency and accountability, and has enabled us to carry out a

significantly more extensive analysis than we could otherwise have done. (Paragraph 12).

4. The Government appreciates the Committee's comments and will continue to make such information available to the Committee and more widely.

5. The Government decided this year that it would be clearer to separate the reporting of policy issues from reporting on the management of the Government Estate. Accordingly, the 2003 Sustainable Development in Government (SDiG) Report provides an online report and searchable database of information relating to the management of the Government's land, buildings and staff. It covers data from the 20 central Government Departments and their executive agencies for the year April 2002-March 2003 and broadly follows the format of the *Framework for Sustainable Development on the Government Estate*. There is considerable merit in a self-contained report on operational estates management and the Government intends to retain this structure in future. The 2004 SDiG Report will report on all Framework commitments and targets. Defra officials will work closely with the Committee officials to ensure that a robust monitoring system is established and maintained.

6. Reporting on policy issues will for the current year appear in the next annual report on the UK sustainable development strategy (*Achieving a better quality of life*) to be published in spring 2004. Thereafter, the Government will determine how best to report on policy making. It will take into account the views of the Committee, the Sustainable Development Commission and others.

Recommendation 2. We recommend that all departments should provide a printed copy of their responses to both the SDU and EAC. These should be signed by the senior officer who is responsible for sustainable development issues in order to ensure accountability at a sufficiently high level within each department. (Paragraph 14).

7. Departments in general are moving away from printed copy towards making information available online: online systems are more efficient and reduce paper wastage. We do not consider that requiring a signed printed copy would be the most effective way to ensure accountability for sustainable development within Departments. Nevertheless, we will review the appropriateness of adopting this recommendation alongside future decisions on the nature and content of these reports.

Staff resources

Recommendation 3. The level of staff resources which most departments specifically devote to the sustainable development agenda is very small, reflecting the low priority accorded to it. The grade of staff working on these issues is also relatively low. We would particularly single out DCMS, DfES, DH, IR and ONS as departments within which we would have expected far greater commitment in terms of staff resources in view of the specific challenges which sustainable development poses for those departments. (Paragraph 19).

Recommendation 4. Seven departments have not set up an SDU or division, and these include DCMS, DfES, HMT, HO and IR. This is surprising and disappointing in view

of the potentially important roles these departments should have in relation to sustainable development. (Paragraph 20).

8. Improved integration and mainstreaming of sustainable development is one of the objectives of departmental Green Ministers: all Departments have officials with responsibility for sustainable development and responsibility for sustainable development is often an integral part of a number of both policy and operational posts. Further, departmental officials come together from time to time on cross-departmental committees to consider and take forward both policy and operational issues.

9. The questionnaire responses here and the Committee's comments reflect the difficulties in quantifying meaningfully staff resources dedicated to sustainable development. Neither the number of staff engaged on sustainable development nor the existence of a dedicated sustainable development unit is a particularly good indicator of the importance that a Department attaches to sustainable development or the extent to which sustainable development is integrated into its policies and operations. As the Committee is aware, neither DfID nor FCO has a sustainable development unit, but both have environmental divisions and take sustainable development and environmental concerns very seriously in their overseas work. FCO's environment division, for example, is currently leading on the development of a departmental sustainable development strategy and sustainable development is one of the Department's top strategic priorities.

10. Further, several of the Departments singled out by the Committee (where it would have expected a far greater commitment in terms of staff resources) have made considerable progress over the past year. DfES, for example, published a Sustainable Development Action Plan in September 2003. In resource terms, it has a small team which has among its other duties responsibility for coordinating sustainable development policy and liaison with other Departments. There is a network of officials with responsibility for sustainable development in the various sectors of education and skills; and the Department has recently agreed to have a dedicated resource to help take forward its Action Plan, working with the Sustainable Development Commission and other agencies.

11. DCMS, another of the Departments specifically mentioned as having limited resources, has also recently published a sustainable development strategy. The Department's policy-related work in sustainable development is driven by and coordinated through a central cross-cutting division (Strategy, Policy and Delivery); responsibility for identifying priorities and delivering progress in individual sectors lies with relevant Heads of Division; estate operations are handled by the Procurement and Property Services branch which works through estate management contractors and a network of environmental champions.

12. Whilst ONS does not have dedicated sustainable development resources, it has made significant progress in greening its estate, and has Environmental Management Systems certified to the international EMS standard ISO14001 across 95 per cent of its estate.

13. Of the other Departments identified as lacking a sustainable development unit:

- As a small Department, HM Treasury does not have a dedicated sustainable development unit. Responsibility is incorporated directly into a range of policy posts. In particular, work on economic instruments to address environmental threats, international poverty reduction and public spending contributes directly to the Government's sustainable development goals. When necessary, additional short-term resources on sustainable development are made available, for example, for the Spending Review 2004. In addition, HM Treasury has a dedicated sustainable development manager with its Facilities Management Team.
- The Department of Health will be reviewing how it discharges its responsibilities for sustainable development, harnessing resources across the Department and its agencies. NHS PASA, for example, appointed a full time Head of Sustainable Development Policy in 2003 and the NHS Estates Agency has a Sustainable Development Policy Manager.
- The Home Office considers that its sustainable development team represents an appropriate level of resources and that it provides a central point of expertise for the rest of the Department.
- The Inland Revenue has recently doubled its staff resources dedicated to sustainable development but recognises that further resources are required to cover all its operational areas. Additionally, all members of Revenue Policy are required to complete environmental impact appraisals when putting together ideas for new legislation.
- Notwithstanding these positive initiatives, the Government recognises that collectively and individually Departments will need to keep under constant review the level of resources available to promote its sustainable development agenda. This is a particular responsibility of departmental Green Ministers. The 2003 SDiG Report has already made clear that the implementation of targets in the *Framework for Sustainable Development in the Government Estate* relies on operational teams in individual Departments and upon adequate resources being available. Resource availability is one of the issues to be covered in the review of the Framework planned for 2004-05. As part of that review, the Government will also consider the scope to strengthen official networks to exchange and share best practice in sustainable development.

Recommendation 5. In the case of both DH and DWP, the senior officer responsible for sustainable development is not located in the departments' central offices alongside the dedicated sustainable development staff. Such an arrangement hardly seems to us conducive to effective operational management on a day to day basis, nor indeed to the need to exert leverage on central policy divisions within the department. (Paragraph 22).

14. The Government does not consider that physical co-location of staff is a necessary requirement for effective operation in this age of electronic communication. It also considers that it is for individual Departments to determine which senior official is best placed to take on responsibility for sustainable development in the light of departmental structures and responsibilities. In DWP, the nominated senior official is the Finance Director who is well-placed to exert leverage across the entire Department, and the

sustainable development team sits within his Directorate. DH, in identifying a lead role for sustainable development with one of the Regional Directors of Public Health, ensures close working both with Government Offices and with headquarters policy leads.

Recommendation 6. It is unclear what level of commitment and representation exists at a Management Board level as there is no information provided on this topic. Our analysis of staff resources does not inspire confidence that senior management is committed to implementing sustainable development. ENV(G) should probe this area in greater depth by including more searching questions in the 2004 questionnaire. (Paragraph 25).

15. All Departments have a senior official with responsibility for sustainable development; all these officials either sit on the departmental management board or report directly to an officer who does. For the future, as indicated above in response to Recommendation 1, Defra's officials will liaise with Committee officials in preparing for the next SDiG Report.

Greening policy: objectives and targets

Recommendation 7. While we recognise that target setting is not something to be pursued for its own sake, the almost universal failure by departments to set new environmental objectives and targets cannot but reflect insufficient commitment, resources, and priorities in this area. (Paragraph 27).

16. Departments are increasingly taking steps to formalise their commitment to sustainable development within the context of their main areas of responsibility. This is demonstrated by the growing number of departmental sustainable development strategies or equivalent high level documents. For example, DfES published an action plan in September 2003; DCMS published a strategy in February 2004; DWP has a published corporate sustainable development policy statement and also a suite of targets within a currently internal strategy; in February 2003, ODPM published its Sustainable Communities Plan, through which all ODPM policy areas are contributing to creating sustainable communities; DfID and FCO both have PSAs relating to international sustainable development and FCO published in 2003, A Strategy for the FCO UK International Priorities, that includes sustainable development as one of eight strategic priorities. Other Departments now developing strategies or similar documents include: MoD, which has made several policy commitments to sustainable development, supported by an internally published strategy for sustainable development and an environment manual; DfT, which is developing a policy statement laying out high-level objectives and principles for incorporating sustainable development into its activities; DTI, whose business plan for 2003 includes an objective to promote sustainable development, will be reviewing its Action Plan of 2000 in 2004; C&E has published a Corporate Sustainable Development Policy Statement and is currently developing an Action Plan; and Defra, which is currently reviewing its 2002 sustainable development strategy (*Foundations for our Future*).

Recommendation 8. We are astonished at the terse and unhelpful response provided by the Inland Revenue when asked about the compilation of its Sustainable Development Report. Given the lack of dedicated staff resources within the department, it only serves to reinforce the impression that it is little interested in the sustainable development agenda. (Paragraph 29).

17. The Inland Revenue recognises the importance of its contribution to sustainable development and recognises too that, like other Departments, it needs to do more to ensure that sustainable development is fully integrated into its core business. The Department regrets its seemingly unhelpful response when asked about its Sustainable Development Report in Spending Review 2002. This was answered in part in other sections of its response, but Inland Revenue legislative measures are generally introduced via the Budget/Finance Bill and relevant environmental assessments are published on Budget Day.

Recommendation 9. We find it deplorable that both DCMS and ONS should place so little weight on sustainable development and environmental objectives, as both departments in their respective spheres face significant challenges in this area. This contrasts with the far more positive approach adopted by some other departments, such as DTLR and DfES. (Paragraph 32).

18. Since the 2002 SDiG Report was published, DCMS has published its strategy, referred to above in the response to Recommendation 7. The strategy contains a policy statement and an action plan which includes all the Department's sectors and Non-Departmental Public Bodies; education and awareness raising for sustainable development are given prominence.

19. ONS does not directly develop policy for Government but instead provides evidence for decision-making by others. ONS data feed into a wide range of indicators and other monitoring used by Government, in particular the UK Indicators of Sustainable Development maintained by Defra statisticians. ONS has also done a lot of work in developing environmental accounts. Additionally, as indicated above in response to Recommendation 3, ONS has made significant progress in greening its estate, and has Environmental Management Systems certified to the international EMS standard ISO14001 across 95 per cent of its estate.

Recommendation 10. Environmental sustainability should constitute an over-arching framework within which policy making is carried out. But departments have made little attempt to incorporate environmental objectives within their high level priorities, and this is reflected in the dearth of environmental targets in the most recent Public Service Agreements. This betrays a lack of commitment to this agenda which complements the lack of resources devoted to it. (Paragraph 34).

20. The Government is firmly committed to bringing the environment, social progress and the economy alongside each other at the heart of policy making. The Spending Review (SR) 2002 took full account of the principles set out in the UK sustainable development strategy. It led not only to an overarching PSA owned by Defra, "to promote sustainable development across Government and the country as a whole as measured by achieving positive trends in the Government's headline indicators of sustainable development", but also to a number of other PSA targets that directly relate to the headline indicators, including in relation to the environment. Both DfID and FCO have PSAs specifically referring to international sustainable development. In SR2004, sustainable development will be one of a number of cross-cutting thematic priorities.

21. Defra's aim is to secure sustainable development working with and through other Departments. To achieve its PSA target, Defra is engaging directly with those responsible

for related PSAs and other targets across Government. This work seeks to bring sustainable development to the forefront in policy making, particularly in those areas affecting headline indicators. The effective use of indicators to promote progress will be considered in the review of the UK sustainable development strategy and its indicators.

Greening policy: policy appraisal

Recommendation 11. If departments are indeed carrying out integrated appraisals, it follows that they must be screening new policies for environmental impacts as part of that process. For the Government's commitment to sustainable development to be taken seriously, ENV(G) must restate and rigorously implement the requirement that departments should maintain and make publicly available a central list of new policies, together with the results of screening them for environmental impacts. (Paragraph 42).

Recommendation 12. There is a variety of overlapping requirements and guidance relating to appraisal. The Government must rationalise these and develop Integrated Policy Appraisal to become a comprehensive tool. In doing so it must set out how departments should resolve the apparent conflict between monetary and non-monetary approaches to appraising environmental impacts. (Paragraph 45).

22. The Government is committed to consulting publicly on new proposals and details of all public consultations are available at <http://www.ukonline.gov.uk/citizenspace/consultationsmenu/fs/en>. In addition, the Treasury puts budget environmental appraisals on its website; these are updated regularly to reflect ongoing monitoring of environmental indicators and further evaluation of specific schemes.

23. In contrast to the mandatory assessment required of projects (EC Directive on Environmental Impact Assessment and from July 2004 the Directive on Strategic Environmental Assessment), environmental appraisal is not a formal, rigid system but a practical and informative approach to ensure that significant direct, indirect and cumulative impacts on the environment are properly considered. Where environmental appraisals are carried out as part of a mandatory Regulatory Impact Assessment (RIA), they are included in the final RIA report. Copies of final RIAs must be placed both on the Department's website and in the House library.

24. Environmental appraisal is a key component of the Integrated Policy Appraisal (IPA) tool that was piloted in 2003 by seven Departments and one Government Office. The tool requires the policy maker to consider a structured series of questions to take account of the economic, environmental, social and distributional impacts of the policy. Its use involves identifying the level of further appraisal (including environmental appraisal) needed for a particular policy.

25. The inclusion of monetary and non-monetary measures of impact within environmental appraisal is unavoidable since environmental impacts, unlike economic ones, do not have a market value. Several Departments are supporting the development of alternative valuation methods by commissioning original research on key environmental impacts including water quality, air quality and noise; this work in time will support greater use of monetary estimates in environmental appraisal.

26. The pilot showed that the IPA tool has the potential to support better policy making and joined up government but it also highlighted issues that would need to be resolved if it were to be used more widely. In particular, it reaffirmed the need to clarify the way in which the IPA relates to other policy appraisal systems including the mandatory RIA and the need to provide clearer central support and guidance for policy makers.

27. Over the coming year, further work will be undertaken to improve central guidance to Departments on appraisal methodologies. The Cabinet Office has strengthened its guidance on RIAs to incorporate sustainable development considerations more effectively and wider take-up of RIAs will be encouraged across all areas of Government. The future development of IPA will be considered as part of this ongoing work. In the meantime, the IPA tool continues to be available for wider piloting and several Departments are using it, including Defra and MoD.

Recommendation 13. It is impossible to ascertain whether most departments have formal awareness raising strategies in place. But it is clear that few departments—with the exception of the FCO—have any structured approach to monitoring the effectiveness of their strategies. (Paragraph 46).

28. Although few Departments have free-standing awareness raising strategies, all Departments are taking steps to make staff aware of sustainable development. Departments use a variety of methods: most use intranet sites, posters and leaflets to convey key messages; some have appointed local ‘champions’ who lead in their areas and establish a link between the central team and the wider Department; a few have started to introduce regular seminars and formal training for example in staff induction courses.

29. Much, although not all, of this awareness raising activity is related to the introduction of Environmental Management Systems and the greening of operations so that its effectiveness will be monitored through outcomes, particularly departmental progress against Framework targets. Several interdepartmental groups of officials already share best practice in operational matters and there are plans to develop an online sustainable development forum with membership from across the public sector, to take this work forward within and beyond central Government.

30. The Government recognises that education and awareness raising are central to achieving sustainable development and it will be looking to Green Ministers as sustainable development champions for their Departments to make this a priority over the coming year. Such an initiative is particularly timely given publication by both DfES and DCMS of sustainable development strategies in which these themes are of paramount importance.

Greening operations

Recommendation 14. Our overall findings on the progress departments are making towards greening operations demonstrate continuing weaknesses in data availability and huge variations in performance. (Paragraph 50).

31. Data collection has improved over the past year as Departments have introduced Environmental Management Systems (EMSs) for many of their sites. Further improvement can be expected as this process continues and Departments work towards

the Framework targets for introduction of EMSs. But data availability is likely to remain an issue and has already been identified as something to be addressed in the review of the Framework planned for 2004-05.

32. As the Framework targets are rolled out and revised over time, higher and more even standards of performance can be expected across Government. But differences in departmental performance are inevitable given the huge variations in size and type of estates, and in working practices. The key priority is to ensure that all Departments are moving towards more sustainable management of their estates and that Government meets the Framework targets overall.

Recommendation 15. Our conclusions and recommendations on some key aspects of operational performance are set out below. (Paragraph 51).

(a) With the exception of those departments which utilise the Whitehall District Heating Scheme, progress on CHP schemes remains poor. Renewable energy, however, presents a more varied picture with some departments well ahead of the 5% March 2003 target. (Paragraph 51.a).

33. The Government has recently published the energy section of the Framework, which commits the Government to develop a long-term strategy, up to 2020, for sourcing renewable energy on the Estate. It also commits Departments to source at least 10 per cent electricity from renewable sources by 31 March 2008 (2010 for MoD) and, for the first time, sets a target for Combined Heat and Power (CHP) to source at least 15 per cent of electricity from Good Quality CHP by 2010. (Allowances will be made for those Departments that already purchase 100 per cent renewable energy.)

34. Since 2001, Departments have been buying electricity from renewable sources (defined as sources that are exempt from the Climate Change Levy). The interim target of purchasing five per cent of electricity from such sources by March 2003 has been exceeded. Last year 13 Departments were purchasing energy from renewable sources. Now all 20 Departments purchase renewable electricity, with seven Departments (CO, DfID, DfT, DH, DWP, HMT and LOD) purchasing more than 50 per cent of their total electricity use from such sources. Four Departments (Defra, HMT, MoD and ODPM) source a part of their electricity from in-house CHP plants which currently generate about one per cent of the Government Estate's electricity consumption. IR has a District Heating scheme for its Nottingham offices.

(b) In terms of overall performance across the entire estate, the Government appears to have met in both 2000-01 and 2001-02 the new target set of a 1% per annum reduction in carbon emissions, with overall reductions of 3% and 7% respectively. However, some individual departments have conspicuously failed to meet the target, with carbon emissions increasing in one or both years against the baseline. (Paragraph 51.b).

35. Every year, the Buildings Research Establishment (BRE), in conjunction with Defra, collects data on energy use on the Government Estate. Figures for 2002-03 are still provisional but the latest data suggest that overall weather-corrected carbon emissions (excluding contributions from bought-in renewables and CHP) are down one, two and three per cent respectively for 2000-01, 2001-02 and 2002-03 against the 1999-2000

baseline. These figures do not include the effects of green electricity purchases, but arise principally from energy efficiency improvements, and occasionally changes in estate size. MoD has achieved reductions of seven per cent. Emissions from the civil Departments have increased by some five per cent reflecting a growing estate, although energy efficiency has improved overall with emissions per square metre of floor area down by over five per cent. Data for 2002-03 will be published on Defra's website once returns have been verified.

(c) We have some concerns on the Government's plan to replace the interim 1% per annum carbon reduction target with targets based on benchmarking individual offices. We would urge the Government to ensure that all departments face targets which are at least as challenging as the current one. (Paragraph 51.c).

36. The new energy section of the Framework requires Departments to reduce absolute carbon, from fuel and electricity used in buildings on their estate, by 12.5 per cent by 2010-11, relative to 1999-2000, on top of the 19 per cent already achieved in the 1990s campaign. It also includes a target requiring Departments to increase the energy efficiency of buildings on their estate, in terms of kWh of fuel and electricity use per square metre of buildings floor area, (or estate area), by 15 per cent by 2010-11, relative to 1999-2000. These targets are designed to achieve reductions in absolute carbon as a result primarily of more efficient use of fuel and electricity (whatever the source) and also self-generation of zero/low carbon heat and electricity. Two targets are included since in a few cases Departments may have difficulty in meeting the overall absolute carbon reduction target because of changes in estate size, building type or activity, but should be able to demonstrate continued improvement in energy efficiency.

(d) Given the incentives which the Government has provided to encourage LPG since 1997, it is disappointing that only some 547 vehicles out of a total fleet of over 18,600 are LPG equipped. The performance of DWP is particularly creditable, while that of HO, IR and C&E is far less so. (Paragraph 51.d).

37. Four per cent of all Government vehicles were run on alternative fuel or were LPG/Petrol hybrids as of April 2003. Although the total fleet size has remained the same, nine per cent of all vehicles on the civil estate are now alternatively fuelled. Government is therefore well on its way to meeting the target of having 10 per cent of all fleet cars alternatively fuelled by 2006. C&E in particular have more than doubled the number of LPG vehicles in their fleet. Fifteen Departments own or lease alternatively fuelled vehicles, of which DWP accounts for two-thirds of the total.

(e) Only 5 out of 19 departments have clearly met the March 2002 water consumption target, while only 6 met the main waste recovery target set in 1999 by Green Ministers. We regard this as an abysmal performance. (Paragraph 51.e).

38. The 2003 SDiG Report shows that over the reporting year April 2002 to March 2003, eight of the 13 Departments that have data for both 2001-02 and 2002-03, recorded a reduction in water consumption, and five Departments recorded increased usage. DWP, with the highest increase (23 per cent), has since introduced a programme of water reduction measures, including waterless urinals, leak detection processes and reduced water flow taps.

39. Only two Departments have so far met the Framework target for water usage set for March 2004 (7.7 m³ per person per year) and this will need to be a priority over the coming year. The fact that most Departments (17 out of 20) now take part in the Watermark Project should help progress towards this target.

40. The 2003 SDiG Report shows that over the reporting year April 2002 to March 2003, 53 per cent of total measured waste was recovered, with nine Departments (CO, Defra, DfID, DfT, DH, DTI, DWP, HMT and ODPM) recovering more than 40 per cent of their waste (the 1999 target). Fifteen Departments have waste minimisation schemes covering their office estates of which all have schemes covering more than half of their staff. Eighteen Departments now have recycling schemes for their office estates of which all have recycling schemes covering more than two-thirds of their staff, and 15 Departments have schemes covering more than 90 per cent of their staff.

41. The Government will shortly publish the waste section of the Framework with new targets for waste reduction and recovery.

(f) There are huge variations in departmental performance. The proportion of renewable energy purchased, for example, ranges from 0% to over 75%, while the proportion of paper purchased meeting the 80% post-consumer waste specification ranged from 0% to 100%. The Government should investigate the reasons for these variations as a matter of urgency and make publicly available the findings. (Paragraph 51.f).

42. Government is committed to buying copier paper that is 100 per cent recycled and paper for printed publications with a minimum 60 per cent recycled content¹. The 2004 SDiG Report will record progress against this commitment. The response to Recommendation 15(a) above comments on data relating to purchasing of electricity from renewable sources. Given the huge differences in departmental estates and activities, some differences in performance are inevitable. Improved data collection and monitoring of performance will, however, help to identify areas of poor performance which are unrelated to such characteristics and can be attributed to inadequate commitment, resources or other cause.

43. The Government will look to Green Ministers to investigate cases of poor performance in their Departments and will welcome the continued assistance of the Committee to identify these and also to set up more robust systems of monitoring which will identify problems at an earlier stage.

Monitoring and reporting

Recommendation 16. It is disappointing that so few departments produce their own sustainable development or environmental reports. Departments must also not use the production of the Sustainable Development in Government report as an excuse for not reporting themselves (Paragraph 53).

¹ As of Government announcement on 30th October 2003 on sustainable procurement

Recommendation 17. We recommend that the Government places on departments a formal requirement to report separately on their environmental impacts and to include in these reports coverage of not only the department itself and its agencies, but its associate bodies also. (Paragraph 55).

44. Reporting of operational performance across the Government Estate will continue in the annual SDiG Reports. Part A of the Framework makes clear the Government view that cross-government reporting cannot substitute for comprehensive performance reporting by individual Departments. It placed on Departments an obligation to report publicly on the key sustainable development impacts of their estate operations. Government maintains that it is for individual Departments to determine the most appropriate way for them to report, whether in a free-standing sustainable development report, or elsewhere including in the departmental annual report, and whether to do so in hard copy or online.

45. All Departments now report on the sustainable development impacts of their operations: six in separate reports, seven within their Departments' annual reports and seven in another way, mostly on their websites.

46. The Framework at present covers all central Government Departments and their Executive Agencies. It does not cover Non-Departmental Public Bodies and other associate bodies but Departments are responsible for promoting sustainable development to these bodies and the forthcoming review of the Framework will consider how this may be further encouraged. Many associate bodies do already report on environmental impacts in the normal course of their business.

47. Government will give further consideration during 2004 to how Departments can improve upon their reporting of sustainable development outside the Framework, i.e. in a policy context. It will be important to establish systems that do not duplicate but rather draw on existing procedures and auditing arrangements.

Recommendation 18. While we would in no way wish to downplay the importance of departmental initiatives, we would not wish to see the Sustainable Development in Government Annual Report become simply a presentational vehicle for highlighting good practice. In our view, it should constitute a rigorous analysis to enable ENV(G) to monitor progress effectively, adjusting priorities and setting targets as required. (Paragraph 58).

Recommendation 19. We recommend that DEFRA, in drafting the 2004 questionnaire, ensures that the questions it contains are sufficiently specific to elicit reliable and comparable data from departments. Departments should also be required to indicate clearly where they consider questions are not relevant. (Paragraph 59).

48. The Government agrees with the Committee that the SDiG annual reports should provide a rigorous analysis and enable effective monitoring of performance. The Government would welcome the Committee's input to drafting the 2004 questionnaire on operational issues. The format of the 2003 Report follows the *Framework for Sustainable Development on the Government Estate* (Framework), which makes a clear link between commitments and reporting and enables departmental data to be compared. This year's

online Report records data on published targets and in areas where targets are being developed.

49. As indicated above in the response to Recommendation 1, the Government will consider in 2004, options for reporting on the mainstreaming of sustainable development into departmental policies and will liaise with Committee officials accordingly.

Recommendation 20. We welcome the Framework for Sustainable Development on the Government Estate as tangible evidence of progress towards a more systematic and comprehensive approach to cross-departmental target setting and monitoring. (Paragraph 60).

Recommendation 21. We are concerned about the slow rate of progress in implementing the Framework. Five of its nine constituent parts have still not been published—three months after the date by which it should have been complete. (Paragraph 62).

50. The Government is pleased to receive support for the Framework approach. Progress has been slower than first envisaged. It is important that the sections are thought through carefully and that the targets are both challenging and realistic. The remaining sections when published later this year should provide a sound basis for further substantive improvement in departmental performance.

Recommendation 22. We recommend that, within 4 months of the announcement of each suite of targets, all departments should submit their delivery strategies to the Environmental Audit Committee or provide an explanation as to why they have not done so. The Sustainable Development in Government web-site should also include full provision for monitoring progress against targets. (Paragraph 63).

51. Part A of the Framework requires all Departments within four months of the announcement of each suite of targets to make public a strategy showing how they plan to deliver the targets. It was envisaged at that time that strategies should be made available on departmental websites so that links could be posted on the Framework website. The Government considers that this remains appropriate and will look to ensure that from this year the Framework website, which now forms a part of the SDiG website, includes full provision for monitoring progress against targets, including targets related to the development of strategies.

Recommendation 23. We urge the Government to develop a more systematic approach to environmental target setting in a policy context as a complement to the systematic approach it is now adopting for departmental operations and as a way of providing greater accountability to Parliament through the EAC for environmentally related policy targets. (Paragraph 64).

52. Responsibility for setting environmental targets rests with different Departments, though usually in conjunction with Defra, for example DfID and FCO (international sustainable development), DTI (energy), DfT (jointly with Defra for air quality) and Defra (waste). Targets are considered and developed in cross-government fora and in the light of EU and international obligations. They are brought together in the UK sustainable development strategy and considered across the board in a number of arenas including

Cabinet Committees and the Spending Review. As indicated above in response to Recommendations 11 and 12, the Government intends to undertake further work to develop appraisal methodologies and this will encompass reporting requirements.

Recommendation 24. While the quality of environmental reporting by departments remains inadequate, it seems over-ambitious to try to encompass social reporting as well. Indeed, the Sustainable Development in Government report is very far from being comprehensive in this respect. (Paragraph 66).

53. As explained above in the response to Recommendation 1, the Government intends to use the SDiG Report to monitor progress on Framework targets. These relate principally to the management of the Government's land and buildings and do not cover policy making. However, to the extent that the business operations of the Government Estate have social implications, whether on staff or local communities, the Government considers that it is appropriate for them to be covered in the Framework documents and to be reported on in the annual SDiG Reports. The Government intends to publish a Framework section on the social impacts in the next few months.

Recommendation 25. We strongly feel that the term 'sustainable development' should be defined in such a way as to include only those policies, objectives and targets in which environmental aspects form a major component. (Paragraph 67).

54. The Government is disappointed that the Committee continues to espouse an environmentally driven concept of sustainable development. Both the international agenda and current UK strategy recognise the importance of the social and economic aspects of sustainable development.

55. The World Summit on Sustainable Development (WSSD) and its outcomes reinforced the international consensus on integrating the three pillars of sustainable development. Follow-up to the Summit will require action at all levels and this includes delivering the WTO's Doha Development Agenda and reaching the Millennium Development Goals to eradicate global poverty. These aims are central to achieving international sustainable development, and were key elements of the WSSD agenda and resultant commitments. For the UK to diverge from the international consensus on what sustainable development means would significantly weaken its influence internationally.

56. The 1999 UK sustainable development strategy, (*a better quality of life*), sets out the Government's approach to sustainable development, and explains that in practice it means meeting four objectives at the same time, in the UK and the world as a whole: social progress which recognises the needs of everyone; effective protection of the environment; prudent use of natural resources; and maintenance of high and stable levels of economic growth and employment. The breadth of the strategy, including the suite of 15 headline indicators, indicates the wide range of activities that can and do contribute to achieving sustainable development; this represents a challenge in terms of performance and reporting against performance but one Government embraces. The strategy is now being reviewed in order to have a new one in place in 2005.

Recommendation 26. We recommend that the Government should include, as part of its review of the Sustainable Development Strategy, an evaluation of the impact of

the strategy on departments and the extent to which it has been successful in mainstreaming environmental objectives. (Paragraph 68).

57. In spring 2004, the Government will publish the fourth in the series of annual reports on the UK sustainable development strategy (*Achieving a better quality of life*). This will outline key developments in 2003 and also provide an overview of Government progress since publication of the strategy, including progress on embedding sustainable development in policy making. The Sustainable Development Commission is also preparing an assessment of progress.

Audit and accountability

Recommendation 27. The lack of accountability which now exists in relation to departmental Sustainable Development Reports submitted as part of Spending Review 2002 is unacceptable. We will continue to demand greater transparency in this process and for departments to be required to publish—perhaps on a two-yearly basis as in Canada—their own sustainable development reports. (Paragraph 70).

58. The Sustainable Development Reports which Departments submitted with their bids for Spending Review (SR) 2002 were part of a confidential intra-Government process. However, sustainable development was reported on in the Spending Review White Paper and many Departments report on the sustainable development aspects of their activities in their own publications.

59. Sustainable development is one of a number of cross-cutting thematic issues that will be considered as part of SR2004. Departments will be required to submit their proposals to the Treasury who will evaluate the various sustainable development components, along with other horizontal Government priorities.

Recommendation 28. We find it surprising that the Government did not feel that ENV could oversee the sustainable energy strategy. If it has no role here, we question what effective role it can play in any sphere of Government activity, and indeed how its role can be clearly differentiated from that of ENV(G). (Paragraph 73).

60. Government considered it appropriate that oversight of the sustainable energy strategy should lie with the Cabinet Committee with overall responsibility for Britain's energy policy. DA(N)'s terms of reference are "to consider the principles and objectives which underlie Great Britain's energy strategy; and to report as necessary to the Committee on Domestic Affairs"; its membership is very similar to that of ENV. Key Ministers, working informally through the Ministerial Group on Implementation of the Energy White Paper reporting to DA(N), focus on detailed delivery of the sustainable energy strategy.

61. The terms of reference of ENV and ENV(G) reflect their close relationship (ENV is the parent committee of ENV(G) and has a more senior membership) and differentiate their roles. ENV(G) seeks "to consider the impact on sustainable development of Government policies" and "to improve the performance of Departments in contributing to sustainable development". On this, it reports to ENV, which additionally "considers UK environmental policies". Generally speaking, ENV(G) focuses on the sustainable development aspects of how Government does its business; ENV has oversight of this

ENV(G) work but additionally takes individual decisions on specific environmental policies.

Recommendation 29. Our work has involved considerable analysis which the NAO would be ideally placed to carry out. We would therefore welcome the NAO's assistance in analysing future reports and associated evidence, in the form of a management report and accompanying analyses submitted to this Committee on an annual basis. The publication of the next Sustainable Development in Government annual report, due very shortly, offers an opportunity to begin the process. (Paragraph 75).

Recommendation 30. Our annual review may well highlight specific areas which require further investigation. For this reason, we would also welcome the assistance of the NAO in carrying out detailed studies on specific aspects of departmental performance. Such assistance would materially help us carry out our audit function in a timely and effective manner. (Paragraph 76).

62. As indicated in our introductory remarks above (paragraph 2), the Government is strongly committed to integrating sustainable development into its policies and practices and will work with the Committee and other expert bodies, including the National Audit Office, to improve its performance and reporting. Defra and the NAO have begun discussions to consider how work by the NAO on sustainable development in Government can help the Committee to carry out its audit function and to strengthen departmental performance and reporting on sustainable development.

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2003-04 Session

First	Annual Report 2003, HC 214
Second	GM Foods – Evaluating the Farm Scale Trials, HC 90
Third	Pre-Budget Report 2003: Aviation follow-up, HC 233

2002-03 Session

First	Pesticides: The Voluntary Initiative, HC100 (<i>Reply, HC 443</i>)
Second	Johannesburg and Back: The World Summit on Sustainable Development–Committee delegation report on proceedings, HC 169
Third	Annual Report, HC 262
Fourth	Pre-Budget 2002, HC 167 (<i>Reply, HC 688</i>)
Fifth	Waste – An Audit, HC 99 (<i>Reply, HC 1081</i>)
Sixth	Buying Time for Forests: Timber Trade and Public Procurement - The Government Response, HC 909
Seventh	Export Credits Guarantee Department and Sustainable Development, HC 689 (<i>Reply, HC 1238</i>)
Eighth	Energy White Paper – Empowering Change?, HC 618
Ninth	Budget 2003 and Aviation, HC 672 (<i>Reply, Cm 6063</i>)
Tenth	Learning the Sustainability Lesson, HC 472 (<i>Reply, HC 1221</i>)
Eleventh	Sustainable Development Headline Indicators, HC 1080 (<i>Reply, HC 320</i>)
Twelfth	World Summit for Sustainable Development – From rhetoric to reality, HC 98 (<i>Reply, HC 232</i>)
Thirteenth	Greening Government 2003, HC 961

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First	Departmental Responsibilities for Sustainable Development, HC 326 (<i>Reply, Cm 5519</i>)
Second	Pre-Budget Report 2001: <i>A New Agenda?</i> , HC 363 (<i>HC 1000</i>)
Third	UK Preparations for the World Summit on Sustainable Development, HC 616 (<i>Reply, Cm 5558</i>)
Fourth	Measuring the Quality of Life: The Sustainable Development Headline Indicators, HC 824 (<i>Reply, Cm 5650</i>)
Fifth	A Sustainable Energy Strategy? Renewables and the PIU Review, HC 582 (<i>Reply, HC 471</i>)
Sixth	Buying Time for Forests: <i>Timber Trade and Public Procurement</i> , HC 792-I , (<i>Reply, HC 909, Session 2002-03</i>)

2000-01 Session

First	Environmental Audit: <i>the first Parliament</i> , HC 67 (<i>Reply, Cm 5098</i>)
Second	The Pre-Budget Report 2000: <i>fuelling the debate</i> , HC 71 (<i>Reply HC 216, Session 2001-02</i>)

1999-2000 Session

First	EU Policy and the Environment: An Agenda for the Helsinki Summit, HC 44 (<i>Reply, HC 68</i>)
Second	World Trade and Sustainable Development: An Agenda for the Seattle Summit, HC 45 (Including the Government response to the First Report 1998-99: Multilateral Agreement on Investment, HC 58) (<i>Reply, HC 69</i>)
Third	Comprehensive Spending Review: Government response and follow-up, HC 233 (<i>Reply, HC 70, Session 2000-01</i>)
Fourth	The Pre-Budget Report 1999: pesticides, aggregates and the Climate Change Levy, HC 76
Fifth	The Greening Government Initiative: first annual report from the Green Ministers Committee 1998/99, HC 341
Sixth	Budget 2000 and the Environment etc., HC 404
Seventh	Water Prices and the Environment, HC 597 (<i>Reply, HC 290, Session 2000-01</i>)

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First	The Multilateral Agreement on Investment, HC 58 (<i>Reply, HC 45, Session 1999-2000</i>)
Second	Climate Change: Government response and follow-up, HC 88
Third	The Comprehensive Spending Review and Public Service Agreements, HC 92 (<i>Reply, HC 233, Session 1999-2000</i>)
Fourth	The Pre-Budget Report 1998, HC 93
Fifth	GMOs and the Environment: Coordination of Government Policy, HC 384 (<i>Reply Cm 4528</i>)
Sixth	The Greening Government Initiative 1999, HC 426
Seventh	Energy Efficiency, HC 159 (<i>Reply, HC 571, Session 2000-01</i>)
Eighth	The Budget 1999: Environmental Implications, HC 326

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First	The Pre-Budget Report, HC 547 (<i>Reply, HC 985</i>)
Second	The Greening Government Initiative, HC 517 (<i>Reply, HC 426, Session 1998-99</i>)
Third	The Pre-Budget Report: Government response and follow-up, HC 985
Fourth	Climate Change: UK Emission Reduction Targets and Audit Arrangements, HC 899 (<i>Reply, HC 88, Session 1998-99</i>)
