



House of Commons
Environment, Food and Rural
Affairs Committee

**The Departmental
Annual Report 2004:
Government Reply to
the Committee's
Report**

**First Special Report of Session
2004–2005**

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The Environment, Food and Rural Affairs Committee

The Environment, Food and Rural Affairs Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Environment, Food and Rural Affairs and its associated bodies.

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The current staff of the Committee are Matthew Hamlyn (Clerk), Fiona McLean (Second Clerk), Jonathan Little and Dr Antonia James (Committee Specialists), Marek Kubala (Inquiry Manager), Louise Combs and Jim Lawford (Committee Assistants) and Anne Woolhouse (Secretary).

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FIRST SPECIAL REPORT

The Environment, Food and Rural Affairs Committee reported to the House on *The Departmental Annual Report 2004* in its Fifteenth Report of Session 2003–04, published on 14 September 2004 as HC 707. The Government's Reply to the Report was received on 25 November 2004.

Government response

Introduction

This is the Government's response to the Environment, Food and Rural Affairs Committee's Report (HC 707) on the Departmental Annual Report 2004 for the Department for Environment, Food and Rural Affairs. Where appropriate, the Department will take the Committee's views into account when drafting the next Departmental Annual Report.

Recommendation 1

Although the Departmental Report is more helpful now in seeking to provide a commentary about performance against Defra's objectives, and in identifying key relevant financial data, further improvement is needed. We recommend that the Department in future make clear exactly how it has performed against each target as part of its main commentary, using the clear assessment currently relegated to an appendix. (Paragraph 4)

The Government welcomes the positive comments from the Committee on this year's report. The Government recognises that in producing a document such as the Departmental Report it will have to satisfy a number of audiences. HM Treasury's guidance to departments for producing the Departmental Report stipulates that each Report should contain a summary of performance, and this is provided as an appendix to Defra's 2004 Departmental Report. This summary must include an assessment of progress, for example 'on course', 'slippage' or 'met'. This summary allows readers who have an interest only in looking at the PSA target component of the report to access a quick and easy reference guide of performance. It would therefore be unfair to say that this is 'relegated' to an appendix. However, the Department accepts that an assessment of progress could also be added to the main body of the report for each PSA target in order to improve clarity for the reader.

Recommendation 2

Whilst we applaud the Department's efforts to provide additional information to its stakeholders, it must strike a balance between comprehensiveness on the one hand and accessibility and readability on the other. Defra should be as concise as possible in the Departmental Report: this year the Report is more than long enough. (Paragraph 5)

The Government is committed to fulfilling its duty to report on its progress against its objectives to Parliament and the public. The Department has worked hard to address the Committee's recommendations and suggestions for improvement on the 2002 and 2003 Departmental Reports. This year Defra has produced a report which provides a more comprehensive overview of some of the main recommendations and focus of the Departments work in 2003-04.

The size of the Departmental report is also driven by external factors such as the commitment to include the Public Accounts Committee recommendations and Government responses and provide details on major announcements such as Lord Haskins' recommendations on changes to rural delivery.

A balance needs to be found between the length of the report, what needs to be included, the level of detail that should be reported and what indeed should be omitted. The Department is aware of the need to balance brevity with the requirement of providing an account of what the Department has done and will keep this recommendation in mind when preparing the 2005 Departmental Report, with a view to making it an accessible but useful document which focuses on the issues that will be of interest to Parliament and to the public.

Recommendation 3

We are convinced that financial management in Defra has improved immeasurably in the past two years. We support the efforts of senior staff to improve the situation still further. (Paragraph 6)

The Government is grateful to the Select Committee for its recognition of the improvement. Ministers, the Permanent Secretary, and the Department's Management Board have all focused on improving financial management. The Select Committee's recognition is also appreciated by the many staff at all levels within the Department who have worked hard for it, and is an encouragement to them to implement the further improvements currently underway and planned.

Recommendation 4

We welcome the Department's efforts to update and improve its financial records, to provide a more accurate picture of its historic spending. Doing so reflects well on financial management in Defra. (Paragraph 8)

Again, the Government is grateful to the Select Committee for its recognition of the Department's efforts and the lead given by Ministers, the Permanent Secretary and the Department's Management Board on improving financial management. Members of the particular team leading on this, as well as colleagues across the Department and HM Treasury, have worked hard to provide this more accurate picture, and this recognition is appreciated.

Recommendation 5

We welcome the steps taken by senior managers to encourage integration in the Department. We agree, though, that there is still much further to go; we encourage Defra, in responding to this report, to set out how further integration will be achieved against the backdrop of departmental staff cuts and its response to Lord Haskins' rural delivery review. (Paragraph 11)

The challenge of achieving integration exists on a number of fronts including the level of Ministerial oversight. The Secretary of State decided that each of her Ministerial team would have a portfolio which would focus in one major area of Defra's responsibility but would also include elements from each of the other policy areas. This has helped Defra Ministers to take a wider view of Government priorities and to provide a context for Departmental accountability, stressing sustainable development at every level. This is reflected in the approach of the Management Board which has put in place arrangements to ensure that each of the areas summarised below is subject to suitable oversight and effective coordination. First, Defra needs to ensure that it is focussed on achieving the outcomes which underpin Defra's five strategic priorities, which sit underneath its overarching aim of Sustainable Development, and, in many cases, cut across existing Departmental structures:

- Climate Change and Energy;
- Sustainable Consumption and Production;
- Natural Resource Protection;
- Sustainable Rural Communities; and
- a sustainable farming and food sector, including animal health and welfare.

Underpinning all this is its ongoing responsibilities for emergency preparedness.

To ensure this corporate alignment Defra is working to ensure that accountability is managed in a consistent way across the Department so that strategy, planning,

deployment of resources and management of performance work together as one coherent whole. This work is overseen by a new Management Board sub-committee called the Strategy Group (chaired by Defra's Environment Director General).

Secondly, Defra is working to improve the efficiency and integration of its internal corporate services. To do this Defra is:

- developing shared services models for internal services (such as HR, through its T-HR programme, and IT through its new e-enabling strategic partnership with IBM); and
- identifying areas where coherence or rationalisation of activity can be improved.

A new Management Board sub-committee called the Corporate Resources Group has been established to oversee this work (chaired by Defra's Director-General of Operations and Service Delivery).

Thirdly, Defra is evaluating its future requirements for numbers of policy staff in the Department, in the light of its strategic priorities, and the roles which these staff will play in a modern policy-making department. This challenge is being addressed through its Policy Centre Review Programme (PCRP). This programme will develop a vision of the future role, shape, organisation and skills needs of the policy centre of the department.

Defra is also taking forward its Delivery Strategy to achieve a greater delegation of responsibilities to delivery bodies, including Executive Agencies. This principle is a key element of the implementation of the Rural Strategy 2004, with its plans to establish the new Integrated Agency with devolved powers for decision-making and delivery, and to devolve regional decision-making. This requires a significant cultural shift in the Department, and Defra is building its capability to manage partnerships and develop sponsorship and accountability arrangements which are fit for purpose.

Finally, the Department needs to ensure that it has a coherent view of the portfolio of challenging change programmes it is committed to over the coming few years. To oversee this, the Management Board has established another sub-committee—the Performance and Improvement Committee, chaired by the Permanent Secretary.

Recommendation 6

We welcome the one-stop shop project as a way to help to ensure that all parts of Defra have regard to the Department's core values and objectives in policy making. We recommend that the project be adopted permanently by Defra: it should serve to encourage integration and coherence in Departmental policies. (Paragraph 13)

The Government notes the Committee's recommendation about the One Stop Shop project. The Government shares their view that permanent institutional arrangements to encourage the integration of Defra's core values and coherence in policy making are necessary. It was for this reason that the integration of the Integrated Policy Appraisal approach with the Cabinet Office's Regulatory Impact Assessment process was such an important step forward earlier this year and one in which the One Stop Shop played a key role. Furthermore, the establishment of Defra's Better Regulation Unit and the Central Analytical Directorate during 2004 provides the Department with two new teams to support integration and coherence in policy making. For these reasons – and in order to avoid duplication of effort or the waste of resources – members of the One Stop Shop team recommended in their evaluation that the project should not continue as constituted in its pilot phase but that its objectives should be delivered through the work of the Better Regulation Unit and the Central Analytical Directorate to which it would contribute its experience and expertise.

Recommendation 7

We commend the Department for acting on our recommendation that the Departmental Report should include more information about the delivery of policies across Government. However, we recommend that future reports include clearer descriptions of the lines of accountability when matters are dealt with by a range of departments and agencies. For example, when public service agreement targets are shared between Defra and other government departments it would be sensible if the Departmental Report explained exactly what the contribution of each has been, and what difference it has made for the target to be shared. (Paragraph 14)

The Government welcomes the recognition of the Defra Committee that this year's Departmental Report does include more information about the delivery of policies across Government. It wishes to point out that this year's report does contain some clear descriptions of accountability; for example, Chapter 4 and Appendix 6 set out in some detail the relationship between Defra and its major delivery partners and the part they play in delivering Defra's objectives.

However, future reports will look to set out in more detail the contribution of partner organisations in delivering PSA targets, in particular the role played by other government departments who share Defra's PSA targets. This process will be aided by Defra's review of its Delivery Plans for its post 2004 Spending Review PSA targets.

Recommendation 8

We remain concerned that Defra does not yet have sufficient 'clout' to be taken seriously by other government departments in framing their key policy decisions. We urge the Department to continue to work to increase its influence across Whitehall. We recommend that future Departmental Reports record failures as well as successes in working with other parts of Government. (Paragraph 18)

Responsibility for sustainable development lies with all departments - Defra cannot achieve it alone. It is not only an issue of Defra having influence over other government departments but of embedding sustainable development across Government.

Substantial progress has been made since the 2004 Departmental Report:

- *Sustainable Development in the 2004 Spending Review.* The inclusion of sustainable development as a cross-cutting theme in the 2004 Spending Review (SR2004) confirms that it is a cross government priority. The spending review also factored sustainable development into other government departments' Public Service Agreements, for example:
 - new housing to be built to high standards in relation to energy and water efficiency, waste and building materials;
 - a new PSA on cleaner, safer and greener public spaces; and
 - a new PSA to tackle childhood obesity as part of a new emphasis on tackling health inequality.

Another positive result of SR2004 has been to formally link the headline indicators with specific Public Service Agreements across a wide range of government departments. This will ensure that sustainable development is given full consideration when departments are developing their policies.

- *Significant changes to Regulatory Impact Assessments.* Since April 2004, departments must explicitly identify in the mandatory Regulatory Impact Assessment (RIA), environmental and social, as well as economic costs and benefits. From the same date, the RIA regime has also been extended to cover all policies and proposals that will have a substantial impact on the public sector, as well as the private sector. The combined effect of these changes will ensure that all new and revised policies and initiatives within Government are evaluated against sustainable development criteria.

In addition to this, the majority of central Government departments now have some sort of strategic document on sustainable development, such as a strategy, action plan or policy statement.

- *New Strategy Development.* Work on the new UK Sustainable Development Strategy is being taken forward on a cross-departmental basis. Defra has established a high-level interdepartmental Government Programme Board chaired by the Permanent Secretary and with representation from key Government delivery departments (including HM Treasury and the Prime Minister's Office). They will oversee development of the new sustainable development strategy and its subsequent delivery. This aims to ensure that the new strategy has ownership in other government departments, to drive the strategy forward and to ensure accountability in those departments.

Ministers from six government departments and two devolved administrations launched the consultation for the new strategy on 21 April. The three-month consultation, run by the UK Government, together with the Scottish Executive, the Welsh Assembly Government and the Northern Ireland Administration, included local and regional events and an online consultation.

As part of the Strategy Review, a Ministerial Working Group was established under the Central Local Partnership to develop an action plan for improving delivery of sustainable development at the local level. Defra worked to establish this Group jointly with ODPM and the Local Government Association given the importance of both ODPM's approach to local government and its sustainable communities agenda. Chaired by Alun Michael and Keith Hill, the Group agreed a fourteen point action plan on 9 November which included a new joint vision which sees:

Sustainable communities embody the principles of sustainable development. They :-

- balance and integrate the social, economic and environmental components of their community
- meet the needs of existing and future generations
- and, they respect the needs of other communities in the wider region or internationally to also make their community sustainable.

This vision then goes on to set out a number of components of a sustainable community.

- *Sustainable Development Task Force.* The Sustainable Development Task Force was established both to help ensure effective follow-up of the UK's WSSD commitments, and to help ensure that the strategy review is focused on delivery. Chaired by Defra's Secretary of State, Margaret Beckett, the Task Force comprises a core membership, and a wider network of Ministers and stakeholders who are invited to attend meetings where the agenda requires their involvement. The core membership of the Task Force consists of Ministers drawn from key departments involved in the implementation of sustainable development, and a similar number of key opinion formers from outside government.

Although Defra has a remit for rural affairs, it relies on many other departments to deliver its rural policies. The Government's recently published Rural Strategy 2004 was the result of extensive consultation with national and other partners and identifies the key priorities for rural policy for the next three to five years. The Government's new approach is based on devolving decisions and action closer to rural communities, targeting greater resources at areas of greatest need, and working in partnership. Much work is already underway with our partners at national, regional and local level to

deliver the policy priorities and to facilitate the changes necessary to modernise rural delivery arrangements.

The Domestic Affairs (Rural Renewal) (DA(RR)) Committee was set up to oversee the development and implementation of the Government's policies on the rural economy and rural communities. This also includes providing a rural proofing function by monitoring the impact of the Government's wider policies on rural areas. The Committee's agenda includes the consideration of shared priorities, 6-monthly reporting and geographically tagged data. There is also a Senior Officials Group which has considered in detail implementing the decisions of the DA(RR) Committee. Specifically, the group has reached agreement in principle on geographical data reporting where practical for both the 02 and 04 spending reviews. This has enabled SR04 to be rural proofed from an early stage.

Defra has made good progress in embedding rural proofing into the policy making process across Government in several ways:

- working closely with central departments to identify policy areas that are important to building sustainable rural communities. Our PSA4 for SR04 measures our success in this using a range of 9 targets from across Government;
- with ODPM, ONS and Birkbeck College, provided the means for Government to report on rural delivery of PSA targets with the revised rural/urban definition;
- working with regional and local delivery agents to enhance service delivery to rural communities;
- developing the evidence base in support of the identification and tackling of rural social exclusion; and
- including rural proofing as an element of the Regulatory Impact Assessment.

In addition, the Minister of State for Rural Affairs regularly hosts trilateral meetings with the Chair of the Countryside Agency and Ministers to discuss the rural effects of their Departments' policies, and enhance our influence on them.

Defra does not believe that it would be practicable to record 'failures' to influence others in its Departmental Report. Other Departments' policies are agreed collectively by Ministers, and that process and the outcome cannot be reduced to a simple success or failure on the part of any one department. Moreover, Defra believes that departments should report on their own sustainable development and rural performance, and many are already moving in that direction. The changes made to the RIA will increase the obligation on departments to consider sustainable development and rural proofing impacts of policies. The Sustainable Development Commission's report, *Shows promise. But must try harder*¹ assessed Government's performance overall on sustainable

¹ *Shows promise. But must try harder* can be found at: http://www.sd-commission.org.uk/news/resource_download_search.php?attach_id=SMD0B79-7JQMZFE-10HI1PA-UFRDL3I

development and this has been fed into the review of the UK sustainable development strategy.

Recommendation 9

We strongly support the efforts made to encourage secondments between Defra and other government departments. We look forward to more details in future Departmental Reports about these activities. (Paragraph 19)

The Department's interchange strategy recommends increasing interchange activity across all sectors. In collaboration with others, we are exploring ways in which more exchanges might be achieved especially in such sectors as local government and the voluntary and community sectors, and with delivery partners, as well as with other government departments. We undertake to provide details on interchange activity for future Departmental Reports.

Recommendation 10

The achievement of many of the goals of Defra, such as the promotion of recycling and reuse, and reductions in greenhouse gas emissions, require changes in public attitudes and behaviour. We recommend that the Department redirect its communication activities so that its primary focus is on conveying the message of sustainability to the public. (Paragraph 21)

Public attitude and behaviour change relating to Sustainable Development is recognised as an overarching priority for the Department. As a consequence, and in addition to centrally produced efforts, Defra funds a wide range of communication activity through external delivery agents such as the Energy Saving Trust, Carbon Trust, Waste Recycling Action Programme, Encams and the Environment Agency. This activity works together with infrastructure, fiscal and legislative measures to drive attitude and behaviour change.

Defra is moving towards prioritising its communications budget to cover Sustainable Development as the Department's overarching remit whilst supporting its five strategic priorities—climate change and energy, natural resource protection, sustainable consumption and production, sustainable food and farming including animal welfare and sustainable rural communities.

Recommendation 11

We wish to be informed of major appointments made by Defra, including at the level of director general or above within the Department, and at senior levels in its associated public bodies. We ask only to be informed of vacancies, and of appointments made. Our aim is not to approve or reject candidates. Indeed we may not take evidence from many of them. But we do at least wish to know about

appointments so that we can consider whether to take evidence from senior figures at an early stage about their responsibilities and their plans. We recommend that Defra put in place arrangements without delay to provide us with this information. (Paragraph 23)

The Government reaffirms its commitment, previously given in the response to the Efra Committee's Annual Report published 29 July 2004, that where the Department is issuing a Press Release on an appointment, arrangements will be made to provide the Committee with an advance copy wherever possible. In addition, the Department will provide a regular update listing other major appointments that have been made over the preceding months and for which no press release was issued. Defra also undertakes to implement a process to notify the Committee of any internal appointments made at Director General level or above within the Department.

Recommendation 12

We commend the Department, and the permanent secretary in particular, for the efforts made to promote diversity in the staff of Defra. Given the success it has had in the other grades we recommend that the Department now focus particularly on improving the diversity of staff in senior grades. (Paragraph 25)

The Government notes the Committee's comments with regard to focusing on improving the diversity of staff in senior grades. Defra is employing a variety of strategies to address this issue, which include the provision of a Women Managers Training course and the introduction, in September 2004, of a mentoring scheme for women at Grade 6 and 7. There are also separate mentoring scheme for AA/AOs (Releasing Talent) and EO/HEOs (Into Leadership), which have been running for 3 years. The Releasing Talent Scheme has places reserved for minority ethnic staff with modules dealing with issues around race. Minority ethnic staff can apply for either programme. For all the Schemes, the emphasis is on building and gaining skills and confidence, through training and personal development modules. The Schemes are currently under review and it is possible that similar targeted Schemes will be developed for staff with a disability in the future. The Department also has a developing Diversity Champions group, part of whose role is to help take forward the work addressing any disparities identified in the success rates of minority groups in the monitoring of progression, recruitment and selection.

Recommendation 13

We recommend that targets are set for improving diversity amongst the staff of Defra's executive agencies. We recommend that the permanent secretary take responsibility for ensuring that the agencies have in place programmes to encourage the recruitment, retention and progression of staff who are female, from ethnic minority backgrounds or with disabilities. (Paragraph 26)

The Government notes the Committee's comments regarding the agencies setting targets for improving diversity. The establishment of independent targets for each agency would raise difficult questions, as the numbers of senior staff in some cases are very small. In addition, the geographical location of the agencies, and the specialist nature of their work impose restrictions on the pool from which they can recruit staff. However, the Chief Executive of each agency is accountable to the Permanent Secretary for the operation of programmes for diversity and equality issues. Defra's Diversity and Equality Unit ensure that the agencies are aware of all diversity and equality initiatives and keep them updated about all new equality legislation; Defra is currently helping one agency with their Race Equality Scheme. The Permanent Secretary will continue to work actively with the Chief Executives of all the agencies to ensure that in the selection and progression of staff, they continue to work towards improving representation of minority groups.

Recommendation 14

We recommend that the forthcoming review of the climate change programme should ensure that Defra retains primary responsibility for responding to climate change, but that other departments—including the Department for Transport and the Treasury, as well as the Department of Trade and Industry—firmly re-commit themselves to reducing all emissions of greenhouse gases. We strongly recommend that the review does not reduce the target for carbon dioxide emissions in Defra's existing PSA target. In addition, we recommend that Defra looks for additional mechanisms which could be introduced in future to meet the Government's carbon dioxide targets. (Paragraph 29)

The review of the UK Climate Change Programme, launched on 15 September 2004² with the publication of the Terms of Reference for the review, will be wide ranging and comprehensive. It is being led by Defra who will retain overall responsibility for the Programme and involves representatives from all key Whitehall departments (Department for Transport, Department of Trade and Industry, Office of the Deputy Prime Minister and HM Treasury) as well as from the Devolved Administrations.

The Terms of Reference confirm that the review will assess whether the UK is on course to achieve its target under the Kyoto Protocol and its more stringent domestic goal to reduce carbon dioxide emissions by 20% below 1990 levels by 2010.

It will also consider whether the UK is on course to make the “real progress by 2020” towards the longer-term goal of reducing carbon dioxide emissions by some 60 per cent by about 2050, anticipated in the Energy White Paper³. The review will also identify and evaluate options for putting the UK on a path to its 2050 goal.

² Press notice: <http://www.defraweb/news/2004/040915b.htm>

³ *Our Energy Future – creating a low carbon economy* can be found at: <http://www.dti.gov.uk/energy/whitepaper/ourenergyfuture.pdf>

The Government's aim is to carry out an open and inclusive review which will evaluate key elements of the UK Climate Change Programme, to measure their impacts and effects as well as assessing the costs and benefits of the climate change programme. The Government intends to consult stakeholders, both on the findings of the evaluation and on possible policy options for the future. A more detailed appraisal of the options along with the results of this consultation will be used to help design the revised programme. The involvement of all of the different government stakeholders will be key to ensuring that the review takes full account of all of the impacts on all relevant sectors of the UK economy that would be expected to contribute to any future emission reduction targets.

Recommendation 15

We recommend that in the next Departmental Report the Department set out exactly the 'trajectory' it will follow towards the target of bringing 95% of SSSI sites into favourable condition by 2010. (Paragraph 33)

The Government will publish a trajectory for the achievement of this target in its next Departmental Report, and indeed is publishing a provisional trajectory, based on the modelling of sampled data, in the 2004 Autumn Performance Report. These trajectories will show the rate of progress that will be necessary if the target is to be met, rather than a timetable of works by Defra and English Nature which will result in achievement of the target.

Currently, close to 65% of SSSI land is in favourable or recovering condition. The remainder is split between about 7200 management units, each with one or more reasons for its unfavourable condition. English Nature is, through its current 'Remedy' programme, establishing what needs to be done to tackle each of these issues, and with whom the responsibility for doing so lies. The result is likely to be a list of many thousands of actions, by the landowners, English Nature, and many others who have an influence on the future condition of such land. For each management unit, target condition will be achieved only when the detailed plans and commitments needed to implement each of the remedies is in place.

The target will therefore not be achieved through the centralised direction of all the necessary actions on each site, but through the endeavours of English Nature, Defra and others to make or encourage progress simultaneously on many fronts.

Recommendation 16

We look forward to the outcome of the review of rural funding streams, and indeed to the overall Government plan for the implementation of the Haskins proposals which we assume will form part of the 'refreshed' rural strategy. We will maintain a close interest in these matters, which obviously have a highly significant part to play in the way in which Government seeks to encourage rural development. (Paragraph 36)

The Government published the conclusions from its review of rural funding streams and the Government's detailed response to Lord Haskins' review of rural delivery as part of its Rural Strategy 2004 on 21 July 2004. This set out the Government's plans for ruthlessly streamlining the present 100 or so funding streams and a major programme of change to modernise rural delivery arrangements, all within the context of its strategic priorities for the next three to five years. Defra has provided the Committee with further details in its memorandum to the Committee's inquiry into the Strategy and will be supplementing this with its oral evidence.

The Strategy specifically addresses the need to ensure that rural needs are taken account of in developing policy and in delivery, through measures such as the establishment of a new Countryside Agency to act as a watchdog for rural people and communities, with an emphasis on disadvantage, and devolving more decision making to regional and local levels where problems and potential solutions are better understood. One of Defra's priorities is also to work with other Government Departments to ensure that they rural proof their policies. Defra's 'inside track' in Government, including early consultation on developing policy, makes it best placed to ensure that Government initiatives are developed with rural communities in mind. This requires continuous engagement at Ministerial and official level. Examples of Defra's success in this regard can be found in the Countryside Agency's annual *Rural Proofing Report*.

Recommendation 17

We urge Defra to take all steps necessary to ensure that its PSA target relating to waste is met. Again, it would not be acceptable to respond to a likely failure to meet the target by making the target less challenging. We will return to the subject of waste policy later in the year. (Paragraph 39)

The Government is committed to achieving the PSA target of 25% of household waste recycling and composting by 2005–06, which is a key milestone on the way to meeting the 2010 Landfill Directive target. Data for 2002–03 from the *Municipal Waste Management Survey* reveal a welcome improvement on all waste indicators, and the rate of increase in total recycling has doubled since 2001–02.

Defra will continue to provide significant funding and support to help local authorities to achieve a step change in their waste management, particularly those at most risk of not achieving targets, and Ministers are prepared to use their powers to intervene formally in authorities which fail to meet their statutory targets and show no commitment to improve. More details of departmental action to encourage improved waste management performance can be found in Defra's memorandum to the Select Committee Inquiry into Waste Policy and the Landfill Directive.

Recommendation 18

We welcome the announcement made in the 2004 spending review of a PSA target relating to fuel poverty which is geared to ending the problem. We recommend that in its next Departmental Report Defra set out in detail the measures it will take to meet the new target. (Paragraph 41)

Following the 2004 Spending Review, Defra has a new PSA target to mirror the commitment to eradicating fuel poverty in England made in the Energy White Paper and Fuel Poverty Strategy. The target is to 'Eliminate fuel poverty in vulnerable households in England by 2010 in line with the Government's Fuel Poverty Strategy objective'.

Detailed discussion on its key policies for tackling fuel poverty in England will be set out in its Fuel Poverty Action Plan, to be published in 2004. The plan will consider the contribution of a range of government policies and programmes to its fuel poverty targets. It will include outline proposals for the future format of Warm Front, its key programme for tackling fuel poverty in the private sector, looking at options for the targeting, eligibility, and impact of the Scheme in removing householders from fuel poverty in line with its targets.

Recommendation 19

We recommend that the Department ensure that its PSA target relating to air quality is maintained at its existing challenging level. We look forward to the exposition in the next Departmental Report of what the Government will do to ensure that its air quality PSA target is achieved. (Paragraph 44)

The 2004 Spending Review agreed that the PSA for improving air quality, which Defra share with the Department for Transport, should be maintained and rolled forward to 2008. The Defra 2004 Autumn Performance Report and future Departmental Reports will provide details of the progress with the work.