

## 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.

### Current membership

Mr Michael Jack (Conservative, Fylde) (Chairman)  
Mr David Drew (Labour, Stroud)  
James Duddridge (Conservative, Rochford & Southend East)  
Patrick Hall (Labour, Bedford)  
Lynne Jones (Labour, Birmingham, Selly Oak)  
Daniel Kawczynski (Conservative, Shrewsbury & Atcham)  
David Lepper (Labour, Brighton Pavilion)  
Mrs Madeleine Moon (Labour, Bridgend)  
Mr Jamie Reed (Labour, Copeland)  
Mr Dan Rogerson (Liberal Democrat, North Cornwall)  
Sir Peter Soulsby (Labour, Leicester South)  
David Taylor (Labour, North West Leicestershire)  
Mr Shailesh Vara (Conservative, North West Cambridgeshire)  
Mr Roger Williams (Liberal Democrat, Brecon & Radnorshire)

### Powers

The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No. 152. These are available on the Internet via [www.parliament.uk](http://www.parliament.uk).

### Publications

The reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at

[www.parliament.uk/efracom](http://www.parliament.uk/efracom)

### Committee staff

The current staff of the Committee are Matthew Hamlyn (Clerk), Jenny McCullough (Second Clerk), Jonathan Little and Dr Antonia James (Committee Specialists), Marek Kubala (Inquiry Manager), Andy Boyd and Alison Mara (Committee Assistants) and Lizzie Broadbent (Secretary).

### Contacts

All correspondence should be addressed to the Clerk of the Environment, Food and Rural Affairs Committee, House of Commons, 7 Millbank, London SW1P 3JA. The telephone number for general enquiries is 020 7219 5774; the Committee's e-mail address is: [efracom@parliament.uk](mailto:efracom@parliament.uk).

# FIFTH SPECIAL REPORT

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The Environment, Food and Rural Affairs Committee reported to the House on *The Departmental Annual Report 2005* in its Fourth Report of Session 2005-2006, published on 20 December 2005 as HC 693-I. The Government's response to the Report was received on 20 February 2006.

## Government response

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### Recommendation 1

**We are pleased that, once again, further improvements have been made to the 'look' of the Departmental Report. Overall, the Report is more accessible and readable than in previous years, and contains a great sense of narrative in its description of how Defra's work is linked together. We commend the Department's report-writers for incorporating many of our previous recommendations relating to the presentation of the Report. (Paragraph 5)**

The Government welcomes the positive comments from the Committee on this year's report. The Select Committee's recognition is appreciated by the many staff at all levels within the Department who have worked hard to ensure the report is accessible and readable whilst still providing sufficient information to give a comprehensive update of progress against our Public Service Agreement targets and other areas of the Department's work.

### Recommendation 2

**As was the case last year, we believe the 2005 Departmental Report—at 372 pages—is too long. We understand there is a need to deal with all aspects of the Department's work; indeed, this was one of our recommendations on the 2002 Departmental Report. Nevertheless, the Departmental Report would benefit from being more concise and selective in the information it provides. We recommend that for those policy areas deemed to be of less importance—for example, issues not directly linked to Defra's Public Service Agreement targets—the Department should provide less information in the main commentary of the Report and include more web-link references. (Paragraph 6)**

The Government is committed to fulfilling its duty to report on its progress against its strategic priorities to Parliament and the public. The Department has worked hard to address the Committee's recommendations and suggestions for improvement on previous Departmental Reports.

However, the Government acknowledges the committee's comments and a balance needs to be found between the length of the report and what needs to be included or omitted.

The Department has begun to look at this issue and will do all it can to reduce the size of the report by, for example, providing more links to its website.

### **Recommendation 3**

**We strongly recommend that in future years the Forestry Commission's report is published separately from the Departmental Report, as occurs with Defra's other affiliated bodies. We believe this would improve the user-friendliness of the Departmental Report, not least by making it shorter. There would still be scope for a summary account of Defra's work with the Forestry Commission, which should be sufficient. (Paragraph 7)**

The Government acknowledges the committee's recommendation and the Department is currently in discussion with the Forestry Commission to decide the best way to take this forward. As the process for producing the 2006 Departmental Report has already begun it may not be possible to publish the Forestry Commission section separately but Defra will look to reduce the size of this section by guiding readers to further information on the Forestry Commission's website.

### **Recommendation 4**

**We are pleased that financial measurement has improved significantly in the past three years. We support the efforts of senior staff to improve the situation still further. (Paragraph 8)**

The Government is grateful to the Select Committee for its recognition of the improvement. The Select Committee's recognition is 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 5**

**Although financial management in general has improved within Defra, further improvements to the Department's forecasting and budgeting processes are required. The Department is currently attempting to improve its financial forecasting by implementing recommendations set out in the Ernst & Young review. We look forward to further updates from Defra about the impact of these changes on its financial forecasting. We further recommend that in future Departmental Reports, Defra provide a commentary explaining significant differences between one year's estimates and the resulting outturn. (Paragraph 10)**

The Government will be providing an overall commentary on the Core Financial Tables in future Departmental Reports so the explanations of significant differences between one year's estimates and the resulting outturn will be incorporated in future reports.

### **Recommendation 6**

**We recognise the difficulties Defra faces in meeting its efficiency saving targets, as set out in the Gershon Review, given that achievement of almost half the £610 million target relies on the actions of local authorities in relation to waste management. We therefore welcome Defra's recent initiatives, such as the Waste Implementation**

**Programme, to assist local authorities in achieving their individual targets. (Paragraph 13)**

The Government welcomes the committee's observation that the work carried out under the Waste Implementation Programme (WIP) and other Defra programmes has been recognised in a positive light by the committee.

The WIP was due to end in Spring 2006 but has been given a two year extension to continue the delivery work with local authorities and community sectors. The Department aims not only to continue to deliver advice which will add further value to the efficiency of these sectors, but also to develop its portfolio of activities in the important areas of PFI funding, and Energy from Waste.

### **Recommendation 7**

**Nevertheless, Defra still has no power to oblige local authorities to make savings. We therefore remain to be convinced that this third party approach towards achieving the Department's efficiency saving target will actually work. We recommend that the Department publish a report on how it is progressing towards meeting its efficiency targets. (Paragraph 14)**

The Government recognises the difficulty of delivering efficiencies through third parties, in this case local authorities. The efficiencies achieved so far by local authorities in environmental services exceed the original forecast. Defra accepts that it would be useful to publish figures to demonstrate progress on the delivery of all efficiencies. Therefore, the Department will publish details of efficiencies (including those from environmental services) in its Departmental and Autumn Performance Reports.

### **Recommendation 8**

**We congratulate Defra for meeting its first year target of £52 million in waste services efficiencies. However, the targets for the next three years are more challenging. We recommend the Department strive to maintain, and expand, its various initiatives to assist local authorities—particularly those authorities performing less well—to ensure it meets its total waste services efficiency target of £299 million by 2007–08. (Paragraph 15)**

Again, the Government is grateful for the recognition of Defra's achievements in meeting its first year targets in waste service efficiencies. The Department recognises and agrees that the future targets are extremely challenging. Efficiency now forms a ninth workstream within the WIP programme. The direction of this workstream will be very much focused on the poorer performing local authorities but the Department does not wish to lose the momentum gained with the better performing authorities.

### **Recommendation 9**

**We welcome the steps taken by senior managers to encourage integration in the Department. Defra has made significant progress in improving integration since 2001, particularly at senior grades, and we congratulate the previous Permanent Secretary for his contribution in achieving this. We recommend the Department continue its efforts**

**to improve integration and now focus specifically on this work at junior staff levels. (Paragraph 18)**

The Department is taking forward further work to review and integrate its resource at G7, and introducing effective talent management strategies for G7 and feeder grades. Integration will also be enhanced by the Department's response to the Professional Skills for Government initiative, which provides a framework for staff at all levels to plan career and skills development for roles in policy, operations or corporate services. Implementation of PSG during 2006 includes:

- Skills: ensuring that Defra's current PSG skills capability is measured and gaps addressed in Defra's Workforce Strategy; Learning and Development Strategy; and supporting delivery plans.
- HR Policy and Procedure: ensuring that PSG skills requirements are successfully embedded in all of Defra's recruitment, selection and performance management policies and procedures
- Communication: ensuring that Defra's Heads of Profession, managers and jobholders understand what PSG means for them, the help available and any steps they need to take.

PSG implementation will underpin greater flexibility for staff deployment and setting up cross-departmental project teams, enabling the Department to take a more corporate, holistic and timely approach to resourcing its priorities and delivering on programmes and business plans.

The Departmental Reform Programme (DRP) is driving re-organisation in a number of Directorates across the Department, leading to transfer of posts out to delivery agents or to staff reductions. This is achieving further integration within new and re-organised teams in the form of common goals, ways of working, skills requirements and development. Furthermore, the re-organisation process requires a consistent approach to redeployment and resettlement across core Defra and the wider family.

## **Recommendation 10**

**Whilst we welcome further integration of Defra's structure and working practices, it is essential that the Department's links with specific interest groups are not weakened as a result. We are concerned that some of Defra's traditional "customers" might become overlooked as a result of the Department's integration process. We remind Defra of its responsibility to ensure all its customers are fully valued and served by the Department. (Paragraph 19)**

The Government can reassure the Committee that its work with traditional customers will not be overlooked and has not been diluted by structural and working practice changes. In partnership with its key delivery partners, Defra recently conducted a segmentation exercise. This involves categorising groups of customers, which will enable Defra to establish their particular needs and deploy resources accordingly. The exercise placed Defra and the Defra family's customers into 18 high level customer segments and subsequent evaluation of these high level segments demonstrated that the segments which

can be associated with traditional farming and agricultural related activities (i.e. Food Producers, Land Managers and Animal Keepers) retain their position at the heart of the Defra family thinking and activities.

Defra is currently developing a number of initiatives, including the Whole Farm Approach, the Rural Funding Review, the Livestock Register and the Farm Regulation and Charging Strategy which meet the needs of its traditional customers and will help the Industry to meet future challenges. These initiatives are being developed in conjunction with industry representatives and include commitments to provide easier access to advice and guidance, reduce administrative burdens, improve the way Government regulates and enforces regulation, reduce bureaucracy and improve farmers' capacity to help protect the environment, animal health and welfare, food safety and worker safety.

### **Recommendation 11**

**We welcome the improvements Defra has made in the past year in increasing its influence across Whitehall. In particular, we consider the sustainable delivery action plans, which other Government departments are obliged to produce by December 2005, to be a significant development. We urge Defra to ensure that performance against the targets set out in the action plans is monitored vigorously. Given the huge importance of its work on the environment, in particular, we agree with the Permanent Secretary that Defra “can never have enough clout”. We therefore recommend the Department to continue to work to increase its influence further across Whitehall. (Paragraph 24)**

The Government welcomes the Committee's observations regarding improvements made by Defra to increase its influence across Whitehall, in particular through the requirement for Government departments to produce sustainable development action plans. Performance against these action plans will be monitored on a number of levels:

- by departments themselves with a commitment to publish progress annually;
- through existing governance arrangements including the cross-departmental Sustainable Development Programme Board; and
- by the independent assurance of progress to be provided by the Sustainable Development Commission from 2006 as part of its enhanced 'watchdog' role.

As noted by the Committee, Defra's ability to influence other departments is critical to embedding sustainable development across Whitehall. But while Defra is responsible for setting out the policy and institutional underpinning for sustainable development, departments remain accountable for sustainable development outcomes. A range of measures are intended to maximise departmental buy-in. These include:

- the role played by the National Audit Office, Environmental Audit Committee and Select Committees in reviewing departmental performance and accountability;
- conducting the Comprehensive Spending Review 2007 within a sustainable development framework;

- the cross-departmental composition of the Sustainable Development Programme Board and the Sustainable Development Operations Board;
- equipping the Civil Service with skills required by incorporating sustainable development in the National School of Government curriculum; and
- leading by example through improvements in the Department's own operations and procurement (the latter driven by the Sustainable Development Procurement Task Force which is due to report by April 2006).

Taken together, these measures represent a robust mechanism by which to ensure that sustainable development is fully embedded across Whitehall.

### Recommendation 12

**We congratulate Defra for taking the lead in implementing sustainable practices within the Department, through initiatives such as *thinksustainable* and the Carbon Trust's Management Programme. We strongly recommend it continues its endeavours to be "best in class". This not only reflects well on Defra in practicing what it preaches, but also, by setting a good example to other Government departments, increases the credibility of Defra in arguing for sustainable practices across Government. (Paragraph 27)**

The Government thanks the Committee for its recognition of the initiatives that are already in place. The Government is committed to embedding sustainable practices across central departments and thanks the Committee for its comments on the progress made within Defra. The ***thinksustainable*** brand is widely recognised across the Department and has promoted deeper understanding of the issues. Defra continues to work its staff to integrate sustainable development into their everyday work by providing information and tools, using ***thinksustainable*** as a vehicle. The tools developed for ***thinksustainable*** are to be offered to other Government departments in the first half of 2006.

The Carbon Management Programme will produce significant long-term energy and emission savings for Defra. Other departments are already following this example by signing agreements with the Carbon Trust to run their own programmes.

Defra has undertaken a benchmarking exercise of its sustainable operations during 2005 to establish how it compares with similar-sized private sector organisations. This has shown the way for some further improvements towards the objective of being 'best in class' for key operational areas. By developing new initiatives for sustainability and sharing best practice across Government, standards will rise across the board.

### Recommendation 13

**We understand the difficulties the Department faces in maintaining staff morale amidst significant staff cuts, so we recommend Defra maintains a high level of communication to ensure its staff are appropriately informed of ongoing developments relating to staff reductions. We will continue to monitor the impact on staffing of the Rural Payments Agency (RPA) Change Programme through the work of our rapporteurs on the RPA. (Paragraph 30)**

The Government acknowledges the Committee's recommendation. Defra's Management Board has had discussions about the importance of providing clear communication to staff about the impact of organisational change and achieving headcount reductions, and the Corporate Communications Directorate is developing an appropriate communications strategy. HR has commissioned a programme of redeployment support in the form of workshops and career counselling for surplus staff, and the feedback so far has indicated this is appreciated and valuable. The HR Director has regular meetings with the Departmental Trade Unions to keep them fully informed and seek their views on implementing the Departmental Reform Programme, and how this impacts on staff.

RPA has been undergoing a major Change Programme since its creation in 2001 that will deliver enhanced working practices and allow for the headcount reductions that will contribute to Defra's overall efficiency savings.

A comprehensive staff communications strategy has supported the Change Programme. RPA has good industrial relations and TUS colleagues have been engaged in the new Organisational Design (OD) which has defined the future structure of the organisation and the content of the jobs that have changed to work with a new scheme, technology and processes.

RPA has run one voluntary exit programme which has seen the departure of 299 staff by the end of 2005 and a further 117 will leave in 2006 giving a total of 416 exits. The RPA is pleased to report that close co-operation with the Department on resettlement has avoided the need for compulsory redundancies of permanent staff.

The RPA believe that the current OD numbers sufficiently reflect its resource needs for SPS and Trader scheme delivery. The transitional period to introduce the Single Payment Scheme has been managed through the engagement of temporary staff, increased overtime working and by existing staff temporarily taking on additional responsibility. The balance between system delivery and business delivery is being carefully managed through these mechanisms.

The current levels of voluntary additional working through overtime, shift working, a willingness to be flexible in terms of annual leave absence, and requests to continue working through Bank and Privilege holidays would indicate that commitment levels are still high. The RPA are not however taking this for granted and are continually monitoring the need for additional working.

Lord Bach and Johnston McNeill appeared before the Select Committee on 11 January to present detailed evidence following a visit from the rapporteurs to RPA in November 2005. The Department were pleased that the rapporteurs acknowledged the hard work and commitment of RPA staff during their visit.

## **Recommendation 14**

**We congratulate Defra on meeting its target of 30% female employees in Senior Civil Service (SCS) level grades by 2005, and are pleased that progress has been made since the publication of the Departmental Report in improving the proportion of SCS level staff from ethnic minority groups and with disabilities. Nevertheless, we remain concerned at the under-representation of minority groups in Defra's Executive**

**Agencies, when compared to the core Department. We recommend Defra focuses specifically on improving the proportion of SCS level staff from these groups in its Executive Agencies. (Paragraph 34)**

The Government thanks the Committee for its comments regarding improving the representation of minority groups at the most senior levels within the Executive Agencies. The targets set for Defra are challenging, and although the core Department will play a key role in achieving these, the Executive Agencies including the three new agencies formed since April 2005, will also be encouraged to take action through their Diversity and Equality programmes.

The Department recognises that the opportunities for improvement within the Agencies in the near future is constrained by a number of factors. Most of the Agencies have fewer than 5 SCS staff therefore opportunities to improve the representation of minority groups at that level through recruitment or promotion are limited. Where opportunities do arise, Agencies will be encouraged to take the appropriate action to widen the potential 'pool' of applicants as far as possible. The Department is already working with York based Agencies to address difficulties in recruiting an ethnically diverse workforce in an area which has a very small ethnic minority population. This is a problem, which a number of Agencies face because of their geographic location although improvements may be possible if some Agency work is relocated to areas with larger ethnic populations. For instance the SVS is currently discussing moving some of its work to Heathrow.

These difficulties are compounded by the specialist nature of the work being done by the Agencies which is predominantly science based and traditionally male dominated. Agencies have programmes in place to promote diversity and equality issues, and are similar to those in operation within the core Department. It is hoped that these initiatives, which include greater use of secondments, working on improving the declarations for ethnicity and disability and improved opportunities for mentoring/work shadowing will, in time, lead to an increase in the numbers of minority employees in the SCS. In addition, in order to facilitate closer co-operation across the Defra family, it is proposed to hold a conference in 2006, bringing together all the diversity champions across core Defra, its agencies and NDPBs to discuss a range of diversity topics including employment targets.

## **Recommendation 15**

**We welcome the fact that the Department for Transport (DfT) is now a co-owner of the Public Service Agreement target relating to climate change, as we have previously recommended. Defra needs to make considerable progress in order to meet its domestic target of a 20 per cent reduction in carbon dioxide emissions by 2020. Given that the transport sector is such a significant contributor to the UK's carbon dioxide emissions, it is essential that DfT shares responsibility for achieving this target. We strongly urge Defra to continue to work closely, and constructively, with the DfT (and the Department for Trade and Industry) to find practical and effective policies to meet this joint target. We look forward to Defra updating us as to how this relationship is developing on a six monthly basis. We expect to return to this issue as part of our forthcoming inquiry into aspects of climate change policy. (Paragraph 39)**

The Government acknowledges the Committee's comments on the need to make considerable progress to achieve this target. On the basis of current projections (themselves under review), and the policies in the present Climate Change Programme, the Government now estimates that carbon dioxide emissions will be some 10.6 per cent below 1990 level in 2010, and that emissions of all greenhouse gases will be around 19 per cent below base levels. Whilst the UK therefore remains on course to achieve the UK's Kyoto target, the Government accepts that more action will be needed to meet our domestic goal to reduce carbon dioxide by 20 per cent below 1990 levels by 2010.

As the Committee is aware, the Government is currently reviewing the UK's Climate Change Programme to consider what additional policies are needed to put the UK on track to meet its challenging domestic targets. The revised UK Climate Change Programme will be published very soon. All Whitehall departments, not just those involved in the PSA target, have agreed that more must be done to reduce the UK's greenhouse gas emissions and are working towards achieving both targets.

While the original aim of the Government was to publish a revised Programme in 2005, this timetable has been delayed to give us more time to fully appraise possible new policy options. As the Government accepts the need for the UK to reduce its greenhouse gas emissions, a number of new initiatives have been brought forward in advance of the publication of the new Programme. The Committee has already discussed Alistair Darling's announcement of the start of a Renewable Fuels Transport Obligation (RTFO) when Helen Ghosh, Permanent Secretary at Defra appeared before the Committee in November. We are pleased that the Efra Committee will be examining the role of bioenergy through your forthcoming inquiry announced in December 2005. In addition to the RTFO, the Chancellor's Pre-Budget Statement on 5 December 2005 included announcements on:

- incentives for climate change and energy efficiency with a new £35 million Carbon Trust fund to encourage investment by small and medium sized enterprises (SMEs) and the public sector;
- a new £10 million fund for carbon abatement technology demonstrators;
- how to bring forward and exploit carbon capture and storage technologies in collaboration with Norway;
- a package of measures to boost UK production and demand for biofuels and biomass to complement the recommendations of the Gill task force and the new RTFO. These include a reduced rate of VAT on biomass boilers, and Enhanced Capital Allowances on the most efficient biofuel processing plants;
- as part of the Green Landlords Scheme, claims for the wear and tear allowance are to be made conditional on the property meeting energy efficiency standards;
- an extra £300 million over three years to provide added support to those, especially the elderly, in fuel poverty; and
- measures to ensure the development of all new communities to high environmental standards.

The Government believe that these announcements and the ones that will be launched in the new Programme will send out powerful and timely messages on the importance the Government attaches to the biggest global threat to the environment, climate change.

The Government considers that the high level cross-government project board, which is managing the Climate Change Programme review process, has been so effective in engaging relevant Whitehall departments in evaluating the impact of existing policies and identifying new ones, that it will continue to function after the review has been completed to help drive forward the implementation of existing and future policies and measures.

As part of the formal monitoring of the PSA target, Defra, DTI and DfT meet regularly at both ministerial and official levels to discuss progress towards the UK's domestic and international targets. The three departments also report jointly to their respective departmental management boards and to HM Treasury on progress.

The Government accepts the need to keep the Committee informed of the actions it is undertaking to reduce greenhouse gas emissions and will provide regular updates to the Committee on Defra's relationship with DfT when officials or ministers appear before the Committee or when any written submissions are presented to the Committee in regard to this target.

### **Recommendation 16**

**We congratulate Defra on its progress in the past year in restoring sites of special scientific interest (SSSIs), and for meeting its 67 per cent 'trajectory' target for 2005. However, the remaining third of SSSIs will undoubtedly be more difficult. We recommend the Department publish clear proposals about how it proposes to meet each of its trajectory targets for the next five years. (Paragraph 41)**

The Government thanks the Committee for its comments recognising the progress made on restoring SSSIs. The provisional trajectory for this target was based on a computer model applied to sampled data, and on generic estimates of how long different kinds of problem will typically take to put right. Defra expects, in its 2006 Departmental Report, to replace this provisional trajectory with a revised one based on new data derived from English Nature's analysis of each of the nearly 7,000 SSSI management units which are not yet in target condition. On each unit, and for each of the reasons for its adverse condition, the nature and expected timing of the appropriate remedial action is being agreed with the body responsible for carrying it out. For each unit of land this will produce a date by which target condition should be achievable. The 16,000 remedies making up these data will constitute the action plan for achieving both the target itself, and the intermediate points of the new trajectory.

### **Recommendation 17**

**We are extremely disappointed that Defra has still not been able to assess progress against its PSA target relating to rural affairs. This is especially unsatisfactory given the target went 'live' on 1 April 2003. We recommend the Department start to think now—in advance of the 2007 Spending Review—of a more appropriate PSA target relating to rural affairs. It should ensure that the baseline of, and progress made in achieving, any new target can be measured appropriately. (Paragraph 45)**

The Government acknowledges the Committee's comments on the ability to assess progress against its rural PSA target. Whilst the time lag in the availability of data to measure overall performance in relation to this target is far from satisfactory, the Department has a number of measures in place to assess progress towards the target.

Since the hearing, we now have, from the Office of National Statistics, the latest year's data (2003-04). This shows a small narrowing of the productivity gap between the 44 indicator districts and the English median. The Department will be in a position to make a robust assessment of progress once we have one more year's headline data, by the end of 2006. In the meantime, we have developed a suite of intermediary indicators for assessing the health of the economy in rural areas and the Regional Development Agencies' six monthly reports will further supplement the assessment.

Since the publication of the last Departmental Report we have made good progress towards the establishment of the statistical baselines from which performance can be measured for several of the indicators of accessibility of services in rural areas. By June 2006, we should be in a position to report progress against our indicators for access to health services (access to child and adolescent mental health services, drug rehabilitation and treatment); access to education and skills training (childcare provision, availability of training opportunities); and employment rates of disadvantaged groups in rural areas.

While the Department has not made as much progress on its affordable housing target as it would have wished, there has been an increased and intensive level of work in this area, not least the establishment of the joint Defra/ODPM Affordable Rural Housing Commission, which is expected to report in the Spring.

Much of our work is not directed towards specific elements of the PSA, but will contribute to our broader objectives for the development and sustainability of rural communities. For example, work to establish the CRC as a new, independent NDPB has been continuing and remains on schedule for the CRC's vesting in October 2006. Vesting as an independent NDPB will give the freedom to develop its roles and provide a greater challenge to bodies responsible for policy and delivery in relation to rural communities. The Commission will contribute to the development of the rural evidence base, which in turn will enable us to focus on the key strategic issues for rural policy development.

Defra has also made steady progress in developing the evidence base on which rural policy development must be based. For example, the Department commissioned the University of Gloucestershire's research report, Future of Rural Services in Rural England – a Scenario for 2015 (FURS) which examined the main factors influencing, and the changing nature and intensity of, the demand by rural households for services over the next ten years, including likely changes and the implications for the supply of services.

Finally, the Department is undertaking a review of the way in which Defra works to ensure the thorough rural proofing of policy development and implementation by Whitehall departments (including Defra) and their delivery partners at all levels. The results of the review will be reported to Defra Ministers in early 2006. Defra is looking at ways of improving its relationships with RDAs and government offices which builds on work which was done previously in the regions by the Countryside Agency.

Since this target was devised, the body of evidence relating to: economic activity; access to services; and the wider social context in rural areas has been considerably expanded. The Comprehensive Spending Review 2007 will present a timely opportunity to fully review whether the target remains fit for purpose in the light of available research, or whether there is a better, alternative way of capturing progress in rural affairs.

Department for Environment, Food and Rural Affairs

February 2006