

# Delivering the Essentials of Life

## Defra's Five Year Strategy



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## Defra's Five Year Strategy

Presented to Parliament by the Secretary of State  
for Environment, Food and Rural Affairs  
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## Foreword



In its short life Defra has become the “department for the essentials of life”. Its core purpose is to improve the current and future quality of life. For the first time one department has brought together the interests of farmers and the countryside; the environment and the rural economy; the food we eat, the air we breathe and the water we drink. We do all this by integrating environmental, social and economic objectives – putting sustainable development into practice every day, and by championing sustainable development as the way forward for Government.

We can already point to results delivered: 900 000 households helped to live in warmer, more efficient homes; exceeded targets for affordable rural homes; increasing rates of household recycling; and climate change placed at the heart of the Government’s energy policy in last year’s Energy White Paper, underpinned by an ambitious long-term target to cut carbon emissions by 60% by 2050. We have achieved what has eluded all previous Governments – delivering radical reform of the Common Agricultural Policy (CAP), opening the way to a new future for farming – both more profitable and better connected to the market, and with higher standards of environmental protection and care for animal welfare.

Much of this strategy is a continuation of work already in hand – the 15 year food and farming strategy as a result of the Curry Commission; the climate change targets at the heart of the Energy White Paper; the new rural strategy designed to implement Lord Haskins’ recommendations for streamlined and devolved delivery.

We will continue our already established international leadership to confront the top environmental threat of climate change – using our influence in the G8 and European Union (EU) to build a new wide international consensus on action beyond Kyoto, while taking the actions necessary to deliver our own ambitious targets at home.

But we recognise we need to do more to deliver the outcomes we want to achieve and we have developed major additional proposals across the board, rooted in our sound evidence base, designed to tackle longstanding, intractable problems in innovative ways.

We realise that, perhaps more than any other Government department, we can only deliver our objectives working with or through others – be they our own delivery bodies, other Government departments, regional or local authorities, businesses big and small, or individuals. To meet our ambitious objectives Defra needs to change as a Department – and the strategy sets out our proposals for doing that.

Over the next five years we want to make a real difference to quality of life at all levels from local to global. We want to improve everyday life by a new focus on cleaning up local neighbourhoods, with the Clean Neighbourhoods and Environment Bill giving a new legislative impetus. Cleaner, safer, greener neighbourhoods will be healthier as well as more pleasant places to live and will reduce poverty and health inequalities. And we want people to be able to take action themselves locally – by making it easier for them to live in energy efficient homes and increasing

opportunities for recycling through a new partnership with supermarkets. We need businesses and farmers to produce – and make products – with less impact on the environment.

While continuing to ensure that rural people get the high quality services they deserve, and that we help lagging rural areas to prosper, we will give a major new impetus to rural housing by changing planning guidance to make it easier to build affordable rural housing where it is needed.

We will deliver on a fundamentally new relationship with farming – replacing the complexities of the CAP with a new streamlined approach summed up as “one form, one date, one payment and one face from Government”. And in our new UK Sustainable Development Strategy we will translate words into action – with Defra leading from the front.

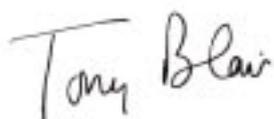
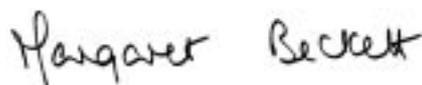
Defra has a big agenda of regulation – regulation that improves our environment, protects public health and seeks to deliver high standards of animal welfare. But we know that we must ensure that those benefits from regulation do not hamstring our businesses, or place an intolerable burden on individual farmers. So the strategy sets out how Defra intends to implement the findings of the Regulation Task Force which Margaret Beckett set up last year – and makes a specific commitment to reduce red tape by at least 25%.

Achieving this vision will mean becoming a different kind of Department – focused on the successful achievement of clear outcomes, and constantly searching for ways to strengthen its capacity for delivery. By March 2008 the core Department will be some 60% smaller than

when Defra was created, a reduction from the 8,000 people in the core department when Defra was formed in 2001, to around 3,200 in 2008.

Taken together we believe this sets out a prospectus to deliver tangible improvements across our wide range of responsibilities. If we succeed, by 2010 we will have:

- Better local environmental conditions and cleaner streets, city centres and countryside, with reduced levels of litter, fly tipping and abandoned vehicles.
- Eradicated fuel poverty in vulnerable households in England.
- Cut our CO2 emissions by 20%.
- De-coupled waste produced from economic growth and got more from what is left, by re-use, recycling or composting and the recovery of energy.
- Eradicated social exclusion across rural England, with vibrant enterprise, fair access to services and affordable housing.
- Established a new agency to protect our natural environment on land, and a new framework for protecting our seas.
- Made a decisive shift to reward farmers for looking after the land, not simply for producing.
- Ensured that animals are healthy and treated humanely and our disease status is amongst the highest in the world.

## Executive Summary

Defra works to protect the essentials of life: air, land, water and food. Our prospectus published in 2001 set out our vision for the future, and since then we have made considerable progress in making that vision a reality. Of our many achievements we are particularly proud of the long-term targets and measures we have put in place for reducing carbon emissions; delivering real benefits to rural communities through providing access to local services and transport; and our successful work to reform the Common Agricultural Policy, allowing us to secure a new future for farming.

Over the next five years we will make a difference in two main ways: through environmental leadership and putting sustainable development into practice – particularly in our key areas of supporting rural communities, and implementing the Strategy for Sustainable Farming and Food. We will continue to take action and provide leadership locally, nationally and globally; not least by embedding the principles of sustainable development into all aspects of society and government, and by making it easier for individuals and businesses to behave more sustainably. We also recognise in this document the importance of our role in emergency planning and protecting the nation from threats such as flooding and animal disease.

Our department is quite different to the one created three years ago, and this evolution needs to continue if we are to successfully deliver this strategy. A key theme is how we become a smarter regulator; as well as how we will transform Defra into a leaner, more efficient department.

### Environmental leadership

In the past decade we have gone from being an environmental laggard in Europe to an environmental leader, particularly on climate change. Our aim over the next five years is to use that leadership, from a local to global level, to:

- **Provide cleaner, greener, safer and healthier local environments** for us all. The Clean Neighbourhoods and Environment Bill will provide greater powers to combat nuisances such as fly-tipping, litter, abandoned vehicles and neighbourhood noise. We also plan action to end fuel poverty, improve the nutrition of our food, review our Air Quality Strategy and work with other departments to tackle the environmental causes of health inequalities.
- **Change behaviours** of government, business, farming and consumers. The new Business Resource Efficiency and Waste Programme will help businesses produce with less impact on the environment. We will help farmers to become sustainable land managers and produce more sustainable products. A range of innovative approaches are planned to boost recycling and minimise waste, including working with retailers and local government to upgrade recycling facilities at supermarkets and by providing households with incentives to recycle. A new service, Environment Direct, will provide consumers with the facts they need to make sustainable choices.

- **Meet the challenge of climate change.** We will take new measures to boost energy efficiency by building on the Energy Efficiency Action Plan, and will conduct a high-level Energy Efficiency Innovation Review together with HM Treasury. We have also launched a review of the UK Climate Change Programme and will shortly embark on a major communications initiative to highlight the urgency of climate change and the steps people, businesses and government can take to address it. Climate change will be our top priority during our presidencies of the EU and G8 in 2005, and we seek to engage the US on international action as well as develop consensus for further action post-Kyoto.
- **Protect our natural resources.** We aim to halt the loss of biodiversity on common land by proposing new legislation and continue to work towards getting 95% of nationally important wildlife sites into favourable condition by 2010. We are also working to reverse the long-term decline in the number of farmland birds by 2020. We will introduce a Marine bill to allow all uses of the sea to develop harmoniously, and will publish a framework for assessing the cumulative human impacts on our environment and use this to drive the activities of the new Integrated Agency. We want people to be able to enjoy our natural environment, and having extended rights of access to open country in recent years, our next priority will be improving access to coastal land.

## Putting sustainable development into practice

Defra champions sustainable development at all levels, and we will be publishing a new UK framework together with the Devolved Administrations, and an updated Sustainable Development Strategy, both in March 2005. We aim to:

- **Embed sustainable development across government, and lead by example.** Working together with others we plan to put sustainable development considerations into planning, construction, education, transport, health and procurement. We want Defra to set an example to the rest of government with a new action plan that will include establishing a carbon offset scheme for all our travel.
- **Build sustainable rural communities.** Our recent Rural Strategy sets out our plans to radically simplify and devolve rural delivery by amalgamating some 100 funding streams into 3 major programmes. Social enterprises can play a major role in supporting rural communities and therefore we plan a programme of action to encourage this sector to flourish. ODPM will improve planning guidance to ensure that it enables the development of affordable rural housing on sites that otherwise would not be available for development.
- **Develop sustainable farming and food industries.** We will pursue the Doha agenda for further CAP reform during the UK's presidency of the EU next year, and will work with farmers to help them adjust to the far-reaching changes we have already announced. We will also help develop new funding streams and markets for farmers, and will launch an Environmental Stewardship Scheme to reward farmers' contribution to the countryside.
- **Improve the health and welfare of animals.** The new Animal Welfare Bill, announced in the Queen's Speech, will be the most important step forward in the welfare of animals kept by man for nearly a century. It will allow owners to be prosecuted if animals are treated or kept in a way that will inevitably result in suffering, as opposed to having to wait until suffering actually occurs as at present.

## Regulating Better

Defra is one of Whitehall's biggest regulators, and we aim to be the most effective. We will build on our success of using non-regulatory instruments where they are most appropriate to achieve the desired outcomes. Defra accepts the recommendations made by the Regulation Task Force in 2004, and has established a Better Regulation Unit to take these forward. Specific actions include:

- Our new initiative on **streamlining environment permitting** and the Whole Farm Approach will reduce red tape without compromising our environmental and animal health standards. The administrative burden from Defra regulation will be reduced by at least 25% over the next five years.
- **In Europe**, where two-thirds of our regulations originate, we will push to implement the Better Regulation Action Plan and simplify EU legislation. During the UK's Presidency we will be asking the Council to concentrate on delivering existing commitments rather than develop new ones.

## Protecting the nation from emergencies

Defra takes the lead role in protecting the nation from flooding, outbreaks of animal disease, emergencies in the food chain or water supply, and responding to the consequences of chemical, biological, radiological or nuclear incidents. Defra has well developed plans in each of its lead responsibility areas, and we have a testing and scrutiny regime in place to make sure all our plans remain fit for purpose. A new Government strategy on flood risk management will be published in Spring 2005.

## Changing the way we do business

Defra today is quite different from the sum of the parts we inherited in 2001 from the Ministry of Agriculture, Fisheries & Food, the Department of Environment, Transport & the Regions and the Home Office. We have re-organised and made significant efficiency savings since our inception, but there is more to do to fully empower our delivery functions and make them more accountable, create a policy centre fit for the future, and to make our corporate services such as Finance, Human Resources and IT the best in government. We have internal reform programmes in place to realise these corporate aims, and these programmes will position Defra to successfully deliver the ambitious goals set out in this strategy.

## **New announcements in this strategy**

This strategy provides details on the following new or recently announced planned initiatives:

### ***Environmental Leadership***

#### **Chapter 1: Environmental Leadership: Improving the Local Environment**

- Clean Neighbourhoods and Environment Bill
- Fuel Poverty in England: the Government's Plan for Action – ending fuel poverty for vulnerable households by 2010
- Priority action to improve access to coastal land

#### **Chapter 2: Environmental Leadership: Changing Behaviours**

- Business Resource Efficiency and Waste Programme – helping businesses to become more innovative and resource efficient
- Environment Direct – an advice service to provide consumers with authoritative facts about environmental choices
- Working with retailers to promote recycling at supermarkets
- Working with Local Authorities to pilot household incentive schemes for recycling and waste reduction
- New ways of getting local buy-in on waste choices

#### **Chapter 3: Environmental Leadership: Meeting the Challenge of Climate Change**

- New measures to promote energy efficiency
- Additional funding for Carbon Trust programmes
- Review of the UK Climate Change Programme
- Holistic and more efficient flood risk management

### ***Putting Sustainable Development into Practice***

#### **Chapter 4: Putting Sustainable Development into Practice: At Every Level**

- A new UK Sustainable Development Strategy to be launched in March 2005
- New Defra targets and standards on embedding sustainability
- A new carbon offset scheme for all Defra travel

#### **Chapter 5: Putting Sustainable Development into Practice: In Rural Communities**

- Rural housing – improving planning policy guidance to enable the development of rural affordable housing on sites that would otherwise not be available for development
- Rural Delivery Bill – draft to be published early in the New Year
- Replacing 100 separate rural funding streams with 3 major programmes
- Programme of action to help the social enterprise sector to flourish

#### **Chapter 6: Putting Sustainable Development into Practice: Protecting Natural Resources**

- Marine Bill
- Fisheries Science Partnership

#### **Chapter 7: Putting Sustainable Development into Practice: In Farming, Food and Animal Health and Welfare**

- Environmental Stewardship – rewarding farmers' role as sustainable land managers
- A managed transition from the Over Thirty Months rule for beef to BSE testing
- Single Payment Scheme and the Whole Farm Approach – 1 form, 1 date, 1 payment, 1 face from government
- New strategy for farming regulation
- A new regulation forum for the food industry

### ***Changing the Way the Department Does Business***

#### **Chapter 8: Changing the Way the Department Does Business: Regulating Better**

- 25% reduction in red tape from Defra regulation for businesses and farmers
- Review on streamlining environmental permitting
- Take Five – giving Defra senior civil servants annual exposure to the sharp end of Defra regulation

## Introduction: Delivering Our Vision

1. In Defra's prospectus, *Working for the Essentials of Life (2002)*<sup>1</sup>, we set out our vision for the future.

Defra's vision is of a world in which climate change and environmental degradation are recognised and addressed by all nations and where low carbon emissions and efficient use of environmental resources are at the heart of our whole way of life. Where, here in the UK, rural communities are diverse, economically and environmentally viable, and socially inclusive with high quality public services and real opportunities for all. A country where the food, fishing and farming industries working closely together and with Government are not dependent on output-related subsidies to produce safe, nutritious food which contributes positively to consumer choice and the health of the whole nation. A place where the land is managed in such a way as to recognise its many functions, from production through to recreation; where we seek to promote biodiversity on land and in our seas; and where the promotion of animal welfare and protection against animal disease is at the core of the way in which we farm and live. The pursuit of sustainable development – environmental, economic and social – is vital to achieving this vision.

2. Since our creation in 2001 we have made considerable progress in making this vision a reality. Achievements include:

- making a key contribution to the successful completion of international climate change negotiations in 2001, breathing legal life into the Kyoto protocol;
- putting climate change at the heart of energy policy in the Energy White Paper, *Our Energy Future – Creating a Low Carbon Economy (2003)*, published jointly by Defra, the Department of Trade and Industry and the Department for Transport, which aims for a 60% cut in the UK's carbon emissions by 2050;
- reforming the Common Agricultural Policy (CAP) – ending the link between production and subsidy, and freeing farming to respond to the demands of the market place, its customers, the environment and local communities;
- helping over 900,000 households to live in warmer, more comfortable and energy efficient properties;
- supporting local authorities to increase recycling – two thirds of households are now served by a kerbside recycling scheme, with the amount of material recycled having increased from 7.5% in 1996/97 to 14.5% in 2002/03, and latest estimates suggesting we will also have met our 17% target for 2003/04;
- exceeding targets for affordable rural homes;
- working across Government and its agencies to help prevent rural post office closures and to provide support for rural public services including transport;

<sup>1</sup> Defra Prospectus: *Working for the Essentials of Life – Air, Water, Land and Food (2002)*: [www.defra.gov.uk/corporate/prospectus/index.htm](http://www.defra.gov.uk/corporate/prospectus/index.htm). This was followed by *Our Strategy 2003-6* in May 2003: [www.defra.gov.uk/corporate/strategy0306/index.htm](http://www.defra.gov.uk/corporate/strategy0306/index.htm)

- consulting on a draft Animal Welfare Bill to help the UK establish itself as a world pace-setter for animal welfare standards.

### 3. We want to make progress on two fronts.

First, we want the UK to demonstrate environmental leadership by:

- making local environments cleaner, safer and greener;
- taking action at national level to build on improvements in, for example, air and water quality and to cut greenhouse gas emissions which contribute to global warming;
- finding new ways to help businesses, farmers and individuals change their behaviour to reduce environmental impacts and allow us to enjoy the benefits of economic growth without damaging the environment;
- tackling the most far reaching environmental threat, climate change, not only nationally and in the EU, but at a global level.

4. Second, we need to make a reality of the concept of sustainable development. We will do this by genuinely integrating economic, social and environmental objectives in our own Department's work in rural communities and

with the farming, food and fishing industries. A key aspect of this is making a reality of the ground-breaking changes to agricultural policy. We will also seek to embed the concept of sustainability across Government as a whole, and at all levels – national, regional and local.

5. We also plan major changes in the way Defra works so that we can rise to these challenges effectively and efficiently. This strategy sets out where we have already made progress, where we want to go in the future, and what concrete steps we are now taking. It will allow us to make progress against our Departmental strategic priorities, agreed last year: climate change and energy; sustainable consumption and production; natural resource protection; sustainable rural communities; and sustainable farming and food including animal health and welfare. The principles of sustainable development underlie all we do. We will also ensure we are well prepared to deal with any emergencies that may arise.

# Section One

## Environmental Leadership

# Chapter 1

## Environmental Leadership: Improving the Local Environment

### Progress we have already made:

- Provided grants to over 900,000 vulnerable households to help them insulate, draught-proof and heat their homes.
- Improved air quality:
  - In 2003, the average number of days of moderate or higher air pollution in urban areas was 16% lower than in 1993.
  - The average number of days of air pollution at urban sites caused by fine particles fell from 43 in 1993 to 17 in 2003.
  - Emissions of sulphur and nitrogen oxides (acidic toxic gases) have reduced by 73% and 43% respectively since 1990.
- Given people more freedom to explore the countryside with the implementation of the Countryside and Rights of Way (CROW) Act in 2004.

### Introduction

1. For most people ‘the environment’ starts on their doorstep. For them the quality of their local surroundings is the acid test of whether we are delivering improved environments and a better quality of life. Everyone deserves to live in a thriving neighbourhood where they can feel safe and at ease. We want to make more neighbourhoods the kinds of places where people want to live now and in the future – with good access to local jobs, shops and services, with clean and safe streets, parks and open spaces. We want to improve people’s health and happiness by ensuring everyone lives in warm homes, breathes clean air, is able to buy good quality food, and has access to quality green spaces and the countryside in which to relax and exercise.

### Cleaner, safer, greener neighbourhoods

#### *The Challenge*

2. Everyone is affected by the quality of their immediate neighbourhood. In all our communities people are concerned about litter, anti-social behaviour, noisy neighbours and poorly maintained parks and play areas. But poor quality local environments particularly hit poor families who not only have less choice on where they live, but are also more dependent on their immediate locality. People in such neighbourhoods can see a cycle of decline, weakening local economies and encouraging those who can, to move out.

*What we are doing*

3. We have already made progress to improve the standards of our local environments. Through our funding of EnCams<sup>1</sup>, highly effective campaigns have changed people's behaviour and reliable monitoring gives us a clearer picture of how the quality of our public space is improving. Changing behaviour and encouraging positive use of public spaces will continue to be a priority across Government.

*What we will do*

4. There is still more to do. The Clean Neighbourhoods and Environment Bill will provide local authorities and other service providers with the further powers they need to enable them to manage the local environment more efficiently, and to meet public expectations. The specific powers in the Bill address many of the issues which blight our neighbourhoods including litter, fly-posting, fly-tipping, abandoned and nuisance vehicles, and statutory nuisance such as neighbourhood noise. These new powers will help authorities, now including parish and town councils, to tackle these local environmental problems as part of a continuum of issues including anti-social behaviour, minor disorder and crime. They will also support better design, management and maintenance of public spaces. This will help to reverse the cycle of decline both by encouraging all the relevant authorities to work together to help local communities to become cleaner, safer and greener, and by promoting social and economic regeneration.

5. This work will not be carried out in isolation; rather it forms part of the wider cross-Government drive to deliver cleaner, safer, greener communities<sup>2</sup>. We, together with eight other departments, will work closely with the Office of the Deputy Prime Minister (ODPM) to help it deliver its new Public Service Agreement target (PSA 8) for improving public space. Through joining up centrally and regionally, we will be able to facilitate better working at the

local level, where the solutions to these problems are delivered. We will also work to increase the involvement of local communities and re-engage citizens, in order to deliver improvements both to public services and the quality of life in local areas. This broader context for improvement is being taken forward through the development of a strategy for local government, which Government intends to publish in 2005.

6. A key part of delivering this agenda will be to build a new partnership between central and local government. Government's proposals for Local Area Agreements (LAAs), which are being piloted in 21 areas in England from April 2005, will help to do this. LAAs will offer local authorities fewer, simplified funding streams to deal with, focused on local solutions to local problems. If successful they could be rolled out more widely from 2006 onwards. The Safer and Stronger Communities Fund will also provide more opportunities for a coherent approach at a local level by bringing together a number of closely-related funding streams to better enable local partnerships to deliver joined-up solutions to public space, crime and anti-social behaviour problems. Reflecting the approach of the LAAs, the Safer and Stronger Communities Fund will be captured in an agreement known as a mini-LAA.

**Healthy Environments for all**

7. For over 100 years, concern for public health has been the driver of higher environmental standards. We have dealt with many of the worst examples of pollution, but even today fuel poverty, poor local air quality, lack of access to nutritious food and lack of access to green space – whether in town or country – can all still have a negative impact on health. We recognise the need for strong, co-ordinated policies in this area, and will work with the Department of Health (DH), ODPM, local authorities, Primary Care Trusts and our agencies to tackle these issues through the implementation of the

<sup>1</sup> EnCams is the charity which runs the 'Keep Britain Tidy Campaign'. It works to achieve a sustained improvement in local environment quality and to reduce anti-social behaviour: [www.encams.org](http://www.encams.org)

<sup>2</sup> More information can be found at: [www.cleanersaferegreener.gov.uk](http://www.cleanersaferegreener.gov.uk)

recently published Public Health White Paper<sup>3</sup> and the Sustainable Development Review<sup>4</sup>. We are in the process of agreeing memoranda of understanding between Defra and its agencies, the Health Protection Agency and DH, to give practical effect on the ground to cooperation on improving health and the environment. These new arrangements will be in place by April 2005.

## Fuel Poverty

### *The Challenge*

8. In 2002 an estimated 1.2 million vulnerable homes in England still suffered from fuel poverty.

### *What we are doing*

9. Over the past four years, the Warm Front Programme, our key vehicle for tackling fuel poverty in private homes in England, has improved standards in more than 900,000 households, making them warmer and more energy efficient. ODPM's Decent Homes

programme also contributes to the alleviation of fuel poverty. In order for a home to be classified as decent it must have both effective insulation and efficient heating. Since 1997 we have brought 1 million homes in the social sector up to this standard. Over £17 billion has been invested since 1997.

### *What we will do*

10. This constitutes considerable progress, but we must do more to ensure we will meet our target for eradicating fuel poverty amongst vulnerable households in England by 2010. In the recently published document, Fuel Poverty in England: The Government's Plan for Action<sup>5</sup>, we have set out how we are going to meet that target through a range of Government policies and programmes, particularly through the next phase of Warm Front. Total spending on fuel poverty from 2004 to 2008 will be almost £800 million. We also expect a further £14 billion to be invested in the Decent Homes programme over the next four years.

## CUSTOMER FOCUS – Making homes warmer

Warm Front has already assisted over 900,000 households to live in greater comfort in their homes. But we want the scheme to have an even greater impact on the households it assists and reach more households at risk of fuel poverty.

In 'Fuel Poverty In England: The Government's Plan for Action' we announced further improvements to the scheme which will come in for the next phase of Warm Front from summer 2005. In summary we will:

- Provide central heating for all eligible households;
- Increase the level of grant available;
- Ensure action is better targeted on areas with a high proportion of fuel poor households;
- Where possible increase the energy efficiency of properties to a level where there is a minimal risk of fuel poverty.

Together with other changes, all of these actions will help us to ensure that we are making the greatest impact for those who are at greatest need of help.

<sup>3</sup> Choosing Health: making healthier choices easier: [www.dh.gov.uk/PublicationsAndStatistics/Publications/PublicationsPolicyAndGuidance/PublicationsPolicyAndGuidanceArticle/fs/en?CONTENT\\_ID=4094550&chk=aN5Cor](http://www.dh.gov.uk/PublicationsAndStatistics/Publications/PublicationsPolicyAndGuidance/PublicationsPolicyAndGuidanceArticle/fs/en?CONTENT_ID=4094550&chk=aN5Cor)

<sup>4</sup> Taking it on – developing UK sustainable development strategy together: consultation by the UK Government, Scottish Executive, Welsh Assembly Government and the Northern Ireland Administration (Defra 2004): [www.sustainable-development.gov.uk/taking-it-on/](http://www.sustainable-development.gov.uk/taking-it-on/)

<sup>5</sup> Fuel Poverty in England: The Government's Plan for Action (Defra 2004): [www.defra.gov.uk/environment/energy/fuelpov/](http://www.defra.gov.uk/environment/energy/fuelpov/)

## Air Quality

### *The Challenge*

**11.** Air quality has been improving constantly in the last decades, thanks mainly to controls on vehicle emissions and industrial processes. For some pollutants the air is now cleaner than it was ten or twenty years ago, particularly in urban areas. But poor air quality remains a serious threat to health as well as to the environment. DH estimate that up to 24,000 people die prematurely every year in Britain because of its effects, with many thousands more requiring hospital treatment. The health impacts of some air pollutants, particularly the long term chronic effect of pollution particles, are even greater than suggested by these figures. In addition, more than half of all sensitive ecosystems are still at risk of damage from air pollution, much of it originating from outside the UK.

### *What we are doing*

**12.** Emissions from vehicles have decreased substantially in the last decades but traffic and congestion levels are continuing to grow. The Environment Agency (EA) and local authorities regulate large and smaller production processes. In addition the EA is already working closely with public health bodies to make sure

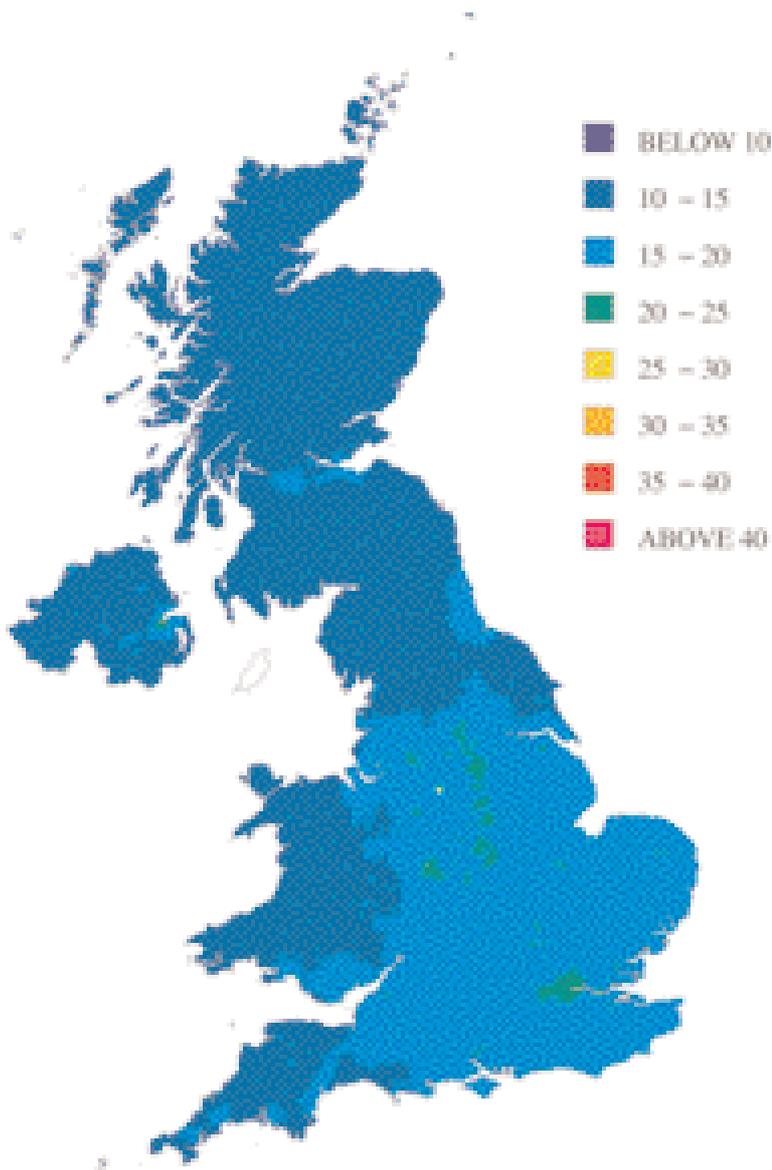
that roles and responsibilities are clear and that we deal with public health issues related to pollution (including air pollution) in a co-ordinated way. Local authorities are required to review and assess local air quality and produce local air quality action plans where necessary. Defra continues to fund an extensive research programme aimed at improving understanding of air pollutants and their effects.

### *What we will do*

**13.** However, we need to do more to move closer to our national and international objectives on air quality and will be considering what additional measures are needed in the review of the Air Quality Strategy, due to be completed by the end of 2005. Air pollution cannot be tackled by one country acting alone so we will continue to play a key role in the EU and other international fora to generate cost-effective multilateral actions to improve air quality in order to further reduce impacts on health and ecosystems. Transport emissions remain a major cause of poor air quality, so we will be working with DfT on achieving improved air quality outcomes, particularly in areas of traffic congestion. In addition, Defra will separately work to develop more health based standards which can help to ensure that people are protected from pollutants.

**Figure 1: Map showing average background levels of pollution particles (PM<sub>10</sub>) in the air expected by 2010. To improve health we should be aiming for particle levels of no more**

than 20µg/m<sup>3</sup>, or lower if we can. The map shows that more work needs to be done if we are to achieve this level in heavily urban areas.<sup>6</sup>



<sup>6</sup> Annual Mean Background PM<sub>10</sub> (pollution particles) expected in 2010 (gravimetric), (objective is 20µg/m<sup>3</sup> annual mean). The map shows exceedences at “background”. More widespread exceedences are expected at “roadside”. Source: ‘An Evaluation of the Air Quality Strategy’ – forthcoming Defra report

## Nutrition

### *The Challenge*

14. Better nutrition is another key to improving health and we must work with our farming and food industries to enable them to contribute to society's demands for a wider range of healthier foods.

### *What we are doing*

15. Our public food procurement initiative, which is contributing to the nutrition objectives in schools, colleges, hospitals, staff canteens, prisons and the armed forces, will help us to achieve these goals.

### *What we will do*

16. We will take this agenda forward with DH and the food industry, through the Public Health White Paper, the Food and Health Action Plan due to be published in 2005, the forthcoming Food Industry Sustainability Strategy, and through our Strategy for Sustainable Farming and Food<sup>7</sup>.

## Physical recreation

### *The Challenge*

17. The Public Health White Paper indicated health problems caused by decreasing levels of physical activity.

### *What we are doing*

18. We are working across Government to promote physical recreation. The Countryside Agency (CA), working with the British Heart Foundation, pioneered the Walking the Way to Health initiative aimed at improving the health and fitness of over one million people by getting them walking in their own communities. On the Government's behalf the CA has also supported the Local Exercise Action Pilot Programme which provides opportunities to help people get more active.

### *What we will do*

19. We will support further inter-Governmental work to encourage walking and cycling, which is a strong theme of the DfT Walking and Cycling

Action Plan and of the Public Health White Paper. Building on the success of the Walking the Way to Health initiative and the Local Exercise Action pilots the Government will invest in other initiatives over the next three years to promote physical activity.

20. The Countryside and Rights of Way (CROW) Act also requires local authorities to prepare Rights of Way Improvement Plans by November 2007. These will be linked to Local Transport Plans with the aim of providing integrated networks of routes and improvements for walking and cycling. The new arrangements should be formalised in 2005.

## Access to the countryside and local green spaces

### *The Challenge*

21. There is also clear evidence of the physical and psychological benefits that access to good quality, local green spaces and countryside can provide. We want to promote these benefits and to ensure that they are shared more equally.

### *What we are doing*

22. Our CROW Act is giving people greater freedom to explore the countryside and providing more opportunity for outdoor activity. Implementation of access to open country started with the North West and will be completed across England by the end of 2005.

### *What we will do*

23. We will provide more permissive access to farmland under the new Environmental Stewardship scheme, which we plan to launch in 2005. This will provide more local footpaths that people can use on an everyday basis. By completing the major extension of rights of access to open country set out in the CROW Act, we can now take action on other priorities. We are starting work on further measures to achieve our aim that everyone should have good opportunities to enjoy the natural environment. Action to improve access to coastal land will be our first priority.

<sup>7</sup> Strategy for Sustainable Farming and Food: Facing the Future (Defra 2002): [www.defra.gov.uk/farm/sustain/newstrategy/htm](http://www.defra.gov.uk/farm/sustain/newstrategy/htm)

24. But if we want to bring real benefits in terms of health, we need to encourage all groups in society to use the new access rights to get out into the countryside. The CA is currently carrying out a Diversity Review for the Government to investigate how we can provide more opportunities for disabled people, people from ethnic minorities, people who live in inner city areas and young people to enjoy the benefits of countryside recreation.

### Planning healthy environments for the future

#### *The Challenge*

25. Future communities need to be planned and designed in ways that will provide high quality local environments and allow people to choose healthy lifestyles.

#### *What we are doing*

26. We are working closely with ODPM and the Home Office on taking forward the

recommendations of the Egan Review of skills for sustainable communities<sup>8</sup> to ensure that new communities meet the diverse needs of existing and future residents and other users, contribute to a high quality of life, and provide opportunity and choice for all.

27. One critical objective is to ensure that people have access to a broad range of quality green and public spaces where they live and work. This should be an integral part of development planning and we are working with ODPM to make sure that local authorities are assessing needs and opportunities for open spaces for both public and wildlife, in both urban and rural areas. We are providing support and advice to public space managers to implement approaches that create attractive and welcoming spaces where they are needed, and improve and sustain quality across all types of public space.

Key outcomes	How we will do this
Improved local environmental conditions and cleaner streets, city centres and countryside, with reduced levels of litter, fly tipping and abandoned vehicles	<ul style="list-style-type: none"> <li>• <i>Clean Neighbourhoods and Environment Bill</i></li> </ul>
Every home adequately and affordably heated	<ul style="list-style-type: none"> <li>• <i>Fuel Poverty Action Plan</i></li> </ul>
Cleaner air through meeting the targets in the National Air Quality Strategy	<ul style="list-style-type: none"> <li>• <i>Review of the Air Quality Strategy</i></li> </ul>
More and better access to the natural environment for recreation, especially for those who find it difficult to enjoy health and wellbeing benefits which access to nature can bring	<ul style="list-style-type: none"> <li>• <i>Action to improve access to coastal land</i></li> <li>• <i>More footpaths across farmland through the new Environmental Stewardship scheme</i></li> </ul>

<sup>8</sup> The Egan Review – Skills for Sustainable Communities: [www.odpm.gov.uk/stellent/groups/odpm\\_urbanpolicy/documents/page/odpm\\_urbpol\\_028549.hcsp](http://www.odpm.gov.uk/stellent/groups/odpm_urbanpolicy/documents/page/odpm_urbpol_028549.hcsp)

## Chapter 2

# Environmental Leadership: Changing Behaviours

### Progress we have already made:

- Introduced the Climate Change Levy, the UK Emissions Trading Scheme and the Company Car Tax, giving people and businesses incentives to change behaviour.
- Improved support to encourage business to develop more energy efficient and low carbon technologies through increased funding for the Carbon Trust.
- Improved recycling services to households:
  - 66% of households now served by a kerbside recycling scheme due to increased waste funding for local authorities.
  - Last year the amount of household waste collected by these schemes rose by 29% and the total amount collected has almost doubled from 7.5% in 1997 to 14.5% in 2003.
- Brought over 700,000 hectares of land in England into agri-environment schemes since 1997 – encouraging farmers to play a serious role in protecting and enhancing the value and biodiversity of the countryside.

### Introduction

1. The environment agenda has traditionally been focused on regulating point sources of pollution, for example from industrial plant. The future environment agenda is about dealing with the myriad ways in which we put strains on the environment by how we produce, what we produce and the ways in which we consume. Our overarching goal is to be able to continue to pursue economic growth with all the benefits it brings without damaging the environment at home or overseas.

2. Last year, the Government published “Changing Patterns”, a new framework for

sustainable consumption and production<sup>1</sup>, which highlighted the need to break past links between economic growth and environmental degradation. In some areas, such as air pollution, we are making good headway. However, as Figure 2 shows, we need to do much more to break the link between increases in household spending and increases in energy and water consumption, greenhouse gas emissions and un-recycled waste.

3. The nature of our impact on the environment is itself changing. So, for example, damaging emissions from production processes are lower than ever, but the greater harm may now be in

<sup>1</sup> Changing Patterns: UK Government Framework for Sustainable Consumption and Production (DTI/Defra 2003) [www.defra.gov.uk/environment/business/scp/changing-patterns.pdf](http://www.defra.gov.uk/environment/business/scp/changing-patterns.pdf)

the use and disposal of the goods and services we buy, and while drinking water quality is now at its highest ever, so is our consumption of water.

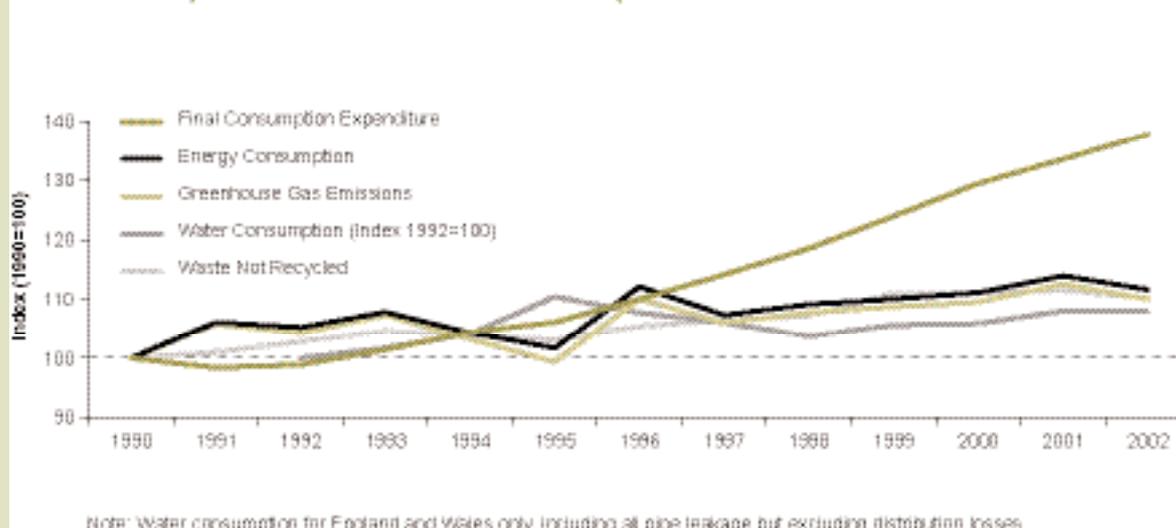
4. We are conscious too that consumption in the UK has increasing environmental and social consequences elsewhere in the world. We will not be meeting our objectives if improvement in UK performance is only achieved at the expense of environmental degradation elsewhere. The solutions involve finding innovative ways to change behaviour across society, including producers, retailers and consumers in the public and private sector.

5. Government cannot deliver this agenda on its own. We want to create a framework in which businesses can see that it makes economic sense to compete to be resource efficient and innovative both in their choice of materials and in the design of the end product. We want consumers to be able to make environmentally informed choices about goods and services, and to have a sense of responsibility about how they use and get rid of the things they buy – everyone should have access to recycling services and use them.

6. Farm businesses also need to change. For example, diffuse agricultural sources account for about 70% of nitrogen, 40-50% of phosphorous and the majority of silt entering water in England. Delivery of the Strategy for Sustainable Farming and Food and in particular, the changes in the Common Agricultural Policy (CAP) will help to avoid some of the environmental problems of the past. For example lack of connection to the market, which was a feature of the unreformed CAP, stimulated over-production, including in some places excessive application of chemicals which could result in detrimental effects to the environment. The reformed CAP, together with other measures such as the new Environmental Stewardship scheme, should help to create a future in which sustainable land management is an essential ingredient of farming and food production.

7. There will still be a place for traditional forms of regulation and for fiscal intervention to change consumer and business behaviour and to address market failures. But the emphasis of our approach will be on getting the right, most efficient policy mix, with a focus on smart regulation and economic incentives.

Figure 2. Progress in decoupling the amount UK households spend on consumption from their environmental impacts



## Helping business produce more sustainably

### *The Challenge*

8. Currently, the combination of inefficient use of resources in the economy and the costs of environmental degradation is a significant drag on the UK economy. We will seek to reduce these costs, whilst avoiding incurring new ones, in order to improve the UK's overall productivity and competitiveness.

9. We want to help businesses to improve the efficiency of their processes and to provide goods and services that will allow consumers to buy what they want, with less environmental impact. We want to create a market dynamic which incentivises innovation – driven both by technology and by consumer demand. This can be a huge opportunity for business – both to save costs and to lead in the markets of the future.

10. There is also an opportunity for the UK to take a lead in the growing market for environmental technologies. Across Europe, Government and industry leaders are increasingly recognising the potential of innovative environmental technologies to contribute to a sustainable economy. They bring new business opportunities, open up developing markets and enhance competitiveness, at the same time as contributing to meeting environmental objectives. For example, Denmark now earns more from its exports of environmental technology, like windmills for power generation, than from agricultural exports<sup>2</sup>. Germany also has an environmental technology sector several times larger than the UK – North Rhine Westphalia, a region with a population of 18million, has over 3000 companies in the sector, employing over 200,000 people with an annual turnover of more than £13 billion<sup>3</sup>. Globally, the environmental goods and services sector was worth US\$515 billion in 2002 – roughly equivalent to the pharmaceuticals or aerospace sectors – and is growing rapidly.

### **Environmental Industries – the UK record**

Figures published in 2002 showed that the UK environmental industry sector had a turnover of £16 billion and employed about 170,000 people.

In recognition of this potential, in April 2004 Defra and DTI together launched a refocused Environmental Industries Unit tasked with promoting the needs of environmental industries and encouraging innovation.

In the past this sector was often referred to as 'the invisible industry'. However, recent data gathered by the Environmental Industries Unit shows that companies identifying themselves as working in the environmental technology sector now have a turnover of around £25 billion, and account for around 400,000 jobs. While the figures are not strictly comparable to the 2002 data, it does give a clear indication of the important – and increasing – contribution to the economy this sector now has. It is estimated to be in the same league as the aerospace and defence industries.

11. In his review of the EU Lisbon Strategy, former Dutch Prime Minister Wim Kok has emphasised the need for urgent action to promote innovation and specifically highlights the need for further development and diffusion of eco-innovations. Here in the UK, the Confederation of British Industry (CBI) have called for the government to free up the market to stimulate investment and innovation and to ensure rewards for front-runners, for example in different ways of generating energy and getting it onto the market.

### *What we are doing*

12. We want to build on the success of the Carbon Trust<sup>4</sup>, which helps business and the public sector improve their energy efficiency and develop innovative low carbon technologies. The Carbon Trust has worked

<sup>2</sup> Source – Speech given by John Monks to the Chemical Industries Association on 18/11/04

<sup>3</sup> Source – Figures supplied by the NRW state government on 2/12/04

<sup>4</sup> More information can be found at [www.thecarbontrust.co.uk](http://www.thecarbontrust.co.uk)

hard to move climate change up the agenda for business and the public sector. They have developed Carbon Management, a systematic approach allowing businesses to look at every aspect of their performance in relation to climate change mitigation. Since this pilot was launched in 2003 over 50 companies with a combined energy bill of £1.6 billion have undergone a Carbon Management review which has helped them to identify cost-effective carbon savings in the range of £14-27 per tonne of CO<sub>2</sub>.

#### *What we will do*

**13.** Over the next three years Government will invest at least £192 million in the Carbon Trust's programmes. This will allow the Trust to meet growing demand for their services, and to develop and extend programmes such as Carbon Management and their Energy Efficiency Loan scheme for small and medium-sized enterprises.

**14.** We also want to help businesses to become more resource efficient in other ways, minimise waste production and its impact, and increase recycling. The new Business Resource Efficiency and Waste (BREW) programme, financed by receipts from additional landfill tax, will provide £284 million over the next three years<sup>5</sup> to help business do this.

**15.** At least £5 million of this funding will be made available to Regional Development Agencies (RDAs) for each of the next three years to provide regional coordination amongst the various bodies who will be delivering the BREW programme, and to carry out strategic resource efficiency projects in the regions.

#### **Business Resource Efficiency and Waste Programme (BREW)**

Programmes and funding that will be delivered by BREW from April 2005 include:

- greatly increased capacity for resource efficiency advice to businesses, through Envirowise<sup>6</sup>;
- developing strategies for better product information and higher eco-design standards through the Market Transformation Programme;
- new market development programmes for 'difficult' business wastes, through the Waste and Resources Action Programme (WRAP);
- a roll-out of the National Industrial Symbiosis Programme, to help one business's waste become another's raw material;
- significant funding for new resource efficiency technologies through DTi's Technology Programme.

We also want to help farmers find better ways of dealing with agricultural waste. So £1 million of BREW funding will be directed to farmers to improve the sustainability of agricultural waste

**16.** In partnership with DTi we are exploring new ways to promote innovation and business opportunity in environmental technologies, including through sharing best practice and assessing the scope for using environmental regulation to encourage new solutions. The establishment of the Environmental Industries Unit in April 2004 is a good example of how this has been put into practice. We are also working with HM Treasury to carry out an Energy Efficiency Review (see chapter 3, paragraph 12) which will look at, amongst other things, how technological innovation can contribute to our long-term energy efficiency goals. And at the EU level we have been instrumental in shaping the

<sup>5</sup> This figure includes £60 million for the Carbon Trust

<sup>6</sup> Envirowise offers UK businesses free, independent, confidential advice and support on practical ways to increase profits, minimise waste and reduce environmental impacts

EU Environmental Technologies Action Plan (ETAP), launched in January 2004. We want to see the plan implemented rapidly and we will continue to work with the Commission and EU Member State partners to ensure that the ETAP delivers measures to bring environmental innovations out of the laboratory and into the market, for example:

- by refocusing research and development programmes and putting more resource into demonstration and dissemination;
- by sharing the risk of investing in new technologies between the public and private sectors;
- by revising the state aid<sup>7</sup> rules so that they will not preclude more support for innovative solutions to environmental problems;
- by promoting a step change in public procurement of environmental technologies across the EU.

17. We also need to use our relationship with key industries to help them reduce their impacts on the environment and produce more sustainable products. The forthcoming Food Industry Sustainability Strategy, for example, will deal with all aspects of sustainability and engage the whole food chain from the farm gate to the consumer, involving industry and other partners in tackling problems of energy and water use, food miles, packaging and waste.

18. In order to help us move forward Defra and DTi are establishing a Task Force on Sustainable Consumption and Production, which will bring together a network of business expertise committed to working with Government on practical measures to deliver more sustainable models for business. The Task Force will consider aspects of Sustainable Consumption and Production both at a strategic and operational level within business. Selected members of this network will address specific issues most closely related to their expertise, enabling business to provide specialist input and exposure to the policy development process.

## Chemicals

### *The Challenge*

Our increasing ability to detect man-made chemicals in the environment and in humans, past evidence of harm from chemicals such as DDT<sup>8</sup> and PCB<sup>9</sup>, and emerging concerns about other substances mean that the current lack of full understanding of the thousands of man-made chemicals already on the market is no longer acceptable. Industry is in the best place to provide the information necessary to understand man-made chemicals and to use them with the minimum of risk.

### *What we are doing*

We are challenging industry to make its full contribution, for example by co-operating completely with our intensifying efforts through the UK Chemicals Stakeholder Forum to address its list of chemicals of potential concern. We are also working with the Chemical Industries Association in developing its proposed database of marketed chemicals. Where we already have enough information on a specific chemical, such as PFOS<sup>10</sup>, we are already taking action. The EA is also implementing its Chemicals Strategy.

### *What we will do*

We are working with our European partners to bring in the REACH (**R**egistration, **E**valuation and **A**uthorisation of **C**hemicals) proposals, which we want to be a rapid and efficient process for gathering the necessary information and taking action on those chemicals shown to be of concern, whilst minimising testing on animals and maintaining the capacity of industry to provide jobs and economic growth. Internationally, we are a significant contributor to the development of the Strategic Approach to International Chemicals Management, which challenges all stakeholders to meet their responsibilities in the process of managing chemicals and which will be a key part of meeting the World Summit on Sustainable Development chemicals commitment.

<sup>7</sup> The European Union has considerable powers to monitor, control and restrict the forms and levels of aid which all Member States give to their industries. The rules they set in this area are known as state aid rules.

<sup>8</sup> DDT (dichlorodiphenyltrichloroethane) is a potent pesticide but also toxic to humans and other animals

<sup>9</sup> PCB (polychlorinated biphenyl) is used as an insulating fluid in big electric installations

<sup>10</sup> PFOS (perfluorooctane sulphonate) is used in stain resistant treatments and fire fighting foams, amongst other uses, and has now been linked to bladder cancer

## Changing consumer behaviour

### *The Challenge*

19. Getting consumers to change their behaviour is a challenge. People are often locked into unsustainable patterns of consumption by what they buy. Good information and advice is crucial to consumers making better choices and to driving suppliers to provide better products. But all too often there are simply not the incentives or options to change this situation – 30% of people say they want to buy environmentally friendly products and services, but only 3% regularly do. We need to change this.

#### **Consumer Products – The Challenge**

A good example of the challenge we face is energy use for lighting in the home. We now use 60% more electricity for lighting than we did in 1970. But we could easily *reverse* this in the next three years if, every time a tungsten bulb blew at home, and the fitting was suitable for an energy-saving bulb, we chose that alternative. There have been plenty of information campaigns about the way this would save people money and help the environment. There is mandatory EU 'A-G' labelling and a voluntary Energy Efficiency Recommended scheme in place.

Another example is where consumers buy or hire equipment in order to receive new services such as digital TV, Internet or telephone. Consumers may have no option but to accept inefficient modems, power supplies and chargers which are often bundled as part of the service. The speed of market development can also mean products become quickly obsolete and have to be thrown away. The environmental consequences of individual consumer purchases in these areas are small but, added together in their millions, can lead to major increases in resource consumption.

### *What we will do*

20. In the past, we have relied a lot on information and awareness campaigns. But these have largely failed to translate awareness into action. Recent studies have given clear messages that a more comprehensive approach is needed to influence and modify individual behaviour<sup>11</sup>. A new climate change communications initiative currently under development will pilot a new approach based on the lessons from these studies which we will then evaluate to see its applicability to other policy areas.

### Raising the standard of products

#### *The Challenge*

21. We need stronger action to raise the standards of products on the market – encouraging the best while removing the poorer performers. In future, consumers should expect that environmental responsibility is as fundamental to the design and life-cycle of products they buy as health and safety is now. That is a task for retailers, manufacturers and Government.

#### *What we are doing*

22. We are working further on the Advisory Committee on Consumer Products and the Environment's recommendations on ways to strengthen current approaches for driving up the environmental standards of products.

#### *What we will do*

23. We will need to work at EU and international levels to strengthen standard-setting processes, supporting innovation by global industries, for example through framework measures such as the Eco-design for Energy Using Products (EUP) Directive.

<sup>11</sup> DEMOS & GREEN ALLIANCE (2003) Carrots, Sermons and Sticks – Influencing Public Behaviour for Environmental Goals – A Demos / Green Alliance Report for Defra; ANDREW DARNTON (2004) The Impact of Sustainable Development on Public Behaviour – Report 1 of Desk Research commissioned by COI on behalf of Defra

## Giving consumers the information they need

### *The Challenge*

**24.** In parallel, there is a need for consumers to have clear and reliable information about how the Government is improving the sustainability of products, as well as information about how the choices they make can make a real difference to the environment. This was a clear theme emerging in the consultation on the new UK Sustainable Development Strategy.

### *What we will do*

**27.** We think the best way of making this information widely available is through the internet. We have plans for a new service – Environment Direct – which will give people the straight facts about the effects which different consumption choices have. We have done some initial feasibility work and will be consulting on how to take it forward. If there is broad agreement, we hope to have the service up and running in 2006.

## CUSTOMER FOCUS – Environment Direct

Environment Direct will give consumers clear information about what they can do to reduce the environmental impacts associated with consumption through:

- choices about what we buy;
- how we travel;
- how we use the goods and services we buy;
- how we dispose of things.

The information will be simple enough to allow people to see the main messages, but also detailed enough for those people who want to understand how they can use the information provided by labelling schemes, and how to weigh up choices, for example between the energy or water used by different products.

It will be an information service that people can trust, backed up by independent research and checked by experts. It will be designed to work in conjunction with policies such as EU labelling directives and voluntary agreements which require or encourage business to provide similar information as part of their commercial activities.

## Resource Efficient Buildings

### *The Challenge*

**25.** The buildings we live and work in can lock us into inefficient patterns of consumption for a long period. Today about half of our CO<sub>2</sub> emissions come from buildings (the ‘built environment’). Building to better standards from the start offers the opportunity for long-term resource efficiency, and leads to significant energy and carbon savings through reduced energy consumption.

### *What we are doing*

**26.** The Government will introduce mandatory energy reports as part of the Home Information Pack, to be introduced from 2007. These

reports will give everyone buying a home much better information about the property’s energy performance, and on the cost of different options to improve it. An energy report will also be required when homes are rented out.

**28.** For new buildings, alongside a progressive raising of the regulatory floor, we are working with ODPM, DTi and industry on a voluntary Code for Sustainable Buildings. This will establish stretching voluntary standards for resource efficiency on key issues such as energy, water, waste and materials. The Code will encourage builders to go beyond the letter of the regulations and minimise resource use from the start, and will be updated as technology develops.

*What we will do*

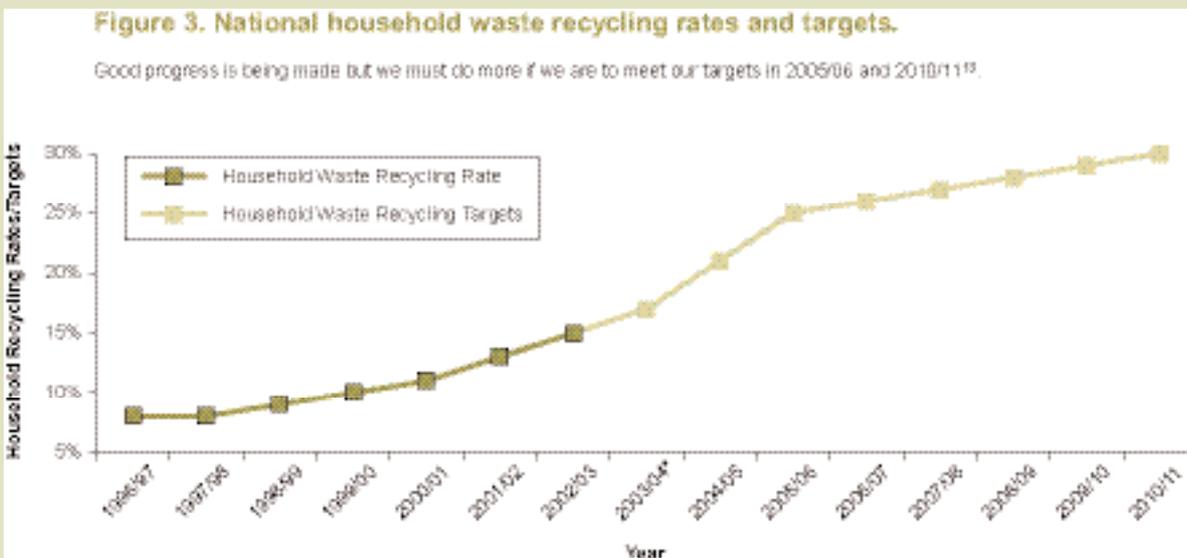
29. Government will work closely with local authorities and developers to ensure that a full-scale demonstration of how the Code will be applied in practice is available across the Thames Gateway<sup>12</sup>, and in a range of other locations. This will provide an evidence base of how high environmental standards can be delivered on a large scale and on all aspects of resource use in buildings. The Government is committed to publishing an outline of the Code in time for the Sustainable Communities Summit in January 2005 and to take action on national rollout by early 2006.

**Tackling the waste challenge**

*The Challenge*

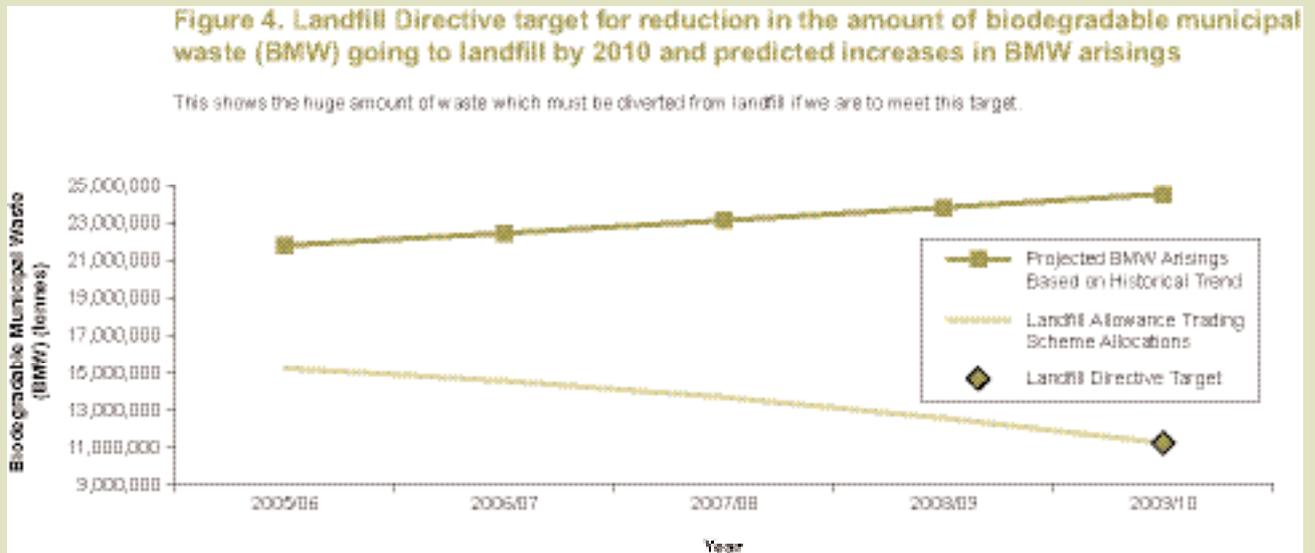
30. We need to confront the challenges of using the waste we produce as a resource and of disposal at the end of a product’s life. We face

demanding EU obligations to reduce the amount of biodegradable municipal waste going to landfill up to 2020, to recycle more under the various producer responsibility regulations and to reduce the environmental impact of waste management through strict controls on waste treatment and disposal. Current policies and programmes are starting to deliver real progress in changing waste management, but more needs to be done. For example, the amount of household recycling is increasing at just over 2% each year, but so is the amount of household waste produced. Thousands more waste management plants will be needed to cope with the overall growth in waste, and to deal with the volume being diverted from landfill, and the growth in recycling. These facilities will also need to meet the increasingly demanding regulatory requirements for waste treatment and management.



<sup>12</sup> Thames Gateway is the Government’s national regeneration priority. It is an area of land, approximately 80,000 hectares in size, measuring 40 miles long and up to 20 miles wide, containing approximately 700,000 households and home to around 1.6 million people

<sup>13</sup> Preliminary estimates suggest we should have met our national target of 17% in 2003/04



### What we are doing

**31.** To meet our obligations to reduce reliance on landfill we are:

- increasing the rate of Landfill Tax;
- introducing a new trading scheme for local authority allowances on the amount of biodegradable municipal waste they can landfill;
- reviewing local authority and national recycling targets;
- providing additional funding for waste management by delivering £630 million of PFI credits to help fund new waste facilities and introducing the new Waste Performance and Efficiency Grant;
- and running a major new £90 million/year Waste Implementation Programme to encourage more sustainable waste management. The Programme, delivered jointly by Defra and the Waste and Resources Action Programme (WRAP) includes:

- provision of advice and support for local authorities;
- supporting the development of new waste technologies;
- developing and implementing new strategies on waste data and research;
- and new programmes to encourage greater public engagement in waste minimisation, kerbside recycling and waste awareness.

WRAP is also working to develop markets for recycled materials, covering a range of materials that are generated by both households and industry.

### What we will do

**32.** But we need new approaches. The Business Resource Efficiency and Waste Programme (paragraph 14) will encourage manufacturers to design processes which minimise waste and improve the recycling potential of products, and encourage better integration of waste management. But we also need both to encourage greater householder involvement in

### CUSTOMER FOCUS: Retailer Recycling Initiatives

We want to find new ways to encourage people to recycle more by making it easier for them to integrate recycling into their daily lives.

The Waste & Resources Action Programme (WRAP) will be working in partnership with retailers, local authorities and waste management companies in England to pilot innovative approaches to recycling at supermarkets, including new technology. WRAP will be allocating up to £1.2 million in the period up to March 2006 to this 'front of store' recycling research.

The pilots will explore the possibility of using financial incentives, such as discount vouchers, to increase recycling rates; the impact of the technology in areas with contrasting recycling performance; and the costs associated with installing and managing the equipment.

The project will inform the development of a major new Defra initiative in partnership with retailers and local authorities to be launched in 2005. It will provide funding through local authorities enabling supermarkets to significantly upgrade and expand the bring bank recycling facilities in their car parks.

We believe retailers have an important role to play in helping to change consumer behaviour. By promoting easier and more convenient ways to recycle a wide range of materials, the initiative will contribute to efforts to divert more waste from landfill and help meet recycling targets. It will also limit the cost of waste management to local authorities.

waste reduction and recycling and to secure greater public engagement in strategic waste planning and management decisions for all types of waste. Our approach will look at new ways of expanding options for recycling through retailers, incentivising people to recycle at home and engaging the public on waste issues in their area:

- We are working with retailers and local government on a major new initiative to expand and upgrade recycling facilities at supermarkets to start in 2005, and the Waste and Resources Action Programme is launching a new 'front of store' recycling programme to fund trials to inform the development of the new retailer initiative.
- We will work with local authorities to pilot incentive schemes for household recycling and reduction.
- We will work with waste management authorities to test new ways of engaging householders in assessing the need for, type and location of waste treatment facilities, building on existing examples of best practice. The development of Dorset's Joint Municipal Waste Management Strategy, published in 2003, is a good example of thorough and innovative community engagement. A variety of methods were used to secure public understanding of the waste challenge, ranging from the delivery of a 4-page leaflet to every household in the County, to facilitated public workshops in each district council area and a standing consultative forum. There may also be scope for using other models of deliberative democracy.

## Encouraging sustainable behaviour in young people

### *The Challenge*

**33.** Key to changing consumer behaviour is the next generation of consumers. Research shows that young people are the least likely to engage in environmentally sustainable behaviour. Yet there is a lot of interest in sustainable choices and it makes great sense to start good sustainable consumption habits young.

### *What we will do*

**34.** With the Department for Education and Skills we are exploring ways of using the existing Connexions Cards for 16-19 year olds to reward young people, schools and colleges for activities supporting sustainable development and environmental protection. Examples include increased recycling and less litter, volunteering on community environmental projects, improving school/college grounds, walking or cycling to school, using sustainable

materials in buildings or coursework projects, local sourcing of food, and promoting healthier eating and exercise.

## Confronting the challenges together

### *The Challenge*

**35.** We realise that the issues we are addressing are long term and complicated and will require a high degree of buy-in from consumers and business alike.

### *What we will do*

**36.** Defra has asked the Sustainable Development Commission and the National Consumer Council to co-chair a Round Table on Sustainable Consumption, to confront the challenges of creating clear and fresh thinking about influencing consumption patterns and building consensus around what constitutes a sustainable lifestyle. They will be exploring what this agenda means both for business and for individuals. In order to engage the public on these issues we will be trialling a “deliberative forum” of representative citizens on sustainable lifestyles early in 2005.

## **CUSTOMER FOCUS: Helping businesses and consumers on water efficiency and affordability**

### *The Challenge*

Compared to energy efficiency, water efficiency is less often mentioned. However the Government is keen to see both business and consumers use water more efficiently. There are a number of ways in which water is wasted by inefficient use, for example:

- In domestic premises installing a spray tap on a wash hand basin would save 25% of its water use. If all houses used spray taps it would save 2.5 litres per minute, equivalent to at least 90 million litres per day which is enough to supply 250,000 houses.
- Envirowise have demonstrated that water use in business premises is often inefficient. Improvements in the management and operation of sanitary facilities can typically save 40% of water use. Further improvements to industrial water use ranging from simple low cost or no cost management measures through to optimised use of water in production and manufacturing processes can often realise similar levels of savings.

### *What we are doing*

The 2003 Water Act placed new duties on Government, public bodies and the water industry to further water conservation and the Water Framework Directive requires a programme of measures to promote sustainable water use. Since then:

- the Government has already taken measures to promote water efficiency by business through Envirowise;
- we are developing a voluntary labelling scheme for water fittings and appliances, which will provide information on the relative water use of equipment at the point of sale, to inform consumer choice and to stimulate competition and innovation;
- water fittings regulations have imposed higher standards for certain products and appliances; we are considering the need for further measures to require improved water efficiency of products;
- extension of water metering to households is continuing and the Government is committed to encourage water-charging policies that take account of the environment.

### *What we will do*

The need for water efficiency is most acute in the water-stressed South East and East Anglia which is also where most housing growth is planned. New development provides an opportunity to raise standards, which will be delivered through building regulations and the Code for Sustainable Buildings with the aim of achieving a 25-30% reduction in average household water use.

We also recognise that increasing water charges are an additional burden on household budgets. We have announced a package of measures directed at low income households including a pilot study in South West England which brings together help on water efficiency, debt management, benefits checks and an assessment of the potential cost savings that might be achieved by switching to a metered supply.

## Helping farmers to become sustainable land managers

### *The Challenge*

**37.** The role of farming in protecting and managing our natural resources is key – 70% of our land is farmed. It is because of this key role that the Government is so committed to working with farmers to ensure they can both respond to the market and act as sustainable land managers.

### *What we are doing*

**38.** Reform of the CAP, and the introduction of the new Single Payment Scheme<sup>14</sup>, will make a major contribution, removing the perverse incentives of production linked subsidies, and linking the new payment to responsible environmental behaviour through basic environmental management. Of course, some farmers are already taking part in Defra-funded agri-environment schemes which go beyond these basic standards and reward them for maintaining, restoring and creating valuable habitats and features on their land. However, involvement in these schemes has been targeted at the relatively small proportion of farmers who farm in specific areas of the country, or who have particularly valuable features on their land. Wider encouragement is needed if we are to influence farming behaviour across the country<sup>15</sup>.

### *What we will do*

**39.** We will introduce a new agri-environment scheme, Environmental Stewardship<sup>16</sup>, in 2005, which will address this problem. Unlike existing agri-environment schemes, protection of natural resources, such as water and soil, will be a primary objective of the new scheme. Defra has worked closely with the EA and others to make sure that the scheme design is capable of delivering significant resource protection

benefits. The basic level of the new scheme, Entry Level Stewardship (ELS), will be open to all farmers across England and will reward them for simple, yet effective environmental management of their land and natural resources. There will also be a separate payment rate for organic farmers recognising their contribution to the environment. We hope that the majority of farmers will enter the scheme, and that as a result the scheme will deliver benefits on a high proportion of farmland. Farmers who can deliver even greater environmental benefits will also be able to enter the more advanced level of the scheme, Higher Level Stewardship (HLS), which will be targeted at landscapes and features of particularly high environmental value.

## Diffuse water pollution from agriculture

### *The Challenge*

**40.** Environmental Stewardship will also help to tackle diffuse water pollution from agriculture, which harms the wildlife dependent on our rivers, lakes, wetlands and coastal waters, increases the cost of treating our drinking water, and contributes to siltation of rivers, increasing the risk of flooding.

### *What we are doing*

**41.** We are working with farmers and the agencies who advise farmers on the ground to raise awareness of diffuse water pollution and to promote voluntary action through, for example, self help groups to encourage agricultural best practice to reduce inputs of sediment, pesticides and nutrients into water. But we need to do more if we are to meet the demanding environmental objectives of the Water Framework Directive, which requires all inland and coastal waters to reach 'good status' by 2015.

<sup>14</sup> The Single Payment Scheme will be introduced in 2005 and will fully decouple subsidy from production. It will replace the large number of direct subsidy schemes with one scheme – making things simpler for farmers.

<sup>15</sup> The need for a broader agri-environment scheme, open to all farmers, was one of the main proposals put forward by the Policy Commission on the Future of Farming and Food in their report in January 2002.

<sup>16</sup> Environmental Stewardship will include three elements; Entry Level Stewardship (ELS); Organic Entry Level Stewardship (OELS); and Higher Level Stewardship (HLS).

*What we will do*

**42.** ELS will require farmers to consider resource protection issues on their farms and will encourage them to put in place basic measures to target diffuse pollution. These could include the location of 6 metre buffer strips alongside water courses and the preparation of soil management and nutrient management plans. HLS will be targeted at the areas that are most at risk within the highest priority catchments. It will offer farmers in these areas a wider range of resource protection measures and access to detailed advice on how to use these measures to best effect.

**43.** We are working on proposals for powers to allow us to do more to prevent and control diffuse pollution – on which we will wish to consult widely. A catchment-sensitive farming pilot scheme has also been set up to trial collaborative working between the EA, English Nature and the Rural Development Service (RDS), in order to develop more effective ways of reducing diffuse water pollution. These organisations will work together in four selected catchments in England to show how water quality improvements can be attained with greater local and regional integration and through the use of catchment advisors.

## Helping farmers produce sustainable products

*The Challenge*

**44.** We also want to help farmers produce more sustainable products that can be consumed in more sustainable ways.

*What we are doing*

**45.** We are working with industry to fund and disseminate the findings of research which identifies practical approaches to more environmentally-friendly farming. The Policy Commission on the Future of Farming and Food<sup>17</sup> emphasised the need to ‘reconnect’ consumers with the sources of their food, and we are working with the industry to ensure that,

across England, farmers can provide good food to their local customers. We are continuing to support organic farming for its significant biodiversity benefits and the Organic Action Plan, published in 2002, will be taken forward with stakeholders with the objective of our own producers supplying 70% of the UK organic market by 2010.

**46.** We are also keen to promote the development of non-food crops and our non-food crops strategy, published by Defra and DTi in November 2004<sup>18</sup>, contains measures to encourage farmers to grow crops for a wide range of industrial uses including transport fuel, energy production and consumer products. The Defra Energy Crops Scheme currently provides support for the production of crops such as miscanthus, willow and poplar which can be used in biomass power stations or community energy schemes to produce both heat and electricity.

*What we will do*

**47.** We are currently looking at options for the most appropriate way to fund energy crops for the future when the England Rural Development Programme, which provides the framework for the Energy Crops Scheme, comes to a close in 2006. Future funding decisions will take account of the outcome of the Rural Development Regulation renegotiation and the conclusions from a new biomass taskforce headed by Sir Ben Gill. We are also working closely with DTi on an integrated approach to building bio-energy markets, including examining the role of renewable heat generation.

<sup>17</sup> Farming and Food – A Sustainable Future, report by the Policy Commission on the Future of Farming and Food (Jan 2002) <http://archive.cabinetoffice.gov.uk/farming/index/CommissionReport.htm>

<sup>18</sup> A Strategy for Non-Food Crops and Uses – Creating value from renewable materials (Defra 2004) [www.defra.gov.uk/farm/acu/non-food/non-food.htm](http://www.defra.gov.uk/farm/acu/non-food/non-food.htm)

## Sustainable procurement: using Government purchasing to change markets

### *The Challenge*

48. If Government is to be persuasive in generating behaviour change by others it must lead by example. Government has a great deal of power to change behaviour through its own purchasing decisions. The public sector must begin to procure goods and services in a sustainable way. This will have a double benefit – both in terms of the benefits gained by, for example, buying more resource-efficient goods, and in increasing the markets for environmental technologies and products and services with proven sustainability benefits.

### *What we are doing*

49. Substantial activity is already taking place. In October 2004, all Government Departments and Executive Agencies in England – which account for about 10% of total public sector purchasing – were asked to take the following actions:

- draw up, by 1 December 2005, an environmental purchasing policy;
- work with suppliers to find sustainable solutions to the provision of goods, works and services;
- include 'environmental consideration' clauses into all contracts for goods, works and services;
- incorporate sustainable development considerations into all new build and major refurbishment construction projects;
- plan to replace or modify ozone-depleting fixed refrigeration, air-conditioning and fire protection equipment as it reaches the end of its life.

### **Green Procurement Initiatives**

In the UK we have a number of focused initiatives underway. Two examples are food and timber procurement.

The public sector food initiative is part of the Sustainable Farming and Food Strategy. Co-ordinated by Defra and a cross-Government implementation group, it brings together consumers, buyers, suppliers, producers, industry representatives and civil society. The aim is to increase the consumption of nutritious food, raise food quality standards, encourage local growers and farmers to do more business with the public sector and reduce impacts on our environment. It is contributing to the nutrition objectives in schools, colleges, hospitals, staff canteens, prisons and the armed forces. We are beginning to see a shift away from a low-price, low-quality culture to a realisation that we will be better off economically, socially and environmentally if we produce and consume good food.

The timber initiative is another example but with more of an international perspective. It is a key driver in the battles against illegal logging and disappearing old growth forests around the world. By setting itself a commitment to actively seek to purchase legal and sustainable timber the UK Government has taken a world lead in promoting the reduction of demand for illegal and unsustainable products and has given the sustainable timber sellers a large-scale market to tap and expand to other customers. The UK forest products sector has responded well to this challenge and we are seeing a growth in the volume of certified timber products being supplied to Government and the introduction of responsible purchasing policies by many of our suppliers.

*What we will do*

**50.** Within Defra we are establishing a Sustainable Procurement Programme to work with the Office of Government Commerce and others, to position the UK as a leader in sustainable procurement in the EU. This will contribute to the fulfillment of commitments made at the World Summit on Sustainable Development on achieving more sustainable patterns of consumption and production. The programme will aim to identify clear and realistic targets for UK public sector procurement to achieve specific environmental, competitiveness and sustainability outcomes, and to help secure outcomes which deliver long term efficiency alongside sustainability. The programme will also ensure appropriate support, tools and training are made available to those involved in and affected by procurement decisions, drawing heavily on the project and programme management strategies underpinning Defra's collaboration with the rest of Government on timber and food. Within Defra, we will lead by example to embed sustainability considerations demonstrably into the Department's acquisition of goods, services and works.

**51.** In developing the new Sustainable Development Strategy we will work across Government departments to remove barriers to sustainable public procurement, to ensure the right information and incentives exist across the procurement community and to provide leadership across the whole public sector. We will work closely with ODPM to link to the work that is already going on through Centres of Excellence, which are tasked with facilitating efficiency gains in local government and supporting authorities to implement the National Procurement Strategy for Local Government (2003). We will also work with the National Health Service (NHS), which has already sent all its procurement experts on sustainability training, and with DTi because of the clear links to their programmes on innovation and social enterprise.

**52.** We have much that we can learn from other countries. In 2005, we will be working with the European Commission and Member States to benchmark best practice and learn from the leaders in Europe. We would like to see the performance across the EU improved markedly so that by 2010 the average is equal to the standards currently being achieved by the best.

Key outcomes	How we will do this
<p>Protection of human health and the environment by minimising amounts of waste produced and getting as much value as possible out of what is left by re-use, recycling or composting and the recovery of energy.</p>	<p><i>Innovative approaches to waste:</i></p> <ul style="list-style-type: none"> <li>● <i>Involving retailers in promoting recycling</i></li> <li>● <i>Working with local authorities to pilot household incentive schemes</i></li> <li>● <i>New ways of getting local buy-in on waste choices</i></li> </ul>
<p>Programmes in place to decouple economic growth from environmental degradation and unsustainable resource use.</p>	<ul style="list-style-type: none"> <li>● <i>Environment Direct – advice service to consumers</i></li> <li>● <i>Business Resource Efficiency and Waste Programme</i></li> <li>● <i>Carbon Trust programmes</i></li> <li>● <i>Development of Sustainable Buildings Code</i></li> <li>● <i>Helping farmers produce more sustainable products</i></li> <li>● <i>Action on government procurement</i></li> </ul>
<p>Good water quality and a good water environment, with a sustainable balance between water supply and demand.</p>	<ul style="list-style-type: none"> <li>● <i>Water efficiency in new building developments</i></li> <li>● <i>Measures to tackle diffuse pollution</i></li> </ul>

## Chapter 3

# Environmental Leadership: Meeting the Challenge of Climate Change

### Progress we have made:

- Made a key contribution to the successful completion of international climate change negotiations in 2001, breathing legal life into the Kyoto Protocol.
- Reduced our emissions beyond our Protocol commitment.
- Put climate change at the heart of energy policy in the Energy White Paper, *Our Energy Future – Creating a Low Carbon Economy*, published jointly by Defra, DTi and DfT in February 2003, which said we would put the UK on a path to cut its carbon dioxide emissions by 60% by 2050.
- Launched the world's first economy-wide greenhouse gas emissions trading scheme – during the first 2 years participating companies reduced their emissions by 9.8 million tonnes. This has helped inform development of the EU emissions trading scheme which begins in 2005.
- Published an Energy Efficiency Action Plan setting out how we will save over 12 million tonnes of carbon by 2010, saving consumers some £3 billion per year.

### Introduction

1. Climate change is the biggest threat to our environment. The scientific consensus is now clear – climate change is happening. Over the past century global temperatures have risen, with the ten warmest years being the last ten years of the century. Already we can see the predicted effects through an increased incidence of heat-waves and flooding. Mountain glaciers are visibly in retreat and animals and plants are responding in a variety of ways. Without action to curb emissions, globally averaged temperatures are expected to rise by between 1.4 and 5.8°C, and sea levels by between 9 and 88 cm during this century. This may not sound much but it is predicted to have

increasingly severe impacts on the natural world and society. We must lead efforts to tackle climate change at a European and International level.

2. But those international efforts must be underpinned by domestic action. At national level, we have set ourselves ambitious short, medium and long-term goals for reducing emissions of carbon dioxide (CO<sub>2</sub>) – the largest contributor to global warming. The Government must now put in place the measures to achieve them. At the same time we must not neglect to take the measures needed to ensure we can cope with the consequences of the extent of climate change which is already inevitable.

## Global Action

### *The Challenge*

3. The impacts of climate change are likely to be significant across the globe, but developing countries will have the least capacity to respond. A 2°C average global temperature rise (which is possible by the middle of the century) could mean as much as 4°C in the middle of large continents like Africa. Furthermore, for Africa, there is a wide consensus that climate change will worsen food security and access to clean water, accelerate irreversible losses of biodiversity and have negative impacts on human health. The Inter-governmental Panel on Climate Change (IPCC) also estimated that Africa may lose more than 4% of its Gross Domestic Product (GDP) with just a 1°C increase in average global temperature.

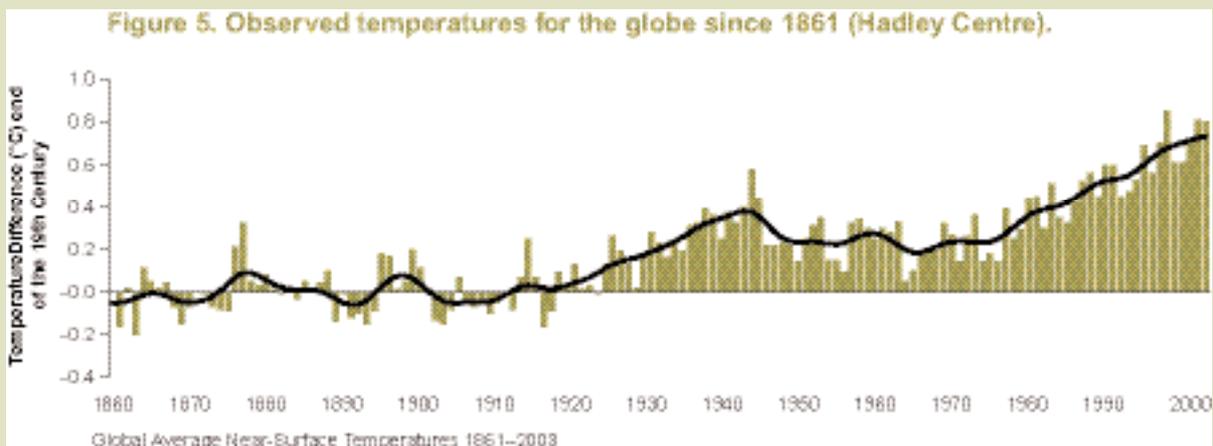
4. Everywhere the economic impacts are potentially severe. The recent European heatwave was estimated to have cost 17.5 billion. Swiss Re, the world's second largest insurer, has recently said that the economic cost of global warming is threatened to double to \$150 billion per year in 10 years, hitting insurers with \$30-40 billion in claims, annually.

### *What we are doing*

With the Department for International Development (DfID), we have commissioned a review of international support for climate monitoring, analysis, modelling and interpretation in Africa. The study will identify how existing knowledge and resources could be used better and the need for additional effort to account for Africa's needs. The study report will feed into the Commission for Africa which will report to the G8<sup>1</sup>. We are also carrying out projects with the Indian and Chinese Governments to assess the impacts of climate change for them.

### *What we will do*

5. Our immediate aim is to make significant progress during our Presidency of the G8 in 2005, where climate change will be the Government's top priority along with development in Africa. We remain committed to the Kyoto Protocol and warmly welcome the decision by Russia to ratify it, leading to it coming into force.



<sup>1</sup> Since 1975, the heads of state or government of the major industrial democracies have been meeting annually to deal with the major economic and political issues facing their domestic societies and the international community as a whole. The UK, France, Germany, US, Japan, Italy, Canada and Russia form the Group of eight (G8). In addition the European Union, represented by the Commission, is a member of G8.

6. But the Kyoto Protocol is only a first step. We must build international consensus on the need for and the shape of further action post-2012. We must work with the EU to deliver on our existing commitments and prepare for deeper cuts in emissions in the future. We will make climate change a top priority for the UK's Presidency of the EU in the second half of 2005. Developing countries will bear the brunt of climate change with more extreme impacts and less capacity to adapt. We must deepen our relationship with them so we better understand each others' priorities and perspectives. We must also work to engage the US fully in international action to tackle climate change. Our overall approach is to seek common ground on a goal limiting the effects of climate change and on action to deliver the goal.

## National action

### *The Challenge*

7. Our global leadership is based on willingness to take action at home. We have already gone further than our Kyoto target to reduce greenhouse gas emissions by 12.5% below 1990 levels by 2008-12. In 2003, total UK emissions of greenhouse gases are provisionally estimated to have fallen by 14% compared to 1990, with emissions of CO<sub>2</sub>, the main greenhouse gas, provisionally 7% below 1990 emissions<sup>2</sup>. But we must not be complacent; although we have been making progress since 1990, in two of the last three years we saw increases in greenhouse gas emissions, including CO<sub>2</sub> (see figure 6).

8. The Government is committed to moving beyond our Kyoto Protocol target towards our national goal of reducing UK CO<sub>2</sub> emissions by 20% below 1990 levels by 2010. As the Prime Minister said in his speech on climate change on 14 September, 'We are on track to meet our Kyoto target... But we have to do more to achieve our commitment to reduce carbon dioxide emissions by 20% by 2010'. We also remain committed, as set out in the Energy White Paper, to our goal of putting the UK on a path to reduce carbon dioxide emissions by some 60% by about 2050, with real progress by 2020.

9. We can tackle climate change without sacrificing the competitiveness of UK business. We have shown that it is possible to break the assumed link between economic growth and rising emissions. Between 1990 and 2002 the UK economy grew by 36%; over the same period our greenhouse gas emissions fell by around 15%. Moreover, there are opportunities for new industries and new jobs developing the innovation which is needed to tackle these challenges. As mentioned in the previous chapter, the UK environmental technology sector is already estimated to have a turnover of around £25 billion<sup>3</sup>. The Energy White Paper analysis suggests that the cost impact of effectively tackling climate change would be very small – equivalent in 2050 to just a small fraction (0.5-2%) of the nation's wealth, as measured by GDP, which by then would have tripled as compared to now. And this figure takes no account of the costs avoided by tackling climate change.

<sup>2</sup> Emissions of CO<sub>2</sub> increased by about 1.5% between 2002 and 2003, although they remain lower than in 2001. The increase was largely because of greater use of coal in electricity generation and a decrease in net imports of electricity from the continent.

<sup>3</sup> This is according to recent data gathered by the Environmental Industries Unit.

### Creating UK advantage through innovation: Emissions Trading

Emissions trading is now seen as the most economically efficient policy measure for tackling greenhouse gas emissions. The UK national scheme, a world first, launched in 2002, has achieved emission reductions in its first two years well in excess of expectations. This was recognised by the National Audit Office (NAO) in its recent report which acknowledges that ‘the companies have in practice made significant additional efforts to cut emissions’. The NAO also recognised that ‘companies providing emissions trading services, such as brokerage and verification, have established themselves in the UK market and gained experience that places them in a strong position to gain further business as European and international emissions trading develops.’

This is borne out by business. Anthony Hopley from law firm Baker and McKenzie suggests that ‘The UK’s early start in the implementation of market-based climate change policies has clearly given business a head start in the development of climate change related services and products. It is no coincidence that many of the financial and other institutions who are gearing up for the new carbon markets are doing so through their London-based office or that there seems at the moment to be a greater concentration of climate change related businesses and service providers operating out of the UK than any other country.’

The UK is now seen as a world leader in emissions trading whose expertise is sought around the globe as other countries gear up to international trading schemes. The first phase of the EU Emissions Trading Scheme begins in 2005 covering about 45% of EU CO<sub>2</sub> dioxide emissions. We have recently reviewed the extent to which we intend to use the scheme to drive down emissions from UK business in the light of DTI’s updated emission projections. We announced in October that we intended to propose a cap on emissions some 5.2% below business as usual, leading to an absolute cut in emissions of over 40MtCO<sub>2</sub> – more than any other EU country.

The UK will continue to lead the world in the application of emissions trading to tackle climate change. We will deliver the first stage of the EU Emissions Trading Scheme and work with our partners to ensure we have an ambitious second phase, which will help business and society achieve the necessary emissions cuts at the lowest cost.

10. Although we have already gone further than our Kyoto target, which is a significant achievement, our latest projections suggest we will be some way short of our domestic goal of a 20% cut in carbon dioxide emissions by the end of 2010. The review of the UK Climate Change Programme, which we aim to complete in the first half of 2005, will need to put additional emission reduction measures in place and

strengthen existing ones if we are to reach our domestic goal. We are launching an extensive consultation on the review at the same time as this strategy. Three key areas for progress will be on achieving further emission reductions through the second phase of the EU Emissions Trading Scheme, delivering a step change in performance on energy efficiency, and tackling emissions from the transport sector.

**Tackling gases other greenhouse gases – Hydrofluorocarbons (HFCs)**

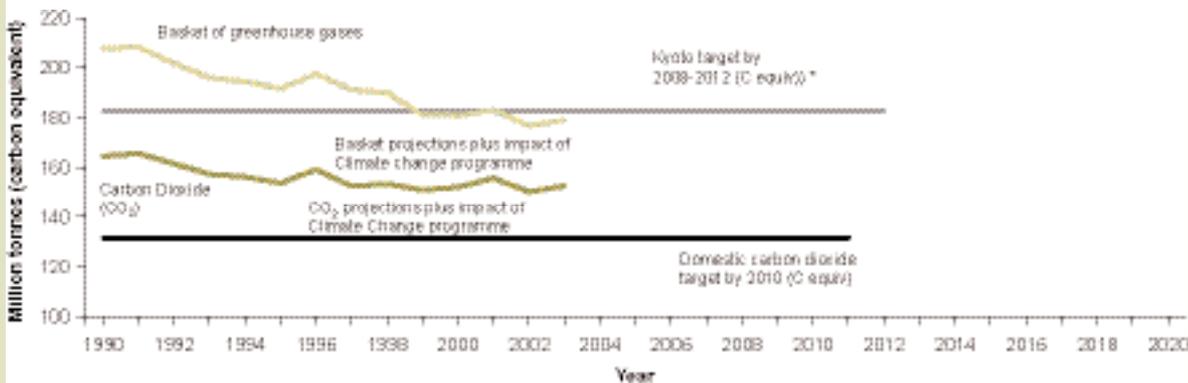
HFCs have been used increasingly in recent years to replace ozone depleting substances such as CFCs. Although HFCs do not damage the ozone layer like CFCs they are powerful greenhouse gases and are included in the basket of gases covered by the Kyoto Protocol.

As set out in the UK Climate Change Programme, the Government considers the long-term use of HFCs to be unsustainable. We believe that with continued technological developments we will eventually find good alternatives. This policy takes account of the fact that HFCs will continue to have a role in applications where there are no acceptable alternatives. At the same time it is a clear statement that emissions should not be allowed to rise unchecked.

We are making good progress at EU level in agreeing legislation to control emissions of certain fluorinated greenhouse gases, including HFCs, and we will continue to work to ensure that the finalised legislation is consistent with our approach as set out in the Climate Change Programme.

**Figure 6. UK emissions of greenhouse gases shown against Kyoto and domestic targets.**

We have been making progress on reducing greenhouse gases but we have a lot more work to do to meet our domestic CO<sub>2</sub> goal by 2010.



Source: National Environmental Technology Centre (NETCEN). Estimates for 2010 are provisional.

## Energy Efficiency

### *What we are doing*

11. The Energy White Paper put energy efficiency, alongside renewables, at the heart of delivering the UK's energy policy. Our *Energy*

*Efficiency Action Plan*, which received additional funding in the last Spending Review, sets out an ambitious package of measures expected to deliver annual savings of over 12 million tonnes of carbon by 2010.

### **Energy Efficiency Action Plan**

The Energy Efficiency Action Plan, published in April 2004, will bring about a major improvement in energy efficiency across the economy. Key measures in the Action Plan (2004), reinforced by further announcements since its publication, include:

- An announcement of our intention to double the level of Energy Efficiency Commitment (EEC) activity from 2005 to 2011, subject to a review in 2007. This is expected to lead to investment of over £2 billion, saving customers £4 billion from their bills to 2020.
- Improving the energy standards of our buildings through revisions to the Building Regulations, implementation of the Energy Performance of Buildings Directive and development of a new Code for Sustainable Buildings.
- An additional £140 million for fuel poverty announced in the latest spending round, bringing total spending on fuel poverty to almost £800million over the period 2004-2008, which will support installation of more efficient central heating and insulation.
- Additional economic incentives for energy efficiency, announced in the 2004 budget, including: tax relief for landlords installing insulation; the development of a "Green Landlord Scheme"; and a reduced rate of VAT on ground-source heat pumps and on micro-CHP (Combined Heat and Power), subject to the outcome of the current field trials.
- New energy services pilots, through which energy suppliers can offer innovative energy efficiency packages to customers.
- Energy targets in the central Government estate, which will deliver a 12.5% carbon reduction between 1999-2000 and 2010-11, in addition to the reductions achieved over the 1990s.
- A new commitment by central Government to buy and rent buildings with energy performance in the top 25%.
- With the Climate Change Agreements, Climate Change Levy and other targeted tax allowances, the EU Emissions Trading Scheme will ensure that our most energy intensive industries and the power generation sector have strong incentives to reduce their emissions in the most cost-effective way.
- Continuing to raise product standards through our Market Transformation Programme. We will continue to negotiate rising standards via EU-wide agreements and policy instruments, including a proposed Eco-design of Energy Using Products Directive.
- Continuing to inform, advise and support individuals, businesses and the public sector through the activities of the Carbon Trust and the Energy Saving Trust. Additional funding of £60 million for the Carbon Trust was announced in the latest spending round and we will now allocate additional resources of £10 million for the work of the Energy Saving Trust in the period 2005-08.

### What we will do

12. This already adds up to a substantial package of action. But we know that energy efficiency remains the most cost effective and sustainable way to meet all four of our energy policy goals<sup>4</sup>, and we intend to do more. The scope for innovation in delivering still greater energy efficiency is clear. As an input into the climate change review we and HM Treasury will now undertake an *Energy Efficiency Innovation Review*, as announced in the Pre-Budget Report, to examine how technological, policy, financial and organisational innovation, whether by Government, business or consumers, could best contribute to the long-term step change in energy efficiency to which we are committed. For instance, as part of this, we will be working with the Carbon Trust to explore innovative ways to overcome the barrier of lack of capital for energy efficiency investments by business.

13. In his Pre-Budget Report, the Chancellor announced a new £20 million fund to accelerate research, development and deployment of energy-efficient technology. The fund will be managed by the Carbon Trust, with the aim of securing matched funding from the private sector. It will capitalise on the UK's strengths in R&D and commercial potential in the field of energy efficiency. It will support collaborative energy efficiency technology projects over the next 5-10 years, bringing together stakeholders from the business, research and policy-making communities. It will also draw on, and help to implement, the conclusions on technology of the Energy Efficiency Innovation Review.

14. Publicly funded programmes for improving social housing, in particular ODPM's Decent Homes Programme and projects funded by the Housing Corporation, make an important contribution to addressing rural housing needs, reducing carbon emissions and tackling fuel poverty. We will work across Government to ensure that these programmes bring about a substantial and cost-effective improvement in the energy and wider environmental performance of social housing.

15. The revisions to Building Regulations in 2002 mean that anyone buying a new home can already be sure that it is of a good standard of energy efficiency – a house built to these standards uses around half the national average. Those standards will be substantially raised again in 2005. Anyone buying a home, whether new or existing, will have much more information about their prospective purchase when energy reports are introduced from 2007 as part of the Home Information Pack. The report will show how the home performs on an easily-understood energy scale, and will give details of different options to upgrade the property's energy performance, allowing consumers to be much better informed about the cost of running a home and the cost-effectiveness of making energy efficiency improvements. An energy report will also be required when homes are rented out.

16. The Government has already committed to procuring buildings for its estate in the top 25% of energy performance, alongside the certification and labelling of public buildings that will be introduced to implement the Energy Performance of Buildings Directive. Defra is working with other Government departments and industry to develop the Code for Sustainable Buildings (see Chapter 2, paragraph 28). As the Government made clear in July in its response to the Sustainable Buildings Task Group report, our aim is to develop a Code that is broad based, achievable and cost effective. This will allow Government, as a key stakeholder, to include the Code in public sector best practice guidance<sup>5</sup>, enabling it to be widely adopted across the public sector. The first outline of the Code will be published in time for the Sustainable Communities Summit in January 2005.

17. Our *Community Energy Programme* has demonstrated the value of partnership approaches to delivering heat networks which reduce energy bills, tackle fuel poverty, reduce carbon emissions, support combined heat and power<sup>6</sup>, and build modern urban infrastructure. We will continue the programme for at least the

<sup>4</sup> Our four goals for energy policy, as set out in the Energy White paper, are: to put ourselves on a path to cut the UK's carbon dioxide emissions by some 60% by 2050, with real progress by 2020; to maintain the reliability of energy supplied; to promote competitive markets in the UK and beyond, helping to raise the rate of sustainable economic growth and to improve our productivity; and to ensure that every home is adequately and affordably heated.

<sup>5</sup> The Office of Government Commerce publishes best practice guidance for the public sector.

<sup>6</sup> Combined heat and power is a very efficient technology for generating electricity and heat together.

next three years, to March 2008, with additional funding of £10 million available once the original allocation of £50 million is exhausted.

**18.** The Emissions Trading Scheme has shown the key role which market mechanisms have to play in delivering our sustainable energy objectives, and we believe that there is potential to introduce an element of trading into the energy efficiency arena. We will therefore examine the role which tradable, white certificates<sup>7</sup> could play in promoting a further improvement in energy efficiency, as part of the next phase of the Energy Efficiency Commitment in 2007.

**19.** The Government's private sector partners in delivering energy efficiency, the Carbon Trust and the Energy Saving Trust, remain vital players on the scene, and Defra will now allocate additional resources of £10 million for the work of the Energy Saving Trust in the period 2005-08. But there are a number of other bodies and programmes which help business to improve its energy and wider resource efficiency, and to use more renewable sources of energy. The Energy White Paper said that we would review how these low carbon delivery organisations were working, and whether there was any need to change. We will complete this review on the same timetable as the review of the UK Climate Change Programme in the first half of 2005.

**20.** Communicating the urgency of climate change and the part which we can all play in tackling it is a high priority. It is vital to raise awareness more widely of the links between climate change, energy policy and the choices and behaviour of every individual, business and public sector organisation. We need to

communicate better about climate change at every level, recognising that Government must play a leading role. In support of this aim, Defra expects to contribute substantial new resources over the period 2005-08 to a new approach to climate change communications.

## Transport emissions

### *The Challenge*

**21.** Transport is currently responsible for about a third of total UK CO<sub>2</sub> emissions.<sup>8</sup> In the short term, emissions of carbon dioxide from road transport are expected to grow by about 10% from 2000 levels by 2010.<sup>9</sup> The aviation sector currently contributes about 5.5% of the UK's CO<sub>2</sub> emissions but, because of radioactive forcing<sup>10</sup>, 11% of total UK climate change impact. The future growth in air travel could mean that the aviation sector contributes about 33% of total UK climate change impact by 2050<sup>11</sup>.

**22.** Transport is also the source of emissions of some of the other gases that contribute to climate change. These include methane and nitrous oxide, present in exhaust emissions, and also gaseous emissions from refrigerants used in air conditioning systems in cars. These gases all have high capacities to increase global warming.

### *What we are doing*

**23.** We are working to ensure that transport policy addresses climate change and other environmental concerns and DfT have now joined Defra and DTi in sharing a Public Service Agreement target on reducing greenhouse gas emissions – recognising the need for the transport sector to play its part.

<sup>7</sup> White Certificates would be a transferable certificate or electronic record which represented an amount of avoided energy use, expressed either in energy or carbon terms. They could be used as part of a scheme to encourage reduced energy usage.

<sup>8</sup> This includes UK aviation defined as all domestic services plus all international departures from the UK. Excluding aviation, transport's contribution is closer to a quarter of all emissions.

<sup>9</sup> The surface transport figures come from DTi's energy projections.

<sup>10</sup> Radioactive forcing results from the specific effects of aircraft emissions at altitude.

<sup>11</sup> From DfT paper, Aviation and Global Warming which includes both domestic and international aviation. The forecasts are based on an assumption of three new runways in the South East and do not reflect any impact of economic instruments – hence represents a slight over-estimation. Aviation and Global Warming (DTi 2004) is a technical paper giving background analysis in support of the Future & Air Transport White Paper on the contribution & aviation to climate change. [www.dft.gov.uk/stellent/groups/dft\\_aviation/documents/page/dft\\_aviation\\_031850.pdf](http://www.dft.gov.uk/stellent/groups/dft_aviation/documents/page/dft_aviation_031850.pdf)

**24.** The Future of Transport White Paper published in July 2004 set out a number of measures that have or will be undertaken to address climate change issues<sup>12</sup> and recognises that we need to ensure that we can benefit from mobility and access while minimising the impact on other people and the environment.

**25.** Many of the measures relate to more environmentally friendly fuels and vehicles. We are one of the author departments of the Government's Powering Future Vehicles Strategy<sup>13</sup> which promotes the development, introduction and uptake of clean, low carbon vehicles and fuels. The strategy sets a number of targets including:

- that by 2012, 10% of all new car sales will be cars emitting 100g/km or less of CO<sub>2</sub> at the tailpipe;
- that by 2012, 600 or more buses coming into operation per year will be low carbon, defined as 30% below current average carbon emissions.

**26.** To help implement the strategy the Government has set up the Low Carbon Vehicle Partnership (LowCVP) which brings together many stakeholders with an interest in the shift to low-carbon vehicles and fuels. We have accepted a recent invitation to participate in the working groups of the LowCVP and are now represented on the Partnership's board.

#### *What we will do*

**27.** We will continue to push for significant improvements in fuel efficiency of new vehicles, through working with DfT, DTi, HM Treasury and in Europe, and to support the development of new technologies and alternative fuels. We are also examining the scope for bringing emissions from road transport into the EU Emissions Trading Scheme.

**28.** We are keen to promote the development of non-food crops, including crops grown for the production of biofuels, because they can play a significant part in reducing carbon dioxide emissions from road transport by substituting for petrochemicals, as well as offering new markets to farmers. Our non-food crops strategy, published on 5 November 2004, sets out the measures to encourage farmers to grow crops for a wide range of industrial uses including transport fuel, as well as energy production and consumer products. The 2004 Pre-Budget Report announced a package of measures from the Government to support the development of biofuels, including a feasibility study and consultative process on a Renewable Transport Fuels Obligation.

**29.** Action in Europe offers the most promising way of beginning to address the long term challenge of the climate change impacts of aviation. Our aim is to bring emissions from intra-EU air transport within the EU Emissions Trading Scheme from 2008 or as soon as possible after that.

**30.** We will continue to work closely with other Departments to ensure that the aviation industry takes account of, and where appropriate reduces, its contribution to global warming. We will also press for the development and implementation through the ICAO<sup>14</sup> of an international emissions trading scheme.

<sup>12</sup> The Future of Transport White Paper (DfT 2004) [www.dft.gov.uk/stellent/groups/dft\\_about/documents/divisionhomepage/031259.hcsp](http://www.dft.gov.uk/stellent/groups/dft_about/documents/divisionhomepage/031259.hcsp)

<sup>13</sup> Powering Future Vehicles Strategy [www.dft.gov.uk/stellent/groups/dft\\_roads/documents/divisionhomepage/032482.hcsp](http://www.dft.gov.uk/stellent/groups/dft_roads/documents/divisionhomepage/032482.hcsp)

<sup>14</sup> International Civil Aviation Authority.

## Adapting to climate change

### *The Challenge*

**31.** However successful we are in reducing future greenhouse gas emissions to avoid the most catastrophic climate change, some degree of climate change is already inevitable and a wide range of sectors need to begin to adapt to these impacts. Although the more excessive regional temperature increases and precipitation changes may only be felt in a few decades time, they need to be factored into decisions on investment and infrastructure taken now. Accommodating changing habitat and species' distribution in response to climate change will be a key challenge for nature conservation. Climate change will also have implications for water availability, water quality and flood risk.

### *What we are doing*

**32.** Adaptation to climate change is still a developing area, but a climate change perspective is already incorporated into planning guidance, health advice and water resource management plans. We are working with other Government departments, local authorities and investors to improve awareness and understanding of the implications of climate change.

### *What we will do*

**33.** We will launch an Adaptation Policy Framework in 2005 to draw together efforts on adaptation to climate change across Government. Public and private sector organisations at local, regional and national levels, including the new Integrated Agency (see chapter six) and the EA, will be instrumental in delivering the objectives identified under this framework. We will also promote the importance of adaptation to climate change within the EU.

## Climate Change and Agriculture

### *The Challenge*

**34.** Over the coming decades, agriculture worldwide will face the challenge of climate change, in addition to developments in social, technological, environmental and agricultural

policy. Farm businesses will need to adapt to the effects of changing climatic conditions and at the same time modify farming practices to reduce agriculture's continuing impact on the environment. More research into the impacts is needed if the farming industry is to adapt effectively to this challenge.

### *What we will do*

**35.** As part of our Presidency of the EU, we will host a joint meeting of EU Agriculture and Environment Ministers to explore the theme of climate change and agriculture.

**36.** Defra can and will play an active role in promoting research into climate change impacts on agriculture and in making sure people are aware of the results. Of course, agriculture also impacts on climate change and we have commissioned a number of studies to understand the likely impacts of CAP reform on emissions from agriculture. The results will be available in 2005.

**37.** The Climate Change Programme review will be considering which measures would be most effective in reducing emissions from agriculture beyond current projections.

## Flood risk management

### *The Challenge*

**38.** Whatever action we take now on climate change we cannot avoid the fact that flood risk is set to increase as a result of changes already underway and that economic development will increase the number of assets at risk.

### *What we are doing*

**39.** The Government will be maintaining its substantial flood and coastal erosion risk management programme, including the building of better defences where appropriate, and improved flood warning. We have already introduced innovative ways of reducing flood risk with the introduction of 'soft' defence and managed realignment, supported by agri-environment schemes and other funding sources. We are now consulting on a new cross-Government strategy, Making Space for

Water, that we intend to publish in Spring 2005. This focuses on the sustainable management of flood and coastal erosion risk from all sources. A key priority is to reduce the risk of flooding to a greater proportion of vulnerable properties whilst making sure flood risk management policies across Government contribute to sustainable development including biodiversity, water quality, urban drainage and regeneration.

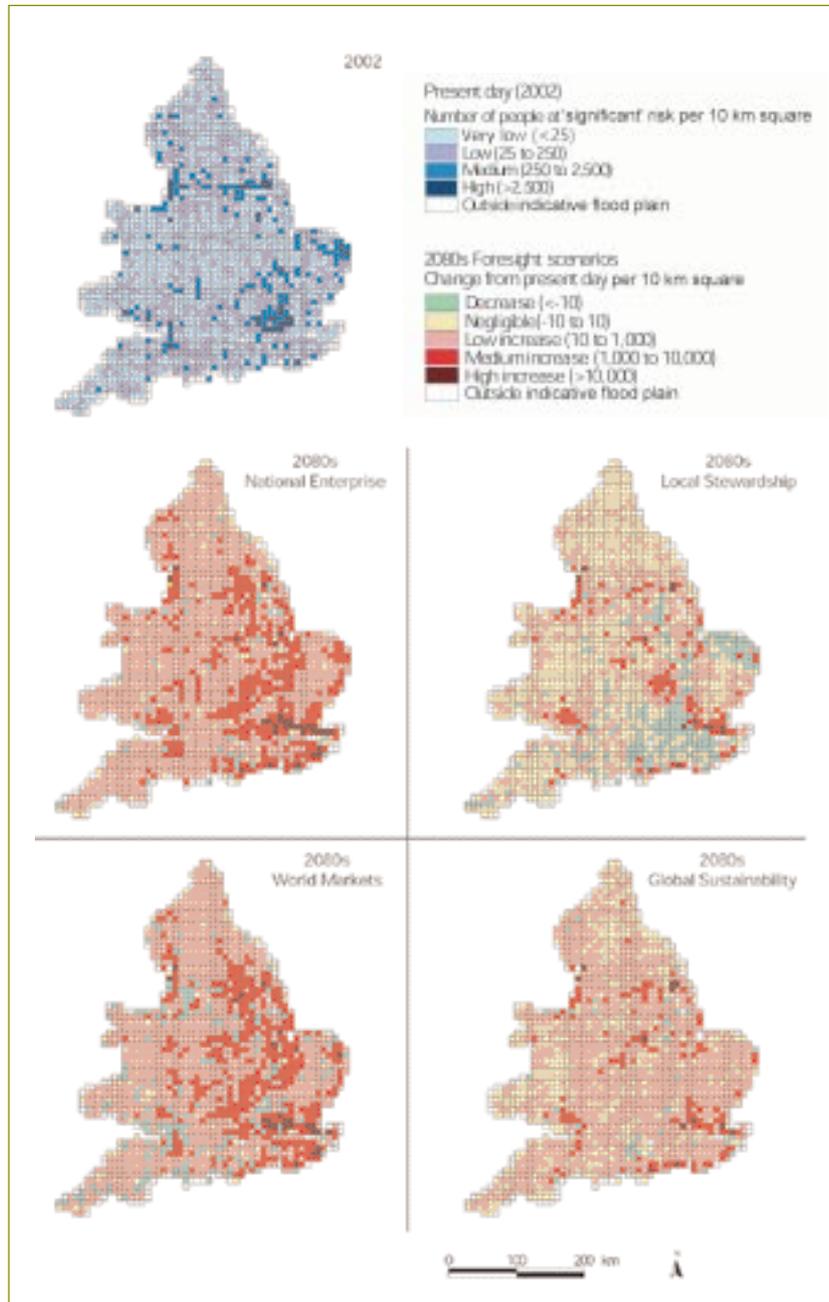
#### *What we will do*

**40.** Adaptation to the increased risks from climate change, combined with greater targeting of spending, e.g. through realignment of defences, will help both reduce future flood risk and protect scarce natural resources, particularly biodiversity. This direction for flood risk management policy will be reinforced by our new Environmental Stewardship Scheme which will promote measures in appropriate catchments and along our coastlines which provide benefits for biodiversity, water quality and flood alleviation together.

**41.** We believe there is further scope for innovative funding, design and management, and the engagement of a range of partners from the public, private and voluntary sectors in delivery where appropriate. We will be agreeing new output and performance measures for the delivery of flood risk management which, together with more use of competition and benchmarking by the EA, will drive increased innovation, choice and value for money. Regular monitoring by the EA's Board will ensure both progress and support for this approach in achieving maximum efficiency in delivery.

Key outcomes	How we will do this
Reduction in the UK's contribution to global climate change by cutting our greenhouse gas emissions.	<ul style="list-style-type: none"> <li>• <i>Climate Change Programme Review</i></li> <li>• <i>New measures to promote energy efficiency</i></li> <li>• <i>Seek inclusion of road transport and aviation emissions in EU Emissions Trading Scheme</i></li> </ul>
Reduction in global greenhouse gas emissions to avoid dangerous climate change, and international promotion of adaptation to unavoidable climate change.	<ul style="list-style-type: none"> <li>• <i>Build international consensus on the need for further action post-Kyoto</i></li> </ul>
UK successfully adapting to unavoidable climate change.	<ul style="list-style-type: none"> <li>• <i>Create a new Government policy framework for adaptation</i></li> </ul>
Risk from flooding and coastal erosion managed in a way which furthers sustainable development.	<ul style="list-style-type: none"> <li>• <i>New government strategy on flood risk management in Spring 2005</i></li> </ul>

**Figure 7. Changes in the numbers of people living in areas at significant risk of flooding for different future scenarios (after Foresight 2004)<sup>15</sup>**



The Foresight project provided an independent, long-term vision of the future of flood and coastal management to inform policy development. The project identified and ranked the drivers of future risk, established a logical framework for their consideration and undertook analysis for four different future scenarios. These scenarios associated socio-economic futures with different degrees of climate change and can be characterised briefly as:

- World Markets – high economic growth, weak dispersed governance, market based policies, high emissions.
- National Enterprise – medium-low economic growth, weak nationalist governance, state centred regulated markets, medium-high emissions.<sup>16</sup>
- Local Stewardship – low economic growth, strong local governance, interventionist policies, UKCIP02 medium-low emissions.
- Global sustainability – medium-high economic growth, strong co-ordinated governance, corporatist policies, low emissions.

The maps show the distribution of risk as numbers of people in each 10km grid cell exposed to a chance of flooding of greater than 1.3% (1 in 75) each year. The map for 2002 shows the concentration of risk in urban areas with some scattered pockets of high risk and widespread areas of lower risk.

The maps for the 2080s show how the risk could change under the future scenarios. These assume that existing flood management infrastructure is maintained but not improved and reflect changes in both probability (due to climate change) and consequences (from socio-economic development) of flooding.

<sup>15</sup> Foresight Future Flooding. Office of Science and Technology, London, 2004. Available from [www.foresight.gov.uk](http://www.foresight.gov.uk)

<sup>16</sup> As categorised by the UK Climate Impacts Programme 2002 scenarios, UKCIP Oxford, 2002 [www.ukcip.org.uk/scenarios](http://www.ukcip.org.uk/scenarios)

## Section 2

# Putting Sustainable Development into Practice

## Chapter 4

# Putting Sustainable Development into Practice: At Every Level

### Progress we have made

- Published a Strategy for Sustainable Farming and Food in 2002, driven by sustainability principles.
- Integrated sustainable development into the 2004 Spending Review process.
- Integrated Sustainable Development into Regulatory Impact Assessments which are applied to all significant Government policies.
- Completed and subsequently monitored of the Framework for Sustainable Development in Government (SDiG) – to ensure that Sustainable Development is actively pursued on the Government estate.
- Published an agreed set of the Government’s main World Summit on Sustainable Development (WSSD) commitments with associated delivery plans where appropriate.

### *The Challenge*

1. The challenge of Sustainable Development (SD) is to deliver solutions which optimise economic, social and environmental benefits in the longer term. This is the approach that we want to embed across government and in the EU, and where we aspire to lead by example as a Department. This is the approach we promote in our international work. It is also the context of our support for the prosperous development of rural England and for the industries we sponsor – farming, fishing, water and food.

2. The Government published its Sustainable Development Strategy for the UK in 1999: “Achieving a Better Quality of Life”.<sup>1</sup> since then we have made progress on a significant number of fronts.

3. However, performance remains patchy and a number of our existing 15 headline indicators for sustainable development are going in the wrong direction. We must raise our game if we are to embed SD systematically across all key areas of government policy and through all levels of government and the wider public sector.

<sup>1</sup> A better quality of life: a strategy for sustainable development for the UK (HM Government 1999): [www.sustainable-government.gov.uk/uk\\_strategy/content.htm](http://www.sustainable-government.gov.uk/uk_strategy/content.htm)

**Figure 8. Progress made against quality of life indicators since the Government's SD strategy in 1999.**

Assessment of quality of life indicators since 1989		
H1	Economic Output: GDP and GDP per head	
H2	Investment: Total and social investment relative to GDP	
H3	Employment: Proportion of people of working age who are in work	
H4	Poverty: Indicators of success in tackling poverty and social exclusion	
H5	Education: Qualifications at age 19	
H6	Health: Expected years of healthy life	
H7	Housing: Households living in non-decent housing	
H8	Level of crime	Robbery 
		Vehicles and burglary 
H9	Climate change: Emissions of greenhouse gases	
H10	Air Quality: Days when air pollution is moderate or higher	
H11	Road traffic	Traffic volume 
		Traffic intensity 
H12	River water quality: Chemical and biological river quality	
H13	Wildlife: Populations of wild birds	Woodland birds 
		Farmland birds 
H14	Land use: New homes built on previously developed land	
H15	Waste	Housing waste 
		Waste arisings and management 

Significant change, in direction of meeting objective	
No significant change	
Significant change, in direction away from meeting objective	
Insufficient or no comparable data	

4. Some of the key areas for future action are:

- **Planning**– Draft Planning Policy Statement (PPS)1 makes it clear that SD is at the heart of the planning system<sup>2</sup>.
- **Construction** – moving forward with the Sustainable Buildings Code.
- **Education and skills** – focus needs to be on schools and beyond, getting habits right from start and building capacity in the workforce to deliver sustainable solutions; linking to the Egan agenda on skills for sustainable communities<sup>3</sup>.
- **Business** – reshaping markets and incentives to make SD key to business success.
- **Transport** – balancing the economic and social benefits of travel against its environmental costs.
- **Health** – realising opportunities for joint working and developing strong, co-ordinated policies to implement the Public Health White Paper.
- **Procurement** – ensuring sustainability is a key consideration in all public sector procurement decisions.

5. We need to work in partnership with Regional Development Agencies and Government Offices to ensure that regional SD issues are tackled in a way that serves national interests more effectively. We aim to reinvigorate delivery of SD at local level. At community level, we will work with local authorities and other key local partners to enable local communities to take action on SD by inspiring, motivating and supporting new initiatives as part of the national SD Strategy. Taken together, these areas for action will help create, maintain and re-vitalise genuinely sustainable communities across the country.

6. Government action alone will not suffice – though government needs to lead by example. We will be working with DTi on ways of mainstreaming SD into business and will build on the ideas set out earlier in chapter 2.

7. The new UK Sustainable Development Strategy to be published in Spring 2005 will set a guide for the UK government. The accompanying UK Strategic Framework, developed with the Devolved Administrations, will set out a shared purpose and principles for putting SD into practice throughout the UK.

### Defra – leading by example

#### *The Challenge*

8. Defra aspires to set an example to the rest of government on SD and champion it across government, the EU and internationally.

#### *What we will do*

9. We will publish a full SD action plan for the Department next year and want to make it a ‘best practice’ template for other Government departments. We will subject our plan to peer review by other Government departments and the Sustainable Development Commission, and compare ourselves with other similar organisations and best corporate practice. We will establish a new carbon offset scheme for all travel as soon as possible, starting with air travel in 2005.

2 Planning Policy Statements set out the Government’s national policies on different aspects of land use planning in England. The draft PPS1 reflects the duty in section 39 of the new Planning and Compulsory Purchase Act for regional and local plans to be prepared with a view to contributing to the achievement of SD

3 The Egan Review (ODPM 2004) looked at the skills needed to create and maintain sustainable communities where people want to live [http://www.odpm.gov.uk/stellent/groups/odpm\\_urbanpolicy/documents/page/odpm\\_urbpol\\_028549.hcsp](http://www.odpm.gov.uk/stellent/groups/odpm_urbanpolicy/documents/page/odpm_urbpol_028549.hcsp)

10. We will pursue sustainable development through our relationship with the industries we sponsor. Within the framework of the overarching Strategy for Sustainable Farming and Food, we are working with the farming industry and others to improve farming's competitiveness, reduce pollution, enhance our countryside, and provide safe nutritious produce with high standards of animal health and welfare. In the case of the food chain beyond the farm gate, we are working with the industry on a new sustainability strategy which will improve performance in economic, environmental and social terms. As part of this, we are currently discussing voluntary energy, water and waste targets with the sector which would help to decouple its environmental performance from economic activity. We are

engaging with the fishing industry on options for securing a sustainable future through sustainable management of fish stocks. For the water industry, our aims are to achieve a sustainable balance between water supply and demand and to ensure the industry plays its full part in the implementation of the Water Framework Directive whose objectives (see chapter 6) are firmly grounded in sustainable development. In addition, and as a result of changes introduced by the Water Act 2003, we will be requiring the economic regulator for the water industry, Ofwat, to carry out its duties in a way which will contribute to the achievement of sustainable development. This can be backed up by the new power to issue social and environmental guidance to the regulator.

#### Key components of our approach in Defra are:

- For our core Department to be 'best in class' on key elements of the Framework for Sustainable Development on the Government Estate, benchmarked against similar departments. Where we are falling short we will set a clear timetable for reaching this goal. Specific targets are:
  - All replacement pool cars will be alternatively-fuelled vehicles.
  - Defra will only buy recycled paper.
- To adopt the Sustainable Buildings Code at the earliest opportunity, once it has been finalised.
- To establish a new carbon offset scheme for all Defra travel. We will start with air travel in April 2005 which will raise awareness and reduce the environmental impact of air travel, and generate investment for sustainable projects.
- To build on the successful work with other departments on timber and food to help them develop sustainable procurement strategies through the establishment of a dedicated sustainable procurement unit in the Defra procurement team.
- To use our industry sponsorship to promote sustainability.
- To require the use of the sustainability checklist in all Regulatory Impact Assessments issued by Defra (all of which are subject to outside scrutiny).
- To provide all Defra staff with the skills they need to ensure that they take an SD approach in their day-to-day business and engage them to be ambassadors for SD at work and at home.
- To continue the progress Defra has made as an employer by further developing policies on diversity, equal opportunities, Investors In People, volunteering and work-life balance, Elevator Partnerships<sup>4</sup> and Releasing Talent<sup>5</sup>.

<sup>4</sup> Elevator Partnerships is a mentoring system for junior women managers

<sup>5</sup> Releasing Talent is a Defra development programme for junior staff

## In Europe

### *The Challenge*

**11.** In Europe, our aim – which will be a key focus for action in our EU Presidency – will be to drive actions to achieve sustainable development. The forthcoming review of the European Sustainable Development Strategy is an important opportunity to integrate the EU's global commitments, and to concentrate on delivery to combat climate change, manage natural resources responsibly, move towards more sustainable transport and address threats to public health.

### *What we will do*

**12.** Eco-efficient technologies can make a significant contribution to the knowledge-based economy at the same time as helping to tackle environmental issues. We will exploit every opportunity to raise the EU's long-term growth potential whilst moving towards a low carbon, more resource-efficient economy and pursuing the elimination of environmentally harmful subsidies. And we will promote better policy making and better regulation through rigorous impact assessments and sound consultation and public participation.

**13.** As nationally, sustainable development will only be realised in the EU if Councils other than the Environment Council build environmental considerations into their policy-making process. We will make this a priority for our Presidency, focusing on actions to integrate environment into specific transport, agriculture, fisheries, energy, health and education policies. For example, the Secretary of State has decided to make climate change a top priority for our

Presidency of the EU and is holding a joint meeting of Agriculture and Environment Ministers to explore the theme of climate change and agriculture.

**14.** The EU can and should be a leader in promoting sustainable development and environmental protection. We will use our Presidency to advance the EU's support to the countries of Eastern Europe, Caucasus and Central Asia to assist them to implement their environment strategies.

## Internationally

### *The Challenge*

**15.** We need to accelerate action globally to deliver commitments made at the World Summit on Sustainable Development (WSSD) in key areas such as sustainable consumption and production, and biodiversity. Success will require close co-ordination with the Foreign and Commonwealth Office, DfID and DTi.

### *What we will do*

**16.** We will work hard to make sure we are prepared for the United Nations (UN) Commission on Sustainable Development's April 2005 session, focused on delivering WSSD commitments on water and sanitation, as well as the UN's High Level Review of the Millennium Declaration and related Summits in the Autumn. We also want to make the EU a leader on the global stage by ensuring it takes action on WSSD commitments, Millennium Development Goals and climate change targets, both before and following the UN Summit in September 2005.

### World Summit on Sustainable Development – commitments

*The Johannesburg Plan of Implementation adopted at the WSSD in August/September 2002 calls for a step change in delivery of key international sustainable development commitments in the following areas, the first six of which are led by Defra and included in our PSA1:*

- Sustainable consumption and production patterns
- Biodiversity – to significantly reduce the rate of biodiversity loss by 2010
- Fisheries
- Marine issues
- Chemicals
- Agriculture
- Renewable energy and energy efficiency
- Integration of environmental issues into poverty reduction processes
- Water and sanitation
- Access to energy
- Finance – the Monterrey Consensus
- Corporate Social Responsibility
- Trade – the Doha Development Agenda
- International sustainable development governance
- Partnerships
- Human Rights

**17.** Challenges for a sustainable future are equally daunting in the developing world. Poverty and environmental degradation feed on each other. Unless we tackle both we fail at both. We will work with DfID, other donors and the international financial institutions to help developing countries to address poverty and environment links in their Poverty Reduction or SD Strategies and in DfID's bilateral assistance programmes. This agenda will never succeed if imposed from the top and key elements of success will be strengthening the capacity of communities to help themselves, providing the knowledge and tools for SD and working in close partnership with other stakeholders and the private sector.

**18.** The international dimension of the UK's drive towards SD will be fully integrated into the new UK SD Strategy.

Key outcomes	How we will do this
<p>Sustainable development promoted across Government and in the UK and internationally, as measured by:</p> <ul style="list-style-type: none"> <li>● the achievement of positive trends in the Government's headline indicators of sustainable development;</li> <li>● the UK's progress towards delivering the WSSD commitments, notably in the areas of sustainable consumption and production, chemicals, biodiversity, oceans, fisheries and agriculture.</li> </ul>	<ul style="list-style-type: none"> <li>● <i>Produce a new UK framework on SD and a new UK strategy, underpinned by indicators, in spring 2005 incorporating both domestic and international actions</i></li> <li>● <i>Produce a new Defra SD action plan including new targets and standards on embedding sustainability and the Defra travel carbon offset scheme in April 2005</i></li> <li>● <i>Review of European SD Strategy</i></li> </ul>

## Chapter 5

# Putting Sustainable Development into Practice: in Rural Communities

### Progress Government has made since the 2000 Rural White Paper:

- Provided £150m per annum to stop avoidable rural post office closures.
- Issued new guidance to local education authorities on rural school closure.
- Created a special £30m per annum fund to support rural policing.
- Funded 109 one stop primary care centres serving rural areas.
- Dedicated spending on rural transport of £240m in the three years to 2003-4, up from £155m in the previous three years.
- Provided over 1,000 rural communities with a Vital Villages grant to help them improve local services.
- Developed the Quality Parish Council Scheme to raise the standards of the tier of government closest to local people – over 600 parish clerks are currently studying for a Certificate in Local Council Administration.
- Supported 235 market towns under the Market Towns Initiative with over £37million of Defra funding delivered through the Countryside Agency and Regional Development Agencies.

### Introduction

1. The creation of Defra – the first time a Government department has had a specific remit to look after rural concerns – has allowed a much better understanding of the needs of rural areas. That is reflected in the benefits already being delivered on the ground to those who live and work in rural England.

### The Challenge

2. Going forward, the challenge is to support sustainable rural communities. That means enabling affordable housing, a high quality local environment and access to local services. It means boosting economic performance in the

areas which lag behind the relative prosperity of the majority of rural areas. It means tackling rural social exclusion, wherever it occurs. And it means protecting and enhancing the countryside and coastal areas which are vital to the health of the rural economy. This cannot be delivered by central Government alone – visionary local leadership is a prerequisite.

### What we are doing

3. The Rural Strategy 2004<sup>1</sup> set out how we proposed to tackle many of those challenges. Building on Lord Haskins' recommendations, we will establish new, more effective delivery arrangements for rural areas – with greater devolution, and a key role for Regional

<sup>1</sup> The Rural Strategy 2004 (Defra July 2004) [www.defra.gov.uk/rural/strategy/default.htm](http://www.defra.gov.uk/rural/strategy/default.htm)

Development Agencies, so decisions are taken nearer to those they affect. We are establishing two new independent Non-Departmental Public Bodies (NDPBs): a new, smaller and more focussed Countryside Agency and an Integrated Agency, bringing together the existing functions of English Nature, the Rural Development Service and the Countryside Agency's functions on access and landscape. More detailed plans will be set out in draft legislation which we plan to publish around the end of January 2005.

#### *What we will do*

4. Our priority is to focus regeneration resources and action more intensively on 'lagging areas', where poor economic performance is very often coupled with social deprivation. This means working closely in partnership with the regional

and local agencies that deliver regeneration. To this end Defra is increasing the funding it devolves to the RDAs and the Government Offices in the regions. One element of this is the funding currently channelled through the Countryside Agency through, for example, its Vital Villages<sup>2</sup> programme (to support local services) and its support for Rural Community Councils and the rural voluntary sector. At the same time, we will streamline our programmes to support rural activity by replacing some 100 schemes with three major programmes while simplifying systems and improving business advice services. This will make it easier for customers to get financial help from Defra.

### **CUSTOMER FOCUS – Simplified Funding Streams**

We want to make support for protection of the natural environment and social and economic regeneration simpler, more effective and more responsive to local conditions and the needs of our customers. We have announced plans to replace some 100 separate funding arrangements with 3 major funding programmes. The three funds will be focussed on regional and local priorities to:

- support *economic development and regeneration*, targeted on under-performing areas and access to services, and deliver a more market-oriented and *sustainable food and farming industry*. This will be led by Regional Development Agencies
- strengthen the role of the voluntary and community sector in tackling rural social exclusion and building community capacity and thus deliver our goal of creating *sustainable rural communities*. This will be done through Rural Community Councils, supported by Government Offices
- protect *natural resources* to achieve sustainable and environmentally beneficial land management and improve the accessibility of the countryside for all to enjoy. This will be led by the Integrated Agency.

There will be a particular emphasis on providing support where there is greater deprivation or greatest environmental benefit. Together, these three funding streams will be a powerful tool in promoting the sustainable development of our environment, rural communities and businesses.

<sup>2</sup> The Vital Villages programme provides grants to local communities to help them take charge of their future e.g. by helping prepare parish plans or establishing rural transport partnerships

5. Through the Government Offices we will be working with local partners to join up the wide range of support designed to tackle rural disadvantage and social exclusion. In particular we will pilot innovative new approaches to delivering rural policy in eight pathfinder projects led by local government, from Lancashire to Dorset.<sup>3</sup> These pathfinders will investigate how to improve coordination of rural delivery at local level, how to get more value out of the wide range of funding streams available and establish local priorities for their deployment, and how to bring strong local leadership to bear in tackling rural disadvantage. When those pilots are complete, in 2007, we will evaluate the lessons and apply them across the country. Dorset has also been chosen as a pilot for a Local Area Agreement between central and local government and we will explore the links between these two initiatives to ensure we maximise benefits.

6. We know that government on its own cannot deliver rural regeneration. Perhaps the most important task is to enable and encourage rural communities themselves to play a full part in identifying their own needs and coming up with sustainable solutions. We need an environment in which many more services delivered to rural communities reflect ideas and solutions developed by the best performing public, private and community-run services. This means helping ensure genuine responsiveness to local needs through, for example:

- making the best use of buildings for the co-location of services and tackling any practical or legal barriers to this;
- flexibility around how national services fit into local delivery models, so that, for example, postal services can be delivered in places other than post offices, e.g. village halls or pubs, and offering services other than postal services, e.g. Post Office Ltd's partnership with the Norfolk Police;

- making best use of new technology, such as broadband, for innovative service delivery; and
- ensuring that strong local partnerships are forged and nurtured between, for instance, parish councils, service providers and building owners.

7. We see a strong future role for social enterprise. Social enterprise models have already worked to keep village shops open and support other local activity. We are working toward a comprehensive policy statement on how we will encourage social enterprise to flourish in rural areas. That will commit us to a programme of action, working across government and other organisations to ensure that the needs of the sector are addressed and working with existing social enterprise to ensure that good practice is spread and that successful models are replicated.

8. Vibrant rural communities need high quality public services. We are working with other Government departments to ensure that rural needs are always taken into account. The 2004 Spending Review included commitments to rural proofing and we are working with departments to ensure their reporting against Public Service Agreements shows how services perform for rural customers.

9. In addition to Defra's continuing role on rural proofing at national level, the Government Offices will establish a framework to ensure that this rural proofing takes effect at regional and local level. The New Countryside Agency, to be established by April 2005, will provide impartial advice to Government and act as watchdog and advocate for rural people in assessing whether Government policy and action are making a real difference to rural communities.

<sup>3</sup> The pathfinder areas are: Dorset; Hampshire; Shropshire; Lancashire; Cambridgeshire, Norfolk & Peterborough Fens; East Riding, North Lincolnshire & North East Lincolnshire; Derbyshire Dales & High Peak. The pathfinder area in the North East is being announced shortly

## Affordable rural housing

### *The Challenge*

**10.** In all our discussions with rural residents, one theme comes out above all others, the need for affordable housing. Rural residents want their children to be able to afford to live in the towns and villages where they were brought up, and rural businesses and public services cannot operate without housing for their employees.

### *What we are doing*

**11.** Further action needs to build on what we have already achieved working jointly with ODPM. Together we have:

- Encouraged the Housing Corporation to exceed its targets for approvals of affordable homes in small rural settlements (of less than 3000 people) in each of the three years to 2003/04.
- Increased the target for the years 2004-06 to 3,500 rural affordable homes.
- Made sure that rural authorities could implement requirements of the Homelessness Act and the Priority Need Order by ensuring they received over £4 million to meet these requirements.
- Introduced restrictions on the resale of Right To Buy homes in the 7 National Parks, the 37 Areas of Outstanding Natural Beauty, and 35 areas designated as rural for this purpose.
- Changed the Right to Buy rules in the new Housing Act 2004 to discourage buyers looking to sell on quickly.

### *What we will do*

**12.** We intend, first, to support the delivery of new affordable housing by building on the current Rural Housing Enabler scheme<sup>4</sup> that has been supported by the Countryside Agency. We will do this by making the funding for these posts more flexible, enabling Rural Community Councils and other key rural groups to contribute to developing solutions that meet their local needs. This forms part of the work on simplifying rural funding streams. At local level this will help overcome the obstacles that hinder the provision of rural affordable housing.

**13.** We will make certain that the Regional Housing Strategies are effectively rural proofed. We have already worked with OPDM to make rural proofing a requirement for Regional Housing Boards, and we will be ensuring that the expertise to do this is embedded in the Government Offices for the Regions.

<sup>4</sup> The Rural Housing Enabler Scheme provides grants of up to 50% to meet the cost of a Rural Housing Enabler post. The role of a Rural Housing Enabler is to work with rural communities, local planning offices, landowners and registered social landlords to increase the supply of affordable housing in villages

**Working in partnership with the ODPM, we will deliver a step forward in provision of affordable housing:**

- We listened to rural voices when we consulted on changes to planning policy, and have agreed not to remove the rural exception policy, which people felt was important to delivering rural housing.
- We will also go further to improve planning policy guidance (PPG3) as proposed, by enabling the development of rural affordable housing in sites that would otherwise not be available for development – homes that will meet the agreed needs and special circumstances of rural areas.
- The Spending Review considerably increased funding for affordable housing across the country, which will benefit rural and urban communities. We will explore ways to improve the cost effectiveness of smaller developments so rural areas are not disadvantaged in our push for value for money.
- In devolving responsibility for preparing regional housing strategies to the regions, we will ensure that the important recent increase in delivery of rural affordable housing is maintained. The emphasis may change to meet regional priorities, however, rural people will not be left behind.

Key outcomes	How we will do this
<p>Vibrant enterprise across rural England, with resources better targeted to reduce gap in productivity between least well performing quartile of rural areas and the English median.</p>	<ul style="list-style-type: none"> <li>● <i>Replace 100 separate rural funding streams with 3 major programmes better focused on need</i></li> <li>● <i>Devolution of decision-making to RDAs, within prioritised delivery frameworks led by Government Offices</i></li> <li>● <i>Establishment of new Countryside Agency to act as rural watchdog</i></li> <li>● <i>Programme of action to allow the social enterprise sector to flourish</i></li> </ul>
<p>Rural social exclusion tackled wherever it occurs, with fair access to services and affordable housing.</p>	<ul style="list-style-type: none"> <li>● <i>Improved planning guidance with rural needs incorporated</i></li> <li>● <i>Regional emphasis</i></li> <li>● <i>Increased funding</i></li> <li>● <i>Increased allocations</i></li> </ul>

## Chapter 6

# Putting Sustainable Development into Practice: Protecting Natural Resources

### Progress we have made:

- Best ever quality of drinking water – 99.88% of drinking water in England and Wales meets EU standards.
- In recent years we have had the cleanest bathing waters on record – around 98% have passed EU standards, up from 88% in 1997.
- Substantial improvements in river water quality since 1990 – the number of rivers of good biological quality has increased from 60% to 69% and the number assessed as being of good chemical quality increased from 43% to 62% between 1990 and 2003.
- Improvements in the condition of land classified as Sites of Special Scientific Interest (SSSI) – 65.7% of all SSSIs are now in favourable or recovering condition, compared to 59.6% in March 2003<sup>1</sup> – we are moving forwards our PSA target of 95% of SSSIs in favourable condition by 2010.
- Designation of the Royal Botanic Gardens at Kew as a World Heritage Site in 2003 by the United Nations Educational Scientific and Cultural Organisation (UNESCO), recognising Kew's unique contribution to plant-biodiversity.

### Introduction

1. We will continue to protect and enhance the natural environment, thus ensuring environmental, social and economic benefits now and for future generations. This means adopting a comprehensive approach, recognising that the qualities of our land, air and water are mutually dependent, and do not exist in isolation. The creation of the Integrated Agency will be instrumental in achieving this new approach. It will build on the existing strengths of English Nature, the Countryside

Agency and the Rural Development Service, by identifying and fostering multiple benefits. The Agency will have special regard to promoting biodiversity (on land, in rivers, and in the sea), enhancing landscapes, developing public access and enjoyment of the countryside, and improving soil and water through encouraging better land management. The Agency will work with organisations and individuals, at all levels, to establish its evidence base, and to identify opportunities for action.

<sup>1</sup> March 2003 is the baseline for measurement against our PSA target. This is when English Nature completed an assessment of SSSIs.

## Understanding our impact on the natural environment

### *The Challenge*

2. Research, monitoring and indicators all have a role to play in increasing the understanding of our effect on the natural environment and producing techniques that mitigate those effects.

### *What we will do*

3. We will take a systematic approach to developing an evidence base that:

- collates existing research to identify shortfalls in understanding;
- conducts a strategic assessment of future research needs, including horizon scanning;
- identifies and co-ordinates evidence requirements across all policy areas;
- establishes protocols for the monitoring of sensitive environments;
- produces a set of indicators that allow for a greater understanding of the bigger picture.

4. We will work with stakeholders and other Government departments to use the evidence to develop a framework for assessing cumulative impacts and provide the basis for the new tasking framework for the Integrated Agency.

## Managing our impact on the land

### *The Challenge*

5. On land, one of the big challenges comes from accommodating development pressure for additional housing and related infrastructure.

### *What we are doing*

6. Defra is developing its evidence base to ensure the impacts on natural resources are properly assessed. We are working with ODPM, HM Treasury, DfT and local government to ensure that Growth Areas are developed in ways that maximise environmental benefits, while minimising adverse impacts to society from long-term unsustainable use of our natural resources, such as soil and water. New development must also address the need to manage flood risk.

### *What we will do*

7. With industry we are developing the Code for Sustainable Buildings. We will work closely with local authorities and developers to ensure that a full-scale demonstration of how the code will be applied in practice is available across the Thames Gateway, and a range of other locations. The Code will be rolled out nationally in 2006.

8. Similarly, the Government's responses to the Egan<sup>2</sup> and Barker<sup>3</sup> reports offer further opportunities to embed a genuinely sustainable approach to land use, planning and construction, and equip planners, engineers, architects and those involved in construction with the skills they need to translate that approach onto the ground.

## Improving water quality

### *The Challenge*

9. Water quality has improved considerably in recent years. Between 1990 and 2003, the number of rivers of good biological quality increased from 60% to 69% and the number assessed as being of good chemical quality increased from 43% to 62%, mainly as a result of water industry investment to achieve Defra's environmental objectives and controls on other point sources of pollution. In recent years we have also had the cleanest bathing water on record – since 1997 compliance with the main

<sup>2</sup> The Egan Review – Skills for Sustainable Communities ODPM (2004)

<sup>3</sup> Barker Review – Delivering stability: securing our future housing needs HM Treasury (2004) [www.hm-treasury.gov.uk/media/0F2/D4/barker\\_review\\_report\\_494.pdf](http://www.hm-treasury.gov.uk/media/0F2/D4/barker_review_report_494.pdf)

Bathing Water Directive standard has increased by 10% to around 98%. But there is still more to be done if our rivers, estuaries and lakes are to achieve their full environmental and ecological potential, and contribute to an improved living environment.

### What we are doing

10. The main mechanism for improving water quality for the future is the EU Water Framework Directive. Agreed in 2000, this sets demanding new ecological and chemical standards for rivers, estuaries, coastal waters and groundwater across the EU. It requires river basin management plans to be drawn up with active involvement of all interested parties by 2009. Programmes of measures must be operational by 2012 with the aim of achieving the environmental outcomes by 2015. Compared with previous directives, Member States have more flexibility over the choice of measures, and there is more scope for economic analysis in selecting the most appropriate measures. Implementing the Directive requires extensive linkages with other policy areas, including tourism and recreation, biodiversity and land use planning. There are challenges for many sectors, including agriculture. The continued pressure on water resources from additional housing and commercial development is another important issue.

11. Defra and the EA are well down the road of implementation, in particular through assessing the pressures on the water environment in relation to the Directive's objectives and piloting possible approaches for involving stakeholders in drawing up river basin management plans.

## Halting the loss of biodiversity

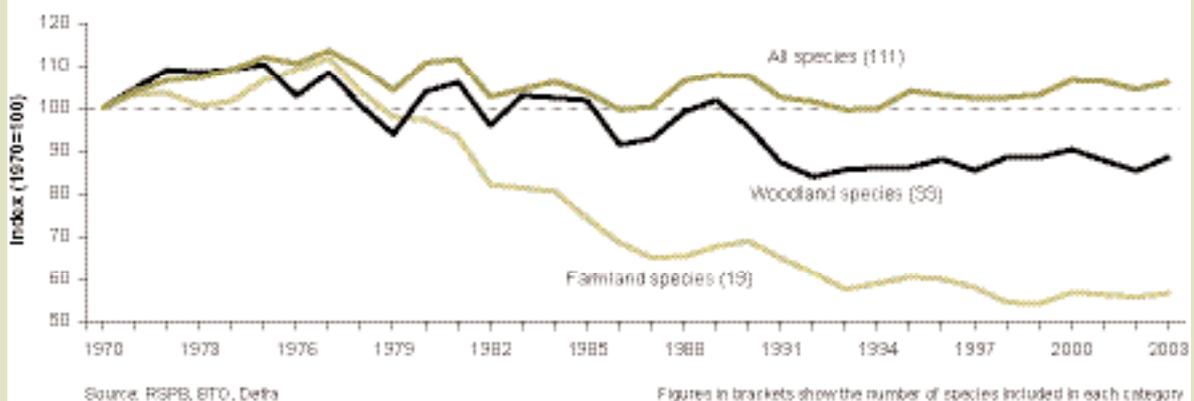
### The Challenge

12. In the next five years we must work hard to achieve the extremely challenging Gothenburg target of *halting* the loss of biodiversity by 2010. This goes further than the Johannesburg target of *reducing* the loss of biodiversity by 2010. Domestically, the obstacles to achieving this are:

- maintaining political profile;
- filling information gaps;
- ensuring *real* integration into other policies;
- making the economic and social cases for biodiversity; and
- sustaining momentum – from strategies to action.

**Figure 9. Population of UK wild birds:1970 –2003.**

The overall population of breeding birds has been relatively stable over the last two decades, but the situation needs to be improved for particular groups such as farmland and woodland species.



### *What we are doing*

13. Work to protect the variety and diversity of wildlife is being taken forward under the England Biodiversity Strategy, *Working with the Grain of Nature*<sup>4</sup>. This includes protecting Sites of Special Scientific Interest (SSSIs)<sup>5</sup> against damage, habitat restoration and action at a landscape scale to secure the recovery and maintenance of healthy and resilient ecosystems. We are embarking on reviews of the priority species, habitats list and targets under the UK Biodiversity Action Plan. This includes reviewing progress on species and habitats action plans. We are also integrating wildlife considerations into our policies on agriculture, water, woodland and the marine environment, and into plans for improving the local environment in urban communities. An example of this is our approach to flood risk management – our policy in this area will be reinforced by the new Environmental Stewardship scheme, helping to provide benefits not just for flood alleviation, but also for biodiversity and water quality (see chapter 3).

### *What we will do*

14. We will enable everyone who holds rights over common land to manage that land more sustainably. This, along with the new Environmental Stewardship scheme, will make a significant contribution to meeting the PSA target for bringing 95% of SSSIs into favourable condition by 2010 (20% of all SSSIs are found on common land). To do this will require legislation and we intend to publish a draft Bill on commons in the summer of 2005.

## Marine resources and fisheries

### *The Challenge*

15. The management and protection of our marine resources and coastal environment around the UK is currently difficult to deliver in a way which takes account of all the various (and

potentially conflicting) ways in which people want to use and enjoy them. Despite the undoubted benefits of Strategic Environmental Assessment, it can be difficult within the current framework to make strategic decisions about competing uses.

16. There is increasing concern over the sustainability of global fishing practices, the need to protect vulnerable marine species and habitats, the plight of key fish stocks and of the industry which depends on them. Addressing this, we agreed important commitments with our partners at the World Summit for Sustainable Development in Johannesburg in September 2002. These include implementation of international fisheries agreements and action plans in order to tackle problems such as overcapacity and illegal, unregulated and unreported (IUU) fishing, and the commitment to establish a representative network of marine protected areas by 2012.

17. Closer to home, the EU's Common Fisheries Policy (CFP) has demonstrated serious weaknesses and unsustainable fishing practices have resulted in the depletion of some key stocks crucial to the UK fishing industry and have left the whitefish sector of the fishing industry struggling economically. The Prime Minister's Strategy Unit's Net Benefits report<sup>6</sup> on the UK fishing industry analysed the issues facing the fishing industry and concluded that it could have a sustainable and profitable future provided a number of major challenges are met. This will involve the development of a more responsive, sophisticated fisheries regime at the UK and EU levels to reduce adverse impacts on target and non-target species.

### *What we will do*

18. We will improve the current framework for managing and protecting all our marine resources through a Marine Bill, which we hope to introduce some time in the next Parliament.

<sup>4</sup> Working with the grain of nature: a biodiversity strategy for England, Defra (2002) [www.defra.gov.uk/wildlife-countryside/ewd/biostrat/index.htm](http://www.defra.gov.uk/wildlife-countryside/ewd/biostrat/index.htm)

<sup>5</sup> SSSIs are the country's very best wildlife and geological sites. They include some of our most spectacular and beautiful habitats – large wetlands teeming with waders and waterfowl, chalk rivers, gorse and heather-clad heathlands, flower-rich meadows, shingle beaches and uplands moorland and peat bog

<sup>6</sup> Net Benefits: A Sustainable and Profitable Future for UK Fishing, Prime Minister's Strategy Unit [www.strategy.gov.uk/output/Page3854.asp](http://www.strategy.gov.uk/output/Page3854.asp)

This will provide the framework within which those who regulate marine activities can ensure the sustainable use and protection of our marine resources and will help us to apply the eco-system approach<sup>7</sup> to the management of our marine resources. The framework will allow the different uses of the sea – including wildlife protection, offshore wind and other industries – to develop harmoniously.

19. We are also considering, amongst other alternatives, setting up a new marine agency, in line with the Environment, Food and Rural Affairs Select Committee’s recommendation for a coordinating marine agency following its recent marine inquiry. We will be discussing how marine and coastal management might work on an inter-departmental basis within the context of a pilot marine spatial planning exercise. This pilot project is already underway and will be completed in 2005 – the Year of the Sea. We will use this opportunity to review the Integrated Agency’s role in the marine environment to ensure we deliver this.

20. The UK needs to work within a reformed Common Fisheries Policy to achieve a higher

standard of EU fisheries management based on greater regionalization and increased stakeholder participation, on reducing damage to marine biodiversity, on incorporating the ecosystem approach, and on integrating fisheries management more closely into management of the marine environment as a whole. Defra and the devolved administrations are aiming to produce their responses to the Prime Minister’s Strategy Unit’s report by spring 2005.

21. We believe the right way forward on fisheries will combine short term actions with actions to be developed in the medium and long term and we are currently working with stakeholders to establish a permanent partnership for developing and implementing fisheries policy. As a first step £1 million per year is being provided for the Fisheries Science Partnership, to be renewed for a further 3 financial years. Under this scheme scientists work in co-operation with fishermen, to develop a joint understanding of what is happening to fish stocks and the impact of fishing on those stocks.

Key outcomes	How we will do this
<p>Protect and enhance the natural environment, now and for future generations and establish a robust framework for future development decisions that respect environmental constraints.</p>	<ul style="list-style-type: none"> <li>● <i>Establishment of the new Integrated Agency, taking on functions of English Nature, the Rural Development Service (RDS) and access and landscape functions of Countryside Agency within a clear sustainable development remit – draft Bill to be published early in 2005</i></li> <li>● <i>Framework for assessing cumulative human impacts on our environment</i></li> <li>● <i>Commons Bill to help us manage common land more sustainably</i></li> <li>● <i>Marine Bill to provide a new framework for sustainable management of marine resources</i></li> <li>● <i>Development of a more sophisticated fisheries policy in response to the Prime Minister’s Strategy Unit’s ‘Net Benefits’ Report</i></li> </ul>

<sup>7</sup> The eco-system approach is a holistic way of looking at all our resources. It is defined in the Convention on Biological Diversity.

## Chapter 7

# Putting Sustainable Development into Practice: in Farming, Food and Animal Health and Welfare

### Progress we have made:

- Published a new strategy for sustainable farming and food in 2002.
- Reform of the CAP – ending the link between production and direct subsidy, freeing our farmers to respond to the demands of the marketplace.
- Supported the creation of new organisations and standards to encourage farmer co-operation (English Food and Farming Partnerships), improve farm assurance (Assured Food Standards) and secure efficiencies in the food chain (Food Chain Centre).
- Identified a clear set of principles and a transparent framework to achieve a sustainable future against the impact of animal diseases, through the publication in 2004 of the Animal Health and Welfare Strategy.
- Received confirmation from the European Food Safety Agency that, by the end of 2004 at the latest, the UK should be considered to be in the same risk category for BSE<sup>1</sup> as most other Member States.
- Started managed transition to replace the Over Thirty Month rule with rigorous tests.
- Introduced the UK's Pet Travel Scheme in 2000 which allowed exemption from quarantine requirements for cats and dogs visiting from certain countries; the scheme has proved very popular with owners travelling with their pets.

<sup>1</sup> BSE – Bovine Spongiform Encephalopathy

## Farming

### *The Challenge*

1. Our farming industry is a key partner in producing the major part of this country's food requirements, providing an attractive, well managed countryside and contributing to the rural fabric. A competitive, profitable and sustainable farming industry also has a crucial role in enhancing biodiversity and protecting soils, water and other natural resources on 70% of England's land area. Farming contributes to sustainable rural communities, and to the nation's economic prosperity through a sustainable and competitive food chain which forms 8% of the British economy.

2. The Strategy for Sustainable Farming and Food, developed with the industry in 2002 following on from the Curry Commission<sup>2</sup>, is a comprehensive, long term plan for future development. The Strategy sets out the goal of a profitable industry freed from the historic constraints of the CAP, able to compete freely in the market and making a positive contribution to our countryside, the use of our natural resources and providing safe, healthy, nutritious food.

### *What we are doing*

#### **New relationship with farming**

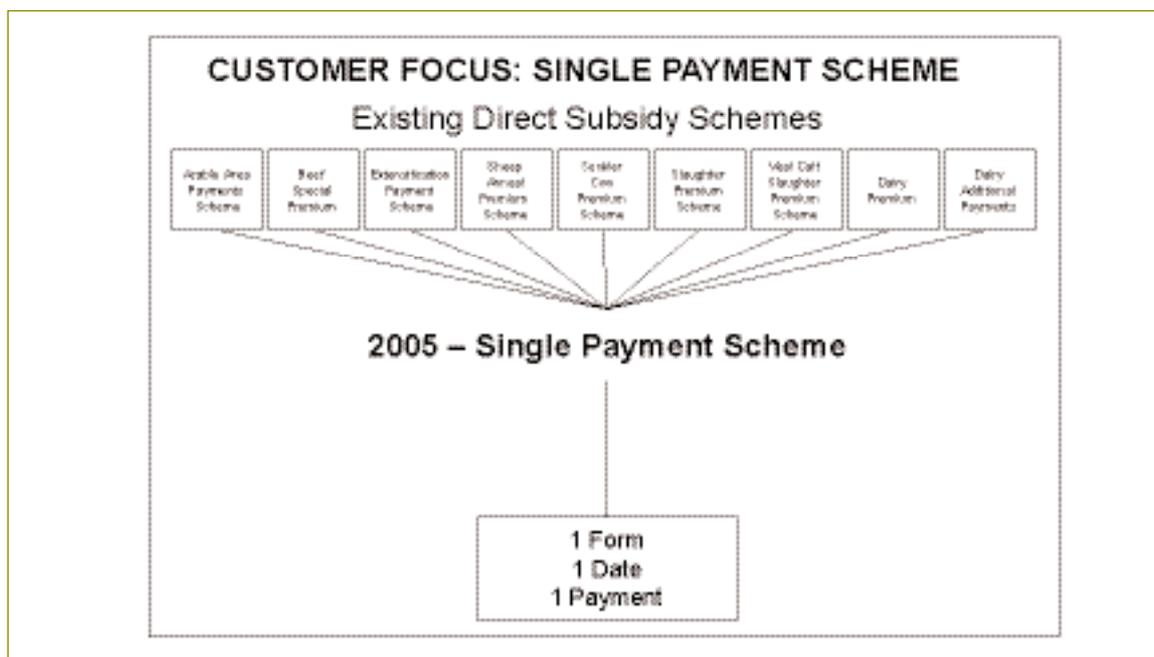
We believe that the changes in store will deliver a fundamentally new deal for farming. Farmers will:

- have radically simplified payments from Defra;
- be free to respond to the market;
- have a single gateway to Government for payments, information and compliance with regulations, through the Whole Farm Approach;
- have access to regionally-based, clearly signposted advice and business support.

But in exchange farmers will be expected to deliver the key public goods of land management and biosecurity, things which many farmers have long regarded as core to their role.

3. From 2005 the reforms agreed in Luxembourg in June 2003 will free our farmers from much of the bureaucracy and perverse incentives of the current CAP. The new decoupled Single Payment Scheme will mean farmers no longer produce for the subsidy but will produce what the market will reward while meeting baseline environmental standards as a condition of payment. The new CAP represents a radical simplification for farmers. The previous range of schemes each with separate regulations, payments, dates and form filling will be replaced by one form, one set of rules, one date, and one payment.

<sup>2</sup> Policy Commission on the Future of Farming and Food (2002), chaired by Sir Donald Curry



4. We remain strongly committed to the Curry Commission's approach of helping farmers reconnect with the market. Just two years after the launch of the strategy a great deal of progress has been achieved. Among a number of workstreams, we would single out: the help for farmer co-operation, through English Farming and Food Partnerships<sup>3</sup>; the progress of farm assurance, through Assured Food Standards<sup>4</sup>; the work by the Food Chain Centre<sup>5</sup> on securing efficiencies in the food chain; and the establishment of the National Non-Food Crops Centre which is helping to take forward the non-food crops strategy published by Defra and DTi in November 2004.

#### *What we will do*

5. The fundamental challenge for the future is to continue to deliver; to work with the industry to make a reality of the far-reaching changes we have already announced. On the international

stage, liberalising agricultural trade has an important contribution to make towards poverty alleviation and improving wealth in rich and poor countries alike. We will work to secure reform of the remaining highly market-distorting regimes such as sugar and dairy, to cut the overall cost of the CAP and to secure better value by improving its efficiency, reducing its regulatory burden and steering it further towards the purchase of public benefits such as environmental protection. We will continue to work with the EU and globally for the elimination of all forms of export subsidy, sustainable cuts in import tariffs and sustainably increased market access to agricultural produce by building on the recent progress in the Doha Development Agenda. We will use our Presidency of the EU next year to move this agenda forward.

<sup>3</sup> English Farming and Food Partnerships, launched in 2003, work to strengthen the profitability, competitiveness and sustainability of England's farming, food and related rural industries

<sup>4</sup> Assured Food Standards is the independent organisation set up to manage the little red tractor stamp of approval

<sup>5</sup> The Food Chain Centre's mission is to support the most efficient UK food chain with the most effective flow of information

6. As set out in chapter 2, we want farmers to go beyond baseline environmental standards. The new Environmental Stewardship scheme, which we hope to launch in 2005, will reward farmers for their contribution to enhancing the value of the countryside through responsible management of the landscape and natural resources. We also need to address the problems of agricultural pollution, particularly diffuse water pollution and ammonia emissions from nutrients which are causing significant damage to sensitive habitats.

7. Farmers need to connect better with consumers and their local communities, for example by supplying the growing demand for nutritious, local, regional and organic foods. Closer links with tourism and other local small business sectors can provide opportunities for farmers to develop new ventures and connect with local initiatives.

## Helping farmers through change

### *The Challenge*

8. There will be many changes in the next few years which will have an impact on all farming businesses. Small farming businesses, of which there are many across the country, will find change on the scale we envisage a major challenge.

### *What we are doing*

9. We are working with and supporting industry forums for the redmeat, dairy and cereals sectors to help them identify key challenges and solutions. We have established new cross-sectoral bodies to identify and promulgate improvements to food chain efficiency and opportunities for farmers to extract more value from the chain. We will encourage provision of good business and environmental advice for farmers to help them adapt to society's new demands.

10. In addition, Defra is piloting a new Whole Farm Approach for regulation which will transform the way in which farmers interact with the Department and other regulators. The aim is to build contacts around normal farming operations and vastly improve co-ordination of on-farm inspection activity. At the same time, we are reviewing the performance of farming regulation to improve its efficiency and effectiveness, cut bureaucracy, and make it more customer focused. We are collecting evidence from the farm regulatory bodies and farmers' groups, and will publish a strategy for farm regulation in November 2005.

## **CUSTOMER FOCUS – Whole Farm Approach**

The Whole Farm Approach is being developed in close cooperation with stakeholders as a means of providing an integrated solution to support the farming industry across the entire range of its activities. It will provide a more customer-focused relationship between Defra and the farming industry. The key elements are:

- saving time on form filling and stopping repeated requests for the same information;
- cutting down bureaucracy and providing a mechanism for registering for exemptions and licences;
- enabling farmers to provide us with the evidence of good practice that will reduce their risk of being selected for inspection;
- providing instant access to up to date help and guidance.

Taken together this will mean farmers will have 'one face from Government' instead of un-coordinated contact from multiple regulators.

*What we will do*

11. We will initiate a fundamental review of the role of the agricultural and horticultural levy boards, to look at how these bodies can best support the development of the industry, to meet the requirements of levy payers and the wider public. The review will aim to identify opportunities for efficiencies, better customer service and better integration and will report in 2005. We will also consider promoting legislation to modernise the institutional and legislative frameworks governing agriculture where these no longer serve the industry in meeting today's challenges.

**A sustainable food industry***The Challenge*

12. The food industry beyond the farm gate is a major contributor to, and will be a major beneficiary of, these initiatives to transform farming. Defra's responsibilities for the whole of the food chain enable it to bring together all parts of the industry to achieve a coherent strategy for change.

13. The economic importance of the food industry far exceeds that of farming. It includes the country's largest manufacturing and retail sectors as well as the rapidly growing catering sector. It provides over 3 million jobs throughout the UK and has huge social and environmental impacts. It is therefore a key contributor to all parts of this strategy and, as with other businesses, we want to help it to become more sustainable.

*What we will do*

14. We are therefore working with the industry on a sustainability strategy for the food chain beyond the farmgate which will be published in 2005. This will address environmental, economic and social priorities including the encouragement of sustainable consumption, with a view to setting long-term targets. It will link with an action plan to improve nutrition as part of the Government's commitment to improving public health.

**Improved animal health and welfare***The Challenge*

15. An attractive, well-managed countryside supports the wider rural economy through tourism and related activities. The foot-and-mouth disease outbreak underlined the risks that poorly managed farming holds for local, as well as the national, economies.

*What we are doing*

16. A significant animal health policy success has been the steady reduction in cases of BSE in cattle which, last year, were over 99% lower than they were in 1992. This reduction is expected to continue, and Defra has set itself a challenging target of eliminating the disease by 2010. The Food Standards Agency (FSA) has advised that the Over Thirty Months (OTM) rule, under which beef from cattle aged over 30 months is excluded from the food chain, can be replaced with BSE testing. The Government has accepted this recommendation for cattle born after August 1996, subject to the FSA advising Ministers that the testing system is robust. Defra will continue to work with interested parties to produce robust testing arrangements and will, in parallel, be working in Brussels to secure the lifting of the export ban on beef from cattle born after August 1996.

*What we will do*

17. Our new Animal Health and Welfare Strategy is based upon a shared responsibility for maintaining and improving high standards of animal health and welfare. We will promote a strong partnership between Government and animal owners emphasising disease prevention rather than cure, a clear understanding of roles and responsibilities, a balancing of the costs and benefits between industry and the taxpayer, and transparent and effective incentives and sanctions. We will develop a Tuberculosis (TB) strategy which will incorporate these principles into our handling of this important animal health problem. Delivery of TB control and other disease management policies will rest primarily with the State Veterinary Service (SVS), which we plan to establish as a new agency with effect from 1 April

2005. This will ensure that we are well informed about implementation issues in our development of animal health and welfare policies.

**18.** Farmers will need to adopt good husbandry practices, based on strong evidence, and plan for and implement arrangements to help prevent the spread of disease. To safeguard public health, we will require high levels of hygiene and cleanliness to be observed throughout the industry. We will continue in our efforts to eradicate TSEs<sup>6</sup>; we will promote safe and responsible disposal of animal by-products; and the Animal Welfare Bill will be the single most important piece of animal welfare legislation to go before Parliament for nearly 100 years: particularly updating legal protection for companion animals.

## Companion animals

### *The Challenge*

**19.** The UK has a deserved reputation as a nation that takes animal welfare seriously. We introduced the first parliamentary legislation for animal welfare in the world. But much of the key legislation relating to non-farmed animals is outdated, and much of the protection we apply to farm animals does not extend to companion animals.

### *What we are doing*

**20.** We have already made progress on improving protection for companion animals, as well as making it easier for people to take their animals abroad and bring them back into the country safely through the UK Pet Travel Scheme.

### *What we will do*

**21.** We will take this further through the Animal Welfare Bill which will introduce for the first time a duty to promote animal welfare for companion animals so that keepers can be prosecuted where suffering will be an almost inevitable consequence of the way that the animal is being

treated, and not just where it has already occurred. This is acknowledged by the Royal Society for the Prevention of Cruelty to Animals (RSPCA) as a major step forward – currently inspectors and enforcers have to wait for evidence that suffering has actually occurred before they can act.

**22.** The Bill will also provide powers to:

- a. increase the effectiveness of animal welfare law enforcement and will include the provision of additional powers for inspectors from central and local government, and the police;
- b. ban the unnecessary mutilation of animals, such as the docking of dogs' tails, unless it can be justified for welfare reasons;
- c. increase the range of sentences available to the courts and substantially increase the maximum fines from £5,000 to £20,000;
- d. raise the age at which children can buy pets from 12 to 16; and
- e. ban the giving of animals as prizes.

**23.** Regulations flowing from the Bill will improve existing legislation relating to many industries that involve the care of animals, such as riding schools, dog and cat boarding establishments and pet shops, as well as regulating new areas such as animal sanctuaries and the welfare of racing greyhounds.

<sup>6</sup> TSEs – Transmissible Spongiform Encephalopathies are diseases characterized by spongy degeneration of the brain with severe and fatal neurological signs and symptoms. BSE is one of several different forms of transmissible brain disease affecting a number of animal species. Scrapie is a common disease in sheep and goats

Key outcomes	How we will do this
<p>More customer-focused, competitive and sustainable farming.</p> <p>More competitive and sustainable food industry.</p> <p>Further CAP reform.</p>	<ul style="list-style-type: none"> <li>● <i>Single Payment Scheme and Whole Farm Approach – one form, one date, one payment, one face from government</i></li> <li>● <i>Lifting OTM rule once an adequate testing regime is in place</i></li> <li>● <i>Paying farmers for public goods – Environmental Stewardship scheme</i></li> <li>● <i>Working for continued reform of the CAP – Doha agenda</i></li> <li>● <i>Food industry sustainability strategy to be published in 2005</i></li> </ul>
<p>Animal health and the welfare of kept animals improved, and society, the economy and the environment protected from the impact of animal diseases, through sharing the management of risk with industry.</p>	<ul style="list-style-type: none"> <li>● <i>New Animal Welfare Bill</i></li> <li>● <i>Successfully establishing the State Veterinary Service as a separate agency from 2005</i></li> </ul>

## **Section Three**

### Changing the Way the Department Does Business

## Chapter 8

# Changing the Way the Department does Business: Regulating Better

### Introduction

1. Regulation is a key driver to deliver environmental outcomes and to protect human and animal health. Regulating better challenges us to find new and smarter ways to deliver the Government's environmental goals so that unnecessary or unjustified burdens are avoided. The consequences of ineffective or badly enforced regulation can be severe. The demand for higher environmental standards, high standards of animal health and the complexity of the CAP means that our Department is one of the biggest regulators and has the biggest forward agenda of regulation in Whitehall. In seeking to deliver our goals, we will consider a range of means to deliver them, including 'classic regulation', economic measures and voluntary codes and, we will identify the best course of action based on a sound analysis of the evidence.

### The Challenge

2. In some areas we have been a pioneer of alternatives to regulation. The UK pioneered the use of tradable emissions for CO<sub>2</sub>. The EU's carbon emissions trading scheme follows our lead. New powers to trade water abstraction rights, subject to protecting the flow of water are included in the recent Water Bill. We have several environmental taxes including the climate change levy, the aggregates tax and landfill levy. But overall, Defra and our delivery bodies are still perceived as heavy-handed regulators. Unless we address this positively, we may fail to achieve the progress in the environmental, social and economic spheres encompassed by sustainable development.

3. Last year the Secretary of State established a Regulation Task Force to advise her on how to improve Defra's regulatory performance. Its report was published in April<sup>1</sup>. It made over 50 recommendations, drawing on best practice elsewhere in Government and reflecting the concerns of our stakeholders. We have accepted and are implementing the recommendations for improving our regulatory performance and will be publishing a detailed response and plan of action in January 2005.

### What we are doing

4. In June we set up an expanded Better Regulation Unit, within the Strategy and Sustainable Development Directorate, to take forward the Task Force's recommendations.

5. A key recommendation was to improve *internal accountability* for regulation; to introduce a more systematic *internal challenge process* in order to ensure that, when new regulation is proposed, alternatives are explored properly, lawyers and economists are involved early and proper account is taken of the burden being imposed. The scope for offsetting deregulation should also be properly explored. To take this forward we have established a new Ministerial Challenge Panel to scrutinise regulatory proposals, involving representatives from enforcement agencies, the Small Business Service and the Cabinet Office Regulatory Impact Unit. Focus so far has been on specific regulations but we also plan to use the Panel to review the forward agenda of regulation and the scope for deregulation.

<sup>1</sup> Regulation Taskforce Report (Defra 2004) [www.defra.gov.uk/corporate/regulat/rtf/rtf-report-0404.pdf](http://www.defra.gov.uk/corporate/regulat/rtf/rtf-report-0404.pdf)

6. A further set of recommendations related to the need to get a better understanding of the *cumulative burden* of Defra regulation on those we regulate and to engage with them earlier and better. We have initiated the gathering of evidence on the cumulative burden of regulation, which will feed into the design of regulation, especially exemptions and delays in implementation schedules, where legally possible. For instance, we are pressing the European Commission to delay the introduction of electronic identification of sheep by two years.

7. We also need to give people the tools for better regulation. We have issued a new handbook on charging to ensure a consistent approach across all our areas of responsibility; and expanded and adapted the Better Policy Making training for Defra staff to include the messages from the Task Force report, including more effective consultation, using programme and project management techniques to improve policy development and the timeliness of transposing EU regulations.

8. The Task Force recognised that *culture change* was crucial if Defra was to deliver the better regulation agenda. One recommendation was to ensure that all members of the Senior Civil Service experience the “sharp end” of Defra regulation. We have therefore set up a new “Take Five” scheme to ensure that all Defra senior civil servants spend at least five days a year either with a business or a farm, with one of our delivery bodies or with one of our stakeholders.

#### *What we will do*

9. Two of the big sectors impacted by Defra regulation are the chemicals and water industry. We are working with the Chemicals Regulatory Forum to understand and reduce the regulatory burdens in the cleaning products and coatings sectors, and will be working with the water industry to understand existing cumulative burdens and opportunities for minimising their reporting requirements whilst maintaining the highest environmental and quality standards. Better regulation needs a more open and on-going dialogue between policy makers,

business and the regulators. We will meet every quarter with the CBI, Small Business Service (SBS), Environment Agency and DTi to identify key business concerns on forthcoming European legislation, opportunities to lobby more effectively in Europe, to understand and reduce implementation costs and how to improve implementation.

10. As sponsor of the food industry, we are proposing that the forthcoming Food Industry Sustainability Strategy includes a commitment to establish a sector forum for the food and drink manufacturing, retail and food services sector to act as an early warning system for upcoming legislation likely to impact upon them. This will follow the DTi’s successful model for the vehicle industry and cover key European and domestic legislative proposals and UK arrangements for implementation and enforcement.

11. We will take forward two further specific initiatives aimed at reducing compliance burdens for business:

- Working with our enforcement bodies and those we regulate to identify problems with existing regulation (due to ineffectiveness, inefficiencies or possibly redundancy). As part of this we will be setting up a specific study on the amount of ‘red tape’ we impose on business. This will explore opportunities for minimising and simplifying reporting requirements in line with the Hampton Review. This will be completed in Summer 2005. Defra will seek to reduce the administrative burden of the regulations it imposes upon business by *at least 25%* over the next five years; and
- Launching a programme, with the Environment Agency and other stakeholders, of modernising environmental permitting. This could include progressively putting different regulatory streams on to a common footing, supported by more streamlined systems. A modernised permitting system, in line with EU requirements and sound environmental policy as well as the Government’s principles of good regulation, should provide quantifiable efficiencies both for the regulatory process and for those regulated.

12. We will be developing and delivering our proposals in line with the findings, principles and recommendations of the Hampton Review. We will be exploring with the Environment Agency and other stakeholders a more holistic approach to the enforcement of measures for environmental protection, which will both be fairer to those who transgress and more effective in protecting the environment by giving the courts a wider range of options for penalties which they are more likely to be willing to use. Protection of the environment requires more focus on remediation of the damage done to the environment, rather than punishing the offender, and this needs to be factored into an overall approach to enforcement in this area.

13. Defra will also participate from 2006 in the Government-wide initiative to introduce Common Commencement Dates for generic domestic legislation. But the real prize is to press in the UK Presidency for EU moves in the direction of Common Commencement Dates.

14. Defra has a specific responsibility for *agriculture*. We have already put in place a robust package of activities to reduce administrative and compliance burdens on agriculture. Actions include:

- significantly reducing administrative burden on farmers by the introduction of the Single Payment Scheme (SPS). Initial studies indicate that time spent by farms on relevant form filling will be reduced by 60% by 2007 with the SPS and any additional forms related to Entry Level Stewardship;
- taking forward the Whole Farm Approach – offering farmers a more integrated, efficient approach to the delivery of regulation and advice, reducing burdens from form filling and overlapping inspections;
- rationalising rural funding streams to reduce bureaucracy for farmers;
- in consulting on and developing the package of measures to tackle diffuse water pollution from agriculture through catchment-sensitive farming, we will consider the scope for reducing or rationalising other relevant controls on farming, consistent with our EU obligations;

- a managed transition from the Over Thirty Month rule to rigorous BSE testing and pushing hard to secure the UK's objective of lifting of the export ban on Over Thirty Month beef by end 2005. These two changes will significantly reduce compliance costs to the sector;
- establishing new direct channels of communications with farmers. This will enable them to be aware of new regulations and the issues that need to be tackled; and
- further improving farm regulation by gathering evidence from farmers and their regulators on cumulative burdens and agreeing priorities for tackling bureaucracy and inefficiencies. This will feed into the Strategy on the Regulation of Agriculture, to be published in November 2005 which will include a strategy for charging (where appropriate) for regulation in agriculture.

15. We believe that these initiatives will make a significant reduction in the ongoing administrative burden of complying with Defra regulation.

## Europe

### *Introduction*

16. Over two thirds of our regulation comes from the EU. The appointment of the new Commission and accession of ten Member States has presented us with a more favourable climate for driving Better Regulation in our policy areas.

17. We can point to a good record of negotiating successes in the EU which have avoided billions of pounds in potential implementation costs across Europe. For example, on the Water Framework Directive the UK pushed for affordability considerations to be taken into account when determining the level and phasing of ecological standards. Working on the fluorinated greenhouse gases regulation, we avoided a substantial burden by resisting a wide ban on the use of hydrofluorocarbons and transferring controls to a more appropriate instrument.

### *The Challenge*

**18.** Improving the quality of regulation coming from Europe is key if we are to improve our own regulatory performance. Both the attitudes of and processes used by the EU institutions and Member States influence the quality and form of European regulation. Decision making at Agriculture and Environment Councils is through qualified majority voting<sup>2</sup>. We must work effectively with our national and international partners to improve regulation.

### *What we are doing*

**19.** We continue to press EU institutions to implement the Commission's better regulation Action Plan and we are working closely with other Government departments to take forward the joint presidencies Initiative on Regulatory Reform. A key issue we are driving for is the use of Impact Assessments during the process of policy making, for such assessments to be of high quality and to include all impacts, including impacts on competitiveness.

**20.** We are lobbying hard to reduce unnecessary enforcement and compliance burdens through proposals to simplify EU legislation. Five out of fifteen proposals for simplification now prioritised for Commission attention during 2005 are from areas of Defra responsibility:

- placing of plant protection products on the market;
- processing of waste oils;
- definitions of waste;
- reporting of hazardous waste processing; and
- reporting requirements for incineration of waste.

**21.** We have established a new Presidency team with responsibility for organising Defra's EU Presidency responsibilities. An official is being appointed specifically to drive forward EU

Better Regulation issues over the Luxembourg and UK Presidencies, including pushing new proposals for simplification.

**22.** We are also developing EU engagement strategies for Ministers and officials to maximise our impact in all three EU Institutions.

### *What we will do*

**23.** Our emphasis in Europe will be on persuading the institutions to concentrate on delivery of existing commitments and to develop new ones only where the need is clearly demonstrated.

**24.** We will carry on our drive for reductions in regulatory burdens from proposed legislation. For example, on REACH (a proposed directive to test and register chemicals) Defra will continue to push for the principle of 'one substance, one registration' to reduce business costs – building on our success in influencing the original REACH proposal to significantly reduce its burden. The changes we push for can avoid European businesses spending billions of pounds.

**25.** The Regulation Task Force recognised both our past success and the need to get better at influencing the forward agenda in Europe. We are already leading the drive to make EU policy fit into coherent strategies and will do more through working with the EU institutions. We also need to help business engage earlier and more effectively with Europe. Some of this will be addressed through the sector forums set up by DTi and our food forum. But we also want to work with other Government departments and business representatives to take forward the Task Force recommendation on helping business be more effective in Europe.

**26.** We will use our existing expertise in European policy-making to share effective EU working practices within Defra, particularly for new staff, enhancing our capacity to shape EU policy.

**27.** This is just a start. Our objective is to make Defra the most effective regulator in Whitehall.

<sup>2</sup> Qualified Majority Voting, QMV, is the voting procedure that requires approximately two-thirds of Council votes for the adoption of EU legislation.

## Chapter 9

# Changing the Way the Department does Business: Preparing for Emergencies

### *Introduction*

1. While we are moving to apply the principles of better regulation, we need to remember that much of Defra regulation and activity is designed to protect public health through ensuring high standards of pollution control, and high standards of animal health and welfare. Those high standards also underpin the economics of our farming industry and meet public concerns about acceptable levels of treatment of animals. But while this does much to reduce the risk of emergencies, no system can eliminate all risk.

2. We are the lead department for emergencies in animal and plant diseases, flooding, food supply, water supply, dealing with the consequences of a Chemical, Biological, Radiological or Nuclear incident and certain other threats to the environment. In addition we need to have plans to ensure business continuity in the event of, for example, catastrophic IT failure, or the destruction of a key building, so that we can maintain continuity of service to our customers.

### *The Challenge*

3. Our overall aim is to ensure that we are prepared to deal with emergencies swiftly and efficiently in all our areas of responsibility by using the best systems, and on the basis of evidence and science.

### *What we are doing*

4. We are building the capacity to respond to emergencies, particularly in the light of the

inquiries conducted after the outbreak of foot and mouth disease in 2001 including the Lessons to be Learned Inquiry<sup>1</sup> by Iain Anderson, the Royal Society report, Infectious Diseases in Livestock<sup>2</sup>, led by Sir Brian Follett, and the NAO report, The 2001 Outbreak of Foot and Mouth Disease<sup>3</sup>.

5. We have well developed plans for responding to emergencies in each of our lead responsibility areas. In the case of flooding or an outbreak of an exotic animal disease, the plans build on the experiences of 2000 and 2001. Over the last year major exercises have taken place to test the plans for responding to an outbreak of foot and mouth disease (Exercise Hornbeam) and flooding (Exercise Triton). These gave us valuable lessons which will be reflected in revised plans.

### *What we will do*

6. By 31 March 2005 we will have reviewed our plans to identify any urgent action needed to tackle shortfalls. Looking ahead, we will be assessing each of our lead responsibility plans against the guidance and best practice recently issued by the Cabinet Office, and subjecting each area to independent audit. We are committed to exercising our plans regularly to ensure they remain up-to-date and targeted on the right issues. We will be targeting areas for improvement in each plan, but ensuring that we maintain and test areas where we believe we are already strong.

<sup>1</sup> The final report of this inquiry can be found at [www.defra.gov.uk/corporate/inquiries/lessons/](http://www.defra.gov.uk/corporate/inquiries/lessons/)

<sup>2</sup> This can be found at [www.royalsoc.ac.uk/landing.asp?id=1251](http://www.royalsoc.ac.uk/landing.asp?id=1251)

<sup>3</sup> This can be found at [www.nao.org.uk/publications/nao\\_reports/01-02/0102939es.pdf](http://www.nao.org.uk/publications/nao_reports/01-02/0102939es.pdf)

7. There will be a clear trajectory for improvement in each lead responsibility area, with milestones and dates to guide the work. We are ensuring stakeholders are fully involved in the planning, and that we build strong networks and partnerships with other Government departments, with local authorities, with delivery partners and with Government Offices in the Regions. We will be resourcing the programme of work on the basis of systematic risk assessment and aim to have the full programme of work completed, including major exercises in each key area, by 31 March 2007.

8. Our aim is to be fully prepared. Since the Department was formed in 2001 we have strengthened our emergency planning arrangements. But there is still some way to go and the programme will never really be complete: this is an area which is constantly evolving.

## Chapter 10

# Changing the Way the Department does Business: Reform – What this means for Defra and its Customers

### *The Challenge*

#### Changing Defra from the Inside

1. We will only achieve the vision set out in this strategy if we become a different kind of Department: one which relentlessly focuses on the successful achievement of clear outcomes, and constantly searches for ways to strengthen its capacity for delivery; one which is outward looking, professional and expert; which is respected internationally, among stakeholders and within Government; which is flexible and agile and understands the needs and behaviours of its customers; and which attracts, retains and motivates the best people.

#### *What we are doing*

2. We are therefore developing a new ‘business model’ for how the Department organises itself and behaves. This is also being informed by thinking across Government on reform and ‘professionalisation’, and by some radical thinking within Defra on how we can continue to develop the Prime Minister’s original vision of a department which is “a coherent whole with a markedly different culture”.

3. The three programmes driving internal change are Defra’s Delivery Strategy, the Policy Centre Review Programme, and the Corporate Centre Programme.

#### *What we will do*

#### Defra’s Delivery Strategy

4. Defra’s Delivery Strategy describes how we will achieve our outcomes through more effective partnerships between policy and

delivery. This means an organisational separation between the two functions, underpinned by consistent and well-understood principles. The core Department has the fundamental responsibility of defining the outcomes required to deliver Government policy. The business of delivery will be passed to delivery bodies who will have a shared understanding with the Department on their role in both delivering Defra’s outcomes and supporting the development of policy. These organisations will have clear governance and accountability arrangements, and their roles and responsibilities will be strategically aligned to the Department’s objectives. Where possible delivery bodies will share core information and systems, and provide customers with one-stop entry points.

5. The Delivery Strategy and its new policy/delivery partnership is rapidly becoming a reality across Defra:

- In the animal health and welfare area the British Cattle Movement Service was transferred to the Rural Payments Agency in 2003, resulting in speedier payments and improved customer experience;
- The State Veterinary Service will become an Executive Agency in 2005, enabling it to build capacity and competence, increase its customer focus and play a full part in delivering the Animal Health and Welfare Strategy;
- In rural policy, the new Integrated Agency announced in July will provide more coherent management of the natural environment, as the Haskins Review recommended;

- Across the Department, a large number of inspectorate and licensing functions will leave the core and be managed more effectively as delivery functions by 2008.

6. We will also embrace partnership working beyond Defra's boundaries, for example through

- the Sustainable Energy Policy Network (co-chaired by Margaret Beckett and Patricia Hewitt);
- the Waste Implementation Programme (involving local government);
- testing devolution of delivery of rural services through local pathfinders; and
- examining the relationships and added value between the pathfinders and Local Area Agreements (LAAs).

### Defra's Policy Centre Review Programme

7. The second part of our strategy for internal change is our Policy Centre Review Programme (PCRP). This is looking at the kind of core department we need to deliver our Five-Year Strategy. The programme is examining:

- how we can rebalance our policy work to give emphasis to our new strategic priorities;
- the policy role, and the skills and expertise we need to deliver effective policy. This will include distinguishing between 'policy development' and 'policy maintenance', and looking at how we form and disband policy teams – and will be linked to the work across Government on 'Professional Skills in Government';
- our approach to industry sponsorship; and
- how policy support functions should be organised to make them more efficient and effective.

8. As well as this radical medium-term review, we are already working to professionalize our policy development, by:

- making greater use of programme and project management techniques; and
- following the principles of good regulation, and using alternatives to regulation wherever possible, in line with the recommendations of the Better Regulation Taskforce.

9. We are also developing our ability to use science and other forms of knowledge effectively. Building on the recent report "Evidence and Innovation: Defra's needs from the sciences over the next 10 years", we will publish next spring a new evidence and innovation strategy, setting out how we will develop a forward-looking evidence base for our policies, and refocus our investment in innovation, to deliver our long-term objectives. This new strategy will be guided by our Science Advisory Council.

10. Building a strong science base for Defra's future will require close co-operation with others:

- we will place increased emphasis on partnerships with other departments and knowledge bases in the UK, and overseas;
- we will work on public and stakeholder engagement through a variety of mechanisms, especially on new or emerging issues; and
- we need to work closely with business in stimulating innovation (for example, following the Carbon Trust model).

## Defra's Corporate Centre Programme

**11.** The third leg of internal reform concerns Defra's corporate centre. By 2008 we will have restructured our corporate services, in order to deliver strategic, high quality, joined-up and professional support to the new department, at less cost. Some key elements of this programme are:

- Working towards more common service provision across the wider Defra family;
- Strengthening the Department's IT and business change capabilities through a long-term partnership contract with IBM, effective from 1 October 2004;
- Ensuring the Department retains a clear focus on outcomes and builds the required delivery capacity;
- Increasing professional expertise in HR, finance, estates and IT, and developing more efficient, e-enabled and "self service" models for these services;
- Improving our Project and Programme Management capability;
- On science, our Horizon Scanning programme, the Science Advisory Council, our recent Evidence and Innovation report, the upcoming Evidence and Innovation Strategy and a programme on professional development will strengthen our evidence based approach to policy making.

## The Result: A leaner, more effective Department

**12.** We are moving forward swiftly on this programme of internal reform, and by next spring will have clear timetabled plans to:

- re-structure the central Department and complete the removal of delivery and operational functions;
- re-structure Defra's corporate centre;
- deliver on Defra's efficiency commitments.

**13.** All these changes mean that by March 2008 the core Department will be some 60% smaller than when Defra was created in June 2001. Alongside transfers outside the Defra core, there will be a 21% reduction in the number of posts in Defra and its Executive Agencies. This reduction in posts – some 2400 – will be made up of efficiency savings in the Rural Payments Agency as a result of new electronic business processes and the effects of CAP reform; savings in corporate support functions (notably finance and HR) resulting from more efficient business processes; and savings in the policy core resulting from the Policy Centre Review Programme.

**14.** Overall this will reduce the 8,000 people in the core department when Defra was formed in 2001, to around 3,200 in 2008.

**15.** This transformation of policy, delivery and corporate support will result in a leaner, more efficient Department, providing value for money and achieving results for the public.

# Annexes

## Annex A: Defra's Public Service Agreement Targets

### Public service agreement 2005-2008 performance targets

**PSA 1.** To promote sustainable development across Government and in the UK and internationally, as measured by:

- the achievement of positive trends in the Government's headline indicators of sustainable development;
- the UK's progress towards delivering the World Summit on Sustainable Development commitments, notably in the areas of sustainable consumption and production, chemicals, biodiversity, oceans, fisheries and agriculture; and
- progress towards internationally agreed commitments to tackle climate change.

**PSA 2.** To reduce greenhouse gas emissions to 12.5% below 1990 levels in line with our Kyoto commitment and move towards a 20% reduction in carbon dioxide emissions below 1990 levels by 2010, through measures including energy efficiency and renewables. Joint with DTi and DfT.

**PSA 3.** Care for our natural heritage, make the countryside attractive and enjoyable for all and preserve biological diversity by:

- Reversing the long-term decline in the number of farmland birds by 2020, as measured annually against underlying trends;
- Bringing into favourable condition by 2010 95% of all nationally important wildlife sites.

**PSA 4.** Reduce the gap in productivity between the least well performing quartile of rural areas and the English Median by 2008, demonstrating progress by 2006, and improve the accessibility of services for people in rural areas.

**PSA 5.** Deliver more customer-focused, competitive and sustainable farming and food industries and secure further progress via CAP and WTO negotiations in reducing CAP trade-distorting support.

**PSA 6.** To enable at least 25% of household waste to be recycled or composted by 2005-06, with further improvement by 2008.

**PSA 7.** Eliminate fuel poverty in vulnerable households in England by 2010 in line with the Government's Fuel Poverty Strategy Objective.

**PSA 8.** Improve air quality by meeting the Air Quality Strategy targets for carbon monoxide, lead, nitrogen dioxide, particles, sulphur dioxide, benzene and 1,3 butadiene. Joint target with DfT.

**PSA 9.** To improve the health and welfare of kept animals, and protect society from the impact of animal diseases, through sharing the management of risk with industry, including:

- a reduction of 40% in the prevalence of scrapie infection (from 0.33% to 0.20%) by 2010;
- a reduction in the number of cases of BSE detected by both passive and active surveillance to less than 60 in 2006, with the disease being eradicated by 2010;
- a reduction in the spread of Bovine TB to new parishes to below the incremental trend of 17.5 confirmed new incidents per annum by the end of 2008.

## Annex B

### Defra's Strategic Priorities

#### Strategic Outcomes sought under each Strategic priority

- **Sustainable development** promoted across Government, in the UK and internationally, as measured by:
  - the achievement of positive trends in the Government's headline indicators of sustainable development;
  - the UK's progress towards delivering the World Summit on Sustainable Development commitments, notably in the areas of sustainable consumption and production, chemicals, biodiversity, oceans, fisheries and agriculture;
  - progress towards internationally agreed commitments to tackle climate change; and
  - improved local environmental conditions and cleaner streets, city centres and countryside, with reduced levels of litter, fly tipping and abandoned vehicles.

#### Climate change and energy

##### Meeting the challenge of climate change

- Reduction in the UK's contribution to global climate change by cutting our greenhouse gas emissions
- Reduction in global greenhouse gas emissions to avoid dangerous climate change, and international promotion of adaptation to unavoidable climate change

- Every home adequately and affordably heated
- UK successfully adapting to unavoidable climate change
- Risk from flooding and coastal erosion managed in a way which furthers sustainable development
- Cleaner air through meeting the targets in the National Air Quality Strategy

#### Sustainable consumption and production

Breaking the link between economic growth and environmental degradation and resource use through promoting and enabling more sustainable patterns of consumption and production

- Programmes in place to decouple economic growth from environmental degradation and unsustainable resource use
- Protection of human health and the environment by minimising amounts of waste produced and getting as much value as possible out of what is left by re-use, recycling or composting and the recovery of energy

## Protecting the countryside and natural resource protection

Creating a robust policy framework and evidence base in order to promote the sustainable use and enhancement of the country's natural heritage and ecosystems

- Protect and enhance the natural environment, now and for future generations, and establish a robust framework for future development decisions that respect environmental constraints
- More and better access to the natural environment for recreation, especially for those who find it difficult to enjoy the health and well being benefits which access to nature can bring
- Good water quality and a good water environment, with a sustainable balance between water supply and demand

## Sustainable Rural Communities

Encouraging sustainable regeneration in disadvantaged rural areas, promoting social inclusion and reducing deprivation. Ensuring higher quality, more accessible public services to rural communities

- Vibrant enterprise across rural England, with resources better targeted to help reduce gap in productivity between least well performing quartile of rural areas and the English median; rural social exclusion tackled wherever it occurs, with fair access to services and affordable housing

## Sustainable Farming & Food, including Animal Health & Welfare

Helping to create a sustainable food and farming supply chain serving the market and the environment; putting in place systems to reduce risks of animal diseases, and being ready to control them when they occur

- more customer focused, competitive and sustainable farming
- more competitive and sustainable food industry
- further CAP reform
- animal health and the welfare of kept animals improved, and society, the economy and the environment protected from the impact of animal diseases, through sharing the management of risk with industry

## Annex C

### Glossary of terms

BREW – Business Resource Efficiency and Waste	IT – Information Technology
CAP – Common Agricultural Policy	NAO – National Audit Office
CBI – Confederation of British Industry	ODPM – Office of the Deputy Prime Minister
CO <sub>2</sub> – Carbon Dioxide	OGDs – Other Government departments
CROW – Countryside and Rights of Way Act.	OTM – Over Thirty Months
DfES – Department for Education and Skills	PSA – Public Service Agreement <a href="http://www.defra.gov.uk/corporate/busplan/tn.pdf">www.defra.gov.uk/corporate/busplan/tn.pdf</a>
DfID – Department for International Development	RDA – Regional Development Agency
DH – Department of Health	REACH – Registration, Evaluation and Authorisation of Chemicals
DTi – Department of Trade and Industry	RDS – Rural Development Service
DfT – Department for Transport	SD – Sustainable Development
EA – Environment Agency	SME – Small and Medium Enterprise
ELS – Entry Level Stewardship	SPS – Single Payment Scheme
ETAP – Environmental Technologies Action Plan	SSSIs – Sites of Special Scientific Interest
EU – European Union	TB – Tuberculosis
FSA – Food Standards Agency	WRAP – Waste and Resources Action Programme
GDP – Gross Domestic Product	WSSD – World Summit on Sustainable Development
HLS – Higher Level Stewardship	WTO – World Trade Organisation
HMT – HM Treasury	
HR – Human Resources	



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