

House of Commons
Environment, Food and Rural
Affairs Committee

THE ROLE OF DEFRA

Tenth Report of Session 2001–02

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*Report, together with
the Proceedings of the Committee, and the
Minutes of Evidence and Appendices*

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

Powers

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Footnotes

In the footnotes of this Report, references to oral evidence are indicated by 'Q' and the question number. References to written evidence give the number of the memorandum, followed by 'Ev' and the page number, and the paragraph number.

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TENTH REPORT

The Environment, Food and Rural Affairs Committee has agreed to the following Report:

THE ROLE OF DEFRA

Summary

DEFRA has taken on two, related roles: in sustainable development and in the promotion of the interests of rural areas. It faces challenges on many fronts: to ensure that, internally, staff adopt the new goals, and work practices are put in place to ensure that both are pursued; and externally, to develop the means and the confidence to ensure that its voice is heard across Government and in other agencies. To meet such challenges the Department must undergo a period of structural and cultural change. We have doubts about the abilities of management to oversee such a period of change, and about whether the Department has the strength in depth to administer complex programmes in a way acceptable to its stakeholders, notably business. We believe that the Department must understand the scale of the task ahead and we look forward to seeing a steady improvement in the delivery of its objectives.

Introduction

1. In its manifesto for the General Election of 2001, the Labour Party signalled that it was “committed to create a new department to lead renewal in rural areas – a Department for Rural Affairs”.¹ Following the election the proposed Department for Rural Affairs became the new Department for Environment, Food and Rural Affairs (DEFRA). It took over all the responsibilities of the former Ministry of Agriculture, Fisheries and Food, and of the ‘green’ parts of the former Department of the Environment, Transport and the Regions, as well as certain responsibilities of the Home Office. A fuller description of the remit of the Department is set out below.

2. A year after the creation of the new Department we decided to examine whether it had succeeded in establishing a role for itself, and particularly whether it had been able to bring together its diverse responsibilities and objectives in a coherent way. In May 2002 we invited written evidence from interested parties,² and in June and July we took evidence from the Royal Society for the Protection of Birds (RSPB), the Country Land and Business Association (CLA), the Council for the Protection of Rural England (CPRE), the National Trust, English Heritage and Lord Whitty, Parliamentary Under-Secretary (Lords), and officials, from DEFRA.³ In addition, individual members of the Committee who meet regularly with interested parties – in business, the public sector and pressure groups – which have dealings with the Department have brought the information and experience of these contacts to bear. We are most grateful to all those who submitted evidence to us, and who otherwise assisted our work.

¹ *Rural Britain: Leadership for the future*, Labour Party Election Manifesto 2001.

² See Press Notice No.26, which along with all other Committee publications can be viewed via our website, which can be found at http://www.parliament.uk/parliamentary_committees/environment_food_and_rural_affairs.cfm.

³ Announced in Press Notices Nos.36 and 39, which can be viewed via our website.

3. Immediately prior to taking evidence in this inquiry we took evidence from the Permanent Secretary at DEFRA, Mr Brian Bender CB, about the Department's Annual Report. We subsequently published a report about that matter.⁴ We draw attention to that report and the evidence because much of what was covered is also relevant to this inquiry.

“A new Department, a new Agenda”

“DEFRA was created to improve the delivery of what Ministers and stakeholders expect of us. Our objective is to be more than just the sum of our parts. Creating a new Department is a massive project and involves a wide range of policy and administrative functions coming together. The new Department brings together:

- the Environment Protection Group from the former DETR;
- the Wildlife and Countryside Directorate from the former DETR;
- all the functions of the former MAFF [the Ministry of Agriculture, Fisheries and Food]; and
- responsibility for certain animal welfare issues and hunting with hounds from the Home Office.

“DEFRA will sponsor a number of important agencies and Non-Departmental Public Bodies and has a range of statutory and non-statutory advisory bodies”.⁵

The new mandate

4. The new Department's remit is extremely broad. It stretches from the administration of subsidy payments to farmers to overall responsibility for the implementation of the Kyoto Protocol in the United Kingdom, taking in rural development, fisheries, waste disposal, water and flooding, conservation, animal health, pollution and some elements of food safety.⁶ Much of its remit is covered by European legislation, and DEFRA therefore has a significant role to play in negotiations within Europe.⁷ The breadth of DEFRA's responsibilities has led to concern about its ability to give sufficient priority to all areas of its work. Such worries were raised by our witnesses, many of whom asked whether the environment, or agriculture, had been sidelined, how the Department would address rural affairs, and whether the concept of 'sustainable development' gave adequate over-arching direction to the Department.

5. Although responsibility for policy-making for rural areas, and for the environment, has been located within DEFRA, other Departments are responsible for policies which impact on such matters. For example, there are particular concerns about the delivery of services such as schools, public transport, post offices and policing in rural areas; DEFRA obviously has no direct control over such matters. The old Department of the Environment, Transport and the Regions was established because of a desire to put transport and planning policy squarely in the context of wider environmental policy: now it appears that DEFRA can only negotiate with other Departments in seeking to ensure that their policies take account of the environment.

⁴ This can be seen at <http://www.publications.parliament.uk/pa/cm200102/cmselect/cmenvfru/969/969.pdf>.

⁵ *A new Department, a new Agenda*, DEFRA Consultation Document, August 2001; the document can be viewed on the internet at <http://www.defra.gov.uk/corporate/consult/defra-aim/aimobjectives.htm>.

⁶ An illustration of the range of responsibilities can be seen in DEFRA's organisational chart, which can be seen on the internet at <http://www.defra.gov.uk/corporate/orgchart.pdf>.

⁷ For an idea of the subjects covered by European legislation, see http://www.europa.eu.int/index_en.htm; see in particular the homepages of the Agriculture, Environment, Fisheries and Health and Consumer Protection (ie. food safety) Directorates-General, which can be accessed via http://www.europa.eu.int/comm/dgs_en.htm.

Putting sustainable development at the centre of Government policy

6. DEFRA has said that promoting sustainable development is its principal aim.⁸ In evidence to us in November 2001 the Secretary of State said that in creating DEFRA the “thinking was that if you are to have sustainable development as a philosophy spreading throughout government, it was essential to have a Department that had that as its central goal”.⁹ The Department’s Sustainable Development Strategy, *Foundations for our Future*, was launched on 18 June 2002.¹⁰ In it, DEFRA affirmed that its overall aim was “achieving sustainable development”, and said that it had “lead responsibility for promoting sustainable development across Government, within the United Kingdom and internationally”.¹¹

7. The Government defines sustainable development as “a better quality of life for everyone, now and for generations to come”.¹² To achieve that aim requires four objectives to be met “at the same time, in the United Kingdom and the world as a whole:

- social progress which meets the needs of everyone;
- effective protection of the environment;
- prudent use of natural resources; and
- maintenance of high and stable levels of economic growth and employment”.¹³

In other words, ‘sustainable development’ encompasses economic and social objectives, as well as concerns for the environment. The Local Government Association told us that it was concerned that ‘sustainable development’ “appears to focus on environmental sustainability, rather than on an over-arching approach to integrate social, economic and environmental thinking into all decision-making across Government”.¹⁴ It is apparent that pursuit of the objective of sustainable development will include the pursuit of environmental goals.¹⁵

8. In order to take forward the sustainable development agenda within Government, DEFRA has sought close contacts with those Government Departments responsible for transport and for planning and local government; with the Department of Trade and Industry to address resource productivity and corporate social responsibility; and with the Treasury to ensure that sustainable development is taken into account in departmental bids for resources. Moreover the Department chairs the Cabinet Sub-committee of Green Ministers, which considers “the impacts of all Government policies on sustainable development”.¹⁶

9. Notwithstanding the Department’s commitment to the idea, there have been concerns that the creation of DEFRA has removed sustainable development, and particularly concern for the environment, from the heart of Government. In Autumn 2001 the RSPB observed that “welcome though DEFRA is, the danger is that it becomes sidelined within Government as a policy ghetto for green issues”, and Friends of the Earth said that “environment officials and Ministers have been marginalised, and distanced from the big

⁸ See *DEFRA Departmental Report 2002*, p.16; see <http://www.defra.gov.uk/corporate/dep/2002/index.htm>.

⁹ Evidence taken on 14 November 2001 on the *Establishment of DEFRA and other matters*, Q.24; the evidence can be viewed at <http://www.publications.parliament.uk/pa/cm200102/cmselect/cmenvfru/366/1111401.htm>.

¹⁰ See <http://www.defra.gov.uk/corporate/sdstrategy/sdstrategy.pdf>.

¹¹ *Foundations for our Future*, paras.1.1 and 1.2.

¹² *A better quality of life – A strategy for sustainable development in the United Kingdom*, DETR, 1999; the document can be viewed at http://www.sustainable-development.gov.uk/uk_strategy/content.htm.

¹³ *Foundations for our Future*, p.1.

¹⁴ G16, Ev 115, p.1.

¹⁵ More details about the Government targets for sustainable development are found in the Report of the Environmental Audit Committee, *Measuring the Quality of Life: The 2001 Sustainable Development Headline Indicators*, HC (2001-02) 824; see <http://www.parliament.the-stationery-office.co.uk/pa/cm200102/cmselect/cmenvaud/824/82402.htm>.

¹⁶ *Foundations for our Future*, para.1.2; see also paras.1.3 ff.

decisions”.¹⁷ The Institute for Public Policy Research observed that before the 2001 Election the environment had been championed by the Deputy Prime Minister, from a Department “with clout”: it said that “the restructuring of Government Departments appears to have downgraded the issue”.¹⁸

10. Such concerns persist. In evidence to this inquiry the RSPB repeated that it was “concerned that the environment portfolio has been marginalised within government by the new departmental arrangements”.¹⁹ The CPRE observed that “the environment overall is becoming divorced from other Government policy decisions”.²⁰ It went on to say that “a key concern remains the relationship between DEFRA and other Government Departments. The Greening Government initiative no longer benefits from a senior member of the Government championing it, and the use of environmental appraisal elsewhere in Government is distinctly patchy”.²¹ The RSPB told us that “DEFRA’s own sustainable development strategy actually encapsulates the problems that face it as a department, in that it clearly only feels empowered to act on sustainable development under its own remit and on its own terms ... one of its real flaws is that it does not face and address these kind of bigger picture issues of how the Government lives up to its targets on energy and on transport and on some of these issues that do not actually fall under DEFRA’s own remit”.²² And English Nature observed that “the environment more generally, and nature conservation in particular, appears less visible in DEFRA than in the Department of the Environment, Transport and the Regions”.²³

11. Lord Whitty conceded that many of the policy areas which would be affected by the promotion of sustainable development lay outside DEFRA’s direct control. He said that “in any direct sense the only capital programmes with which we are concerned are those that fall on our budgets and on our agencies, which is a relatively small part of the totality. We are engaged, for example ... in ensuring that transport projects have a strong long-term environmental dimension to them. Therefore, again we have an influence beyond the area of capital spending for which we are responsible which frankly is pretty limited”.²⁴ Nevertheless, he reiterated that DEFRA is “the body that is charged with ensuring that the whole of Whitehall and the government agencies operate on a sustainable development basis, and take sustainability as a benchmark for their policies”.²⁵

12. Putting sustainable development, particularly concern for the environment, at the heart of policy-making is vital. We welcome the fact that DEFRA has adopted as one of its primary roles the promotion of sustainability. There is no intrinsic reason why taking responsibility for sustainable development and the environment away from the old Department of the Environment, Transport and the Regions and locating it in DEFRA should have removed it from the heart of Government – provided that mechanisms are put in place to ensure that DEFRA is listened to, and that its proposals are acted upon by other Departments. Whether or not those mechanisms will operate effectively is rightly the matter of some concern, a point we return to later in this Report.

¹⁷ *Dear Prime Minister*, The Green Alliance, pp.3 and 6; the pamphlet is available on the internet from the Alliance’s website; see http://www.green-alliance.org.uk/Publications_PolicyReports.htm#Publication_dear_prime_minister.

¹⁸ *Dear Prime Minister*, The Green Alliance, p.7.

¹⁹ G21, Ev 2, para.3.2.

²⁰ G20, Ev 28, para.7.

²¹ G20, Ev 29, para.13.

²² Q.31.

²³ G2, Ev 85, para.5.1.

²⁴ Q.212.

²⁵ Q.206.

DEFRA as champion of rural affairs

13. Like sustainable development, DEFRA's responsibility for rural affairs takes it into areas of policy and expenditure for which it has no direct responsibility. Lord Whitty agreed that "the rural affairs dimension lacks direct budget and direct levers". He observed that "historically ... it has been less intensively staffed than those areas where there is direct government legislation or direct government subsidy and so in staffing terms it probably looks weaker".²⁶ In any event, the National Trust told us, "the Department is noticeably more focussed on farming and international environmental policy than other areas and has moved very slowly on wider rural issues".²⁷

14. Rural areas face challenges which differ from those facing urban areas. It is important that the particular issues of rural areas are taken into account in Government policy-making, and we welcome the fact that DEFRA's second primary role is as the champion of rural areas. Although the Department is responsible for many aspects of policy which affect rural communities, it is vital that, as with sustainable development, mechanisms are put in place to enable DEFRA to exercise influence over other Government Departments to ensure that they take account of the rural dimension in policy-making. It is the effectiveness of such mechanisms which are of concern, a point which, again, we return to below. In addition, we are concerned that DEFRA should recognise that it has *two* principal roles: as the advocate of sustainable development, and as the promoter of the interests of rural areas. We recommend that the Department now acknowledge explicitly that these are its primary roles, and that they are of equal importance to its work. DEFRA should also recognise its responsibility to help explain to urban Britain the issues for which it is responsible.

Agriculture

15. Following the creation of DEFRA there was concern that the new Department would be the sponsor and promoter of farming in the way that the former Ministry of Agriculture, Fisheries and Food had been perceived to be in the past. The Department's initial 'high-level objectives' placed farming fifth on a list of seven objectives,²⁸ an apparent order of priority viewed with alarm by some.²⁹ The symbolism of the fact that the name of the new Department did not include the word 'agriculture' or 'farming' was also commented upon.³⁰

16. That initial criticism has to an extent abated, but has not entirely disappeared. There is concern that DEFRA does not give priority to agriculture: in its evidence to us the National Farmers' Union told us that it is "deeply concerned that DEFRA is failing to give proper weight to the future of farming".³¹ The CPRE said that "the Department should be taking a more confident and pro-active approach to fostering a more sustainable and viable farming industry that delivers a wide range of public goods".³² The CLA commented that there is "no sign in the [Department's] vision of recognition by DEFRA of the importance that profitable farming plays in a thriving countryside".³³ The Dairy Industry Association Limited told us that DEFRA's "aims and objectives do not give sufficient recognition of the economic imperatives agriculture and its associated processing industries are subject to. This is somewhat in contrast to the focus given to environmental issues".³⁴ And a

²⁶ Q.230.

²⁷ G5, Ev 39, para.6.

²⁸ *A New Department, A New Agenda*, DEFRA, p.6.

²⁹ See *Farming only fifth on DEFRA agenda*, Farmers' Weekly Interactive, 24 August 2001.

³⁰ See, for example, HC Deb, 26 June 2001, col.565.

³¹ G15, Ev 112, para.9.

³² G20, Ev 30, para.18.

³³ G8, Ev 11, para.6; DEFRA's 'Vision' can be seen at <http://www.defra.gov.uk/corporate/aims/vision.htm>.

³⁴ G4, Ev 125, para.6.

recent editorial in the *Farmers' Weekly* commented on “another week, another DEFRA diatribe against British farming ... Speaking at the Labour Party Conference in Blackpool, Mrs Beckett seemed to focus most of her energy on the world stage. The Rio Earth Summit, the recent Johannesburg World Summit and the Doha trade talks, figured prominently in her speech”.³⁵

17. The Government appears to reject the notion that it *should* prioritise the needs of farmers. Lord Whitty told us that “it is important to say that we are not the ministry for farmers; we are the ministry for rural affairs and the environment ... the criticism that we are not sufficiently farmer-focused seems to me a wrong one and one that leads to a misunderstanding of the changes to the Government machinery that we intended to achieve”.³⁶ He observed that, excluding the Ministry of Defence, “MAFF was the only remaining department that was responsible for a single line of industry. It had a certain Soviet-life overtone to it”.³⁷ He urged agriculture to “see itself in a wider context and its relationship with Government in a wider context”.³⁸ However, he did agree that Government wanted to see a thriving agricultural sector.

18. The framework in which agriculture operates, which determines whether it is able to function profitably, is largely dependent on decisions taken by Government and the European Union.³⁹ **Whether it likes it or not DEFRA is more than just an interlocutor for agriculture and a wide range of other, related, industries: it is a funder, regulator, negotiator and mediator. It is important, therefore, that DEFRA makes clear the central role played by agriculture in delivering a host of its objectives, and in particular those relating to rural communities, the countryside and sustainable development.**

Delivery

19. Taken together the Department’s two new roles differ significantly from those of the former MAFF and of the former Department of the Environment, Transport and the Regions. Changing the Department so that its new agenda is reflected in its structures and practices and embedded in its culture is a considerable managerial challenge. Management of the Department must (a) bring staff together to form a coherent whole which is more than the sum of its parts, (b) ensure that the Department as a whole understands and adopts the aims of sustainable development and the needs of rural areas, and (c) that it understands its responsibility to promote its agenda across Whitehall.

20. The Department is certainly making strenuous efforts to change. Lord Whitty told us that there is a “high degree of motivation” to do so.⁴⁰ The process has begun with intensive training for senior managers intended to help them “change their focus”, since without change in senior ranks “the rest of the staff will not change their direction”.⁴¹ Lord Whitty pointed to “major changes in structure and in personnel at senior management level ... [although] the changes are not so dramatic at the junior levels”.⁴² That said, training, Information Technology and other support is being amended to reflect the new priorities of the Department.⁴³ Attention has been devoted to ensuring better co-ordination between different parts of DEFRA, and Lord Whitty told us that “there are probably some other structural changes that will have to be made”.⁴⁴

³⁵ *Farmers' Weekly*, 4 October 2002, p.5.

³⁶ Q.202.

³⁷ Q.205.

³⁸ Q.205.

³⁹ See our Ninth Report, *The Future of UK Agriculture in a Changing World*, HC (2001-02) 550.

⁴⁰ See Q.225.

⁴¹ Q.225.

⁴² Q.228.

⁴³ See Q.225.

⁴⁴ Q.229.

Delivering sustainable development

21. To support its sustainable development objectives the Department has published a strategy paper, *Foundations for our Future*, in which it proposes a “programme of activities for staff, [through which] we aim to create a better understanding of sustainable development within DEFRA, to embed the principles and commitments in this strategy in every part of the organisation”.⁴⁵ It suggests providing better information, training and team discussions, coupled with monitoring and appraisal, as well as making better use of ‘cross-cutting’ teams made up of staff from different parts of the Department.⁴⁶ Moreover, *Foundations for our Future* was itself drawn up “with input from staff”, amongst others.⁴⁷

22. DEFRA has also sought to champion sustainable development across Whitehall. *Foundations for our Future* points out that the Department chairs the Cabinet Sub-Committee of Green Ministers – ENV(G) – which considers the impacts of all Government policies on sustainable development”.⁴⁸ It also claims that the Department “has maintained and developed its close working links with the Department for Transport, Local Government and the Regions, reinforced by a concordat”.⁴⁹ DEFRA also apparently works closely with the Department of Trade and Industry on “resource productivity and corporate social responsibility”, as well as with the Treasury on ensuring that sustainable development “is taken into account in departmental bids for the 2002 Spending Review”.⁵⁰ The Department also works with other Departments to promote sustainable development objectives.

23. The effectiveness of these partnerships with other Government Departments has been questioned. The charge, in short, is that DEFRA is jack of too many trades and master of none. The National Trust told us that “DEFRA has been barely visible in key policy debates, including, for example, on the internal working groups which developed the Planning Green Paper without any DEFRA input”.⁵¹ The CPRE detected a “growing sense of frustration at perhaps the inability of the Department to make an impact where it matters on the centre of Government, in terms of gaining resources, in terms of gaining commitment across Government to sustainable development objectives”.⁵²

24. Lord Whitty suggested that the success or otherwise of the Department in advancing the cause of sustainable development would only become apparent as time passed: he said that “the degree to which we will have achieved that in a year’s time will become apparent, in so far as it is not already”.⁵³ **We are pessimistic about DEFRA’s ability to ensure that Government Departments will do more than pay lip service to the objectives of sustainable development. It is essential that the Department vigorously seeks to promote across Whitehall the importance of putting sustainable development at the heart of policy-making. We are not content to wait for a year to see what progress the Department has made. We recommend that the Department now publish details of all agreements, protocols and concordats it has reached with other Departments in relation to sustainable development. It should also describe each year in its annual report the influence it has had on the policies and activities of those Departments, and the progress they are making towards achieving their sustainability objectives. This**

⁴⁵ See *Foundations for our Future*, DEFRA, June 2002, para.2.19; the document can be viewed on the internet using the address <http://www.defra.gov.uk/corporate/sdstrategy/sdstrategy.pdf>.

⁴⁶ *Foundations for our Future*, para.2.19 ff.

⁴⁷ *DEFRA Departmental Report 2002*, p.21; see <http://www.defra.gov.uk/corporate/deprep/default.htm>.

⁴⁸ See *Foundations for our Future*, para.1.2.

⁴⁹ *Foundations for our Future*, para.1.4.

⁵⁰ *Foundations for our Future*, para.1.4.

⁵¹ G5, Ev 40, para.15 and Ev 39, para.3.

⁵² Q.115.

⁵³ Q.206.

is doing no more than asking the Department to substantiate the main claim for its existence.

25. In May 1999 the Government published a national sustainable development strategy.⁵⁴ Subsequently it has set out a range of indicators against which its progress towards achieving the targets set out in the strategy can be assessed. In particular it has identified fifteen ‘headline indicators’, and the Government is committed to publishing annually a Quality of Life Barometer setting out performance against the headline indicators, as well as policy responses, as appropriate.⁵⁵ The Environmental Audit Committee has raised concern that the process essentially constitutes the Government reporting on itself, a concern we share.⁵⁶

26. We discuss below the role of ‘rural proofing’ in seeking to ensure that the interests of rural areas are taken into account across Whitehall. Each year the Countryside Agency audits the effectiveness of such proofing. There seems to be little reason why a similar audit should not be carried out in relation to sustainable development. We note that DEFRA already works with the Sustainable Development Commission, an advisory body which comments to Government on progress made in this area,⁵⁷ and that the Commission already has responsibility for auditing performance.⁵⁸ **Like the Environmental Audit Committee, we recommend that the Government invite the Sustainable Development Commission to publish in the annual report on performance against the headline indicators of sustainable development its own assessment of progress made across Government.**

27. Within DEFRA it is proposed that an internal auditing system be used to “examine the procedures and information used to make future policies, and check they comply with this [sustainable development] strategy”.⁵⁹ **We recommend that the Department report to us annually the results of its audit of its own ability to put sustainable development at the heart of its policy-making.**

Addressing the needs of rural areas

28. The Department has also taken steps to promote greater sensitivity within the Department to the needs of rural areas. Lord Whitty said that it was important that “those who carry out some of the functions need to be less silo-ised and blinkered themselves. If you are looking after forestry or an aspect of waste management, you are looking at the rural environment as a whole and not simply carrying out your duties under the specific regulations for which your post has historically been designated. That is part of the culture change that we are trying to achieve. It may be that the numbers under the heading of rural affairs do not rise significantly, but the people who traditionally are in agricultural posts or environmental posts begin to take on rural affairs roles. That is beginning to happen already and it needs to happen more”.⁶⁰

29. A number of our witnesses were concerned about the slow pace at which DEFRA had turned to its rural affairs agenda: the Local Government Association told us that “rural affairs seems to have a Cinderella role”.⁶¹ A matter of particular concern is the fate of the

⁵⁴ *A better quality of life: a strategy for sustainable development for the UK*, Cm 4345, May 1999; this can be viewed at http://www.sustainable-development.gov.uk/uk_strategy/content.htm.

⁵⁵ A description of the process can be found in the Report of the Environmental Audit Committee, *Measuring the Quality of Life: The 2001 Sustainable Development Headline Indicators*, para.1 ff.

⁵⁶ *Measuring the Quality of Life: The 2001 Sustainable Development Headline Indicators*, paras.20 to 25.

⁵⁷ More details can be found at <http://www.sd-commission.gov.uk/index.htm>.

⁵⁸ *Review 2001: Headlining Sustainable Development*, Sustainable Development Commission, November 2001, p.3; see <http://www.sd-commission.gov.uk/pubs/ar2001/index.htm>.

⁵⁹ *Foundations for our Future*, para.2.22.

⁶⁰ Q.230.

⁶¹ G16, Ev 115.

Rural White Paper, published in November 2000.⁶² The National Trust illustrated its comment about how slowly the Department had moved on “wider rural issues” by referring to the White Paper.⁶³ Likewise the CPRE urged us “to recommend that DEFRA gets back on track with the implementation of the Rural White Paper”⁶⁴ It said that “the Rural White Paper provides many welcome initiatives and ideas that could help address the problems of service decline, lack of affordable housing and poor access to training and childcare facing many rural communities. The challenge to DEFRA is to translate these into tangible improvements on the ground”.⁶⁵ Lord Whitty claimed that, in fact, good progress had been made in implementing the White Paper, pointing particularly to initiatives in market towns and in villages.⁶⁶ However, he conceded that although DEFRA had “encouraged other departments to deliver their part of the Rural White Paper ... there is the question of how effectively that has been delivered on the ground”.⁶⁷ He was particularly concerned about rural transport. **We recommend that the Government recommit itself to the Rural White Paper, and where other Departments have received budget allocations to deliver specific rural initiatives and do not appear to be doing so DEFRA should advise the Cabinet Committee responsible for rural affairs about this failure to use correctly their budget allocations. It is vital that it ensures that the policies and initiatives the White Paper sets out are put into practice in rural communities.**

30. A key facet of the Rural White Paper is that it commits Government Departments to ‘think rural’ when developing policies and programmes.⁶⁸ This has led to ‘rural proofing’, a process by which “the potential impacts of policy and decision-making on rural areas is evaluated, taking the needs of those who live and work in the countryside fully into account. The purpose is to make sure that the needs of rural areas are not sidelined, and indeed that they are reflected at the heart of all policy making”.⁶⁹ The Countryside Agency has given advice to Government Departments including providing a rural proofing ‘checklist’ against which policies and decisions can be assessed. Government Departments have also all identified a lead person on rural proofing. The success of rural proofing is assessed annually in a report by the Agency.⁷⁰

31. In passing, we note that in its Annual Report DEFRA describes how it co-ordinates and monitors rural proofing across Government “with help from the Countryside Agency”.⁷¹ We understand that DEFRA wishes to take a lead in promoting the interests of rural areas across Whitehall, and rural proofing is a key part of that process. But in practical terms rural proofing is currently the responsibility of the Countryside Agency. We have commented in the past on the likelihood that the creation of DEFRA, as a Department specifically responsible for ‘rural affairs’, would require the Countryside Agency and the Department to re-examine their respective roles and responsibilities to ensure that they do not overlap or conflict with one another.⁷² Rural proofing is an example of the potential difficulty. **We recommend that DEFRA and the Countryside Agency clarify their respective roles in the process of rural proofing and, above all, make clear which of them takes overall responsibility for the rural areas. Confusion about the respective**

⁶² For a summary, see <http://www.defra.gov.uk/wildlife-countryside/ruralwp/cm4909/summary/index.htm>.

⁶³ See G5, Ev 39, para.6.

⁶⁴ G20, Ev 28, para.10.

⁶⁵ G20, Ev 28, para.9.

⁶⁶ The Countryside Agency is responsible for programmes relating to ‘Vital Villages’ and ‘Market Towns’. More details can be seen at <http://www.countryside.gov.uk/vitalvillages/> and <http://www.countryside.gov.uk/market-towns/>, respectively.

⁶⁷ See Q.231.

⁶⁸ See *Our Countryside, The Future* (the Rural White Paper), Ministry of Agriculture, Fisheries and Food and the Department of the Environment, Transport and the Regions, November 2000, Chapter 13, which is available on the internet at <http://www.defra.gov.uk/wildlife-countryside/ruralwp/cm4909/17.htm>; see also *Rural Proofing in 2001/02*, Countryside Agency, April 2002, at <http://www.countryside.gov.uk/ruralproofing/pdf/3RPR-Main.pdf>.

⁶⁹ *Rural Proofing in 2001/02*, Countryside Agency, April 2002, p.8.

⁷⁰ See *Rural Proofing in 2001/02*, Countryside Agency, April 2002, p.10.

⁷¹ *DEFRA Departmental Report 2002*, p.21.

⁷² *Countryside Agency, Second Report of the Committee*, HC (2001-02) 386, para.11.

roles of DEFRA and the Agency is affecting the delivery of services in rural communities.

32. The Countryside Agency's most recent report into the effectiveness of rural proofing, published in April 2002, was not positive. It found that "progress has been slower than we would have wished. On the basis of action so far, rural proofing is unlikely to become widely used and routine", that "there remains some way to go before rural proofing can be said to be systematically applied", and that "there is limited evidence on the ground at this stage [of changes to policy as a result of rural proofing]".⁷³ On the basis of the report the RSPB commented that the Countryside Agency and DEFRA "had really not been able to encourage other aspects of Government to rural proof their own operations and ... after the first year of rural proofing, there was little sign that this had been a very effective element of advocacy for DEFRA".⁷⁴ DEFRA itself admitted that "there is still some way to go".⁷⁵

33. Of specific concern is the timing of the process. There is a distinct possibility that Departments may develop policies to an advanced stage and only then go back and assess their impact on rural communities, making minor adjustments if need be. The Countryside Agency said that "the intention is that rural proofing should begin early in the policy-making process, so that it can have an influence before key decisions are taken. But most of the rural proofing activities of which we are aware occurred late in policy-making, typically adaptations to existing policies".⁷⁶ Lord Whitty conceded that what happens is that "at the end of the policy development period, which probably started before rural proofing was on the agenda, they then rather hurriedly double-check whether they can give a positive rural proofing dimension to the policy".⁷⁷ The Countryside Agency said that "Departments should ensure that they use rural proofing as a screening process early in their policy-making",⁷⁸ and noted that the Agency and its contact points within Departments "should aim to identify forthcoming areas of policy development, where rural issues are likely to be relevant and ensure that rural proofing is brought to the attention of the relevant policy teams. Many of the success stories [in rural proofing] ... evolved from such a proactive approach".⁷⁹

34. We support rural proofing to the extent that it is the only currently available mechanism through which specifically rural issues can be reflected in decision-making across Whitehall. We urge DEFRA and the Countryside Agency to continue encourage the use of the rural proofing mechanism at the earliest possible stage in the decision-making process in other Government Departments and agencies. We recommend that the Government reply in detail to the annual reports of the Countryside Agency on rural proofing, setting out how shortcomings will be put right. We recommend also that Government promote awareness of rural proofing at senior levels in all Departments, and that the Countryside Agency undertake a detailed audit of such awareness as soon as possible. Without greater impetus behind rural proofing we are concerned that as with sustainable development Departments will pay little more than lip service to the process.

35. It is disappointing therefore that DEFRA's record in proofing its own policies is not impressive. The CPRE pointed to the fact that the Countryside Agency report "highlighted that DEFRA could be doing more internally and externally to rural proof policy and practice".⁸⁰ In fact the Countryside Agency reported that "there has only been limited

⁷³ *Rural Proofing in 2001/02*, Countryside Agency, April 2002, pp.10, 12 and 16.

⁷⁴ Q.14.

⁷⁵ Q.232.

⁷⁶ *Rural Proofing in 2001/02*, Countryside Agency, April 2002, p.14.

⁷⁷ Q.233.

⁷⁸ *Rural Proofing in 2001/02*, Countryside Agency, April 2002, p.14.

⁷⁹ *Rural Proofing in 2001/02*, Countryside Agency, April 2002, p.11.

⁸⁰ G20, Ev 28, para.10.

implementation of rural proofing [in DEFRA] ... Much of their work contains a rural dimension, but there are few policy adjustments or outcomes to report at this stage”.⁸¹ **DEFRA should set an example to other Departments in its adoption of rural proofing. We therefore recommend that DEFRA, as a matter of urgency, ensure that it improves awareness and use of rural proofing in its own work. We require that the Department, by the time of the next annual report into the matter by the Countryside Agency, have the best record in rural proofing its policies and decisions of all Government Departments.**

Changing culture and managing change

36. At the time that DEFRA was created, the Prime Minister challenged it to become a “department that would operate as ‘a single, distinct and integrated whole, with a markedly new culture’”.⁸² Lord Whitty told us that although more was needed, the Department had made progress towards meeting that challenge. He told us that in addressing the “internal culture, there are structural and superstructural lags no doubt but we have given for the ministerial and management board level a pretty clear sense of direction. We want that broader department. We want those who are very heavily involved and focused on agriculture to take a broader view. We also want those in other parts of the Department to recognise the importance of farming in delivering our broader objectives”.⁸³

37. Most of our witnesses were equivocal about DEFRA’s performance since taking on its new roles. For example, the National Trust told us that DEFRA had “moved quickly and effectively to establish internal structures, clear aims and objectives and strategic priorities [and] made important progress towards integrating with other Government departments at a regional level”, but that there was still much to do. In particular, the Trust said, the Department needed to do more to integrate its own operations, “especially on the environment and the links between farming and rural policy”, and it had “singularly failed to make any appreciable impact on key policy developments in land use planning and transport despite their environmental and rural significance”.⁸⁴ The Wildlife Trusts commented that “there is evidence of a lack of integration with other Departments on related issues (such as transport and planning)”.⁸⁵

38. In its evidence the CPRE observed that “the attitude and approach of existing staff is a potential barrier to delivering the opportunities of a new approach to rural and environmental issues offered by DEFRA. It is essential that officials at all levels are conversant with its new aims and objectives and are encouraged to adopt a new and more holistic approach to solving rural problems. This will be a particular challenge given the cultural ‘inertia’ that appeared endemic in the former MAFF and the dominance of staff, in terms of numbers and resources, focussed on the agricultural sector”.⁸⁶ The RSPB commented that “despite the progressive rhetoric of the ministerial team and Management Board ... there is worrying evidence that the inertia and narrow world view towards agriculture shown by the former MAFF are still pervasive at lower levels within the Department”.⁸⁷ In oral evidence the RSPB said that there “is still evidence of significant ... silo-thinking within the Department in that there is significant division between the old sectors of say flood defence and environment protection and that we still have different thinking lines within the Department. We have yet to see that integration which we would have hoped might have been achieved”.⁸⁸ For its part, the Countryside Alliance said that

⁸¹ *Rural Proofing in 2001/02*, Countryside Agency, April 2002, p.36.

⁸² Reported in *Developing DEFRA: A report on the merger for people who lead and manage change*, DEFRA, August 2002.

⁸³ Q.249.

⁸⁴ G5, Ev 39, para.3.

⁸⁵ G29, Ev 124, para.5.

⁸⁶ G20, Ev 28, para.8.

⁸⁷ G21, Ev 2, para.3.3.

⁸⁸ Q.9.

it thought that “much needs to be done” to bring together DEFRA’s diverse areas of responsibility: at the moment, it told us, “they are still being implemented separately, and this is resulting in a slow pace of change”.⁸⁹

39. It is apparent that the senior staff of DEFRA face a considerable challenge in managing changes of culture and structure. English Nature told us that DEFRA needed to “develop its culture to become ... less risk averse, more outward looking and innovative in its policy making and ways of working”.⁹⁰ It observed that although the Department’s “vision is good ... organisationally it remains too process driven ... [and] it must become more outcome focussed. Its programmes, activities and staff/financial resources need to be realigned to deliver the vision, aim and objectives”.⁹¹ It also commented that although DEFRA had made welcome attempts to be more open and inclusive it needed to consult more widely than its “established partners” in certain policy areas.⁹² But it is worth noting the comments of the Wildlife Trusts, which told us that “there are clearly dangers of merged Departments becoming too unwieldy, resulting in poor communication, little integration and a static culture”.⁹³

40. Perhaps the most telling criticism of the Department has come from those responsible for inquiring into aspects of the outbreak of Foot and Mouth Disease in 2001. For example, concerns about the slow pace of the Department were reflected by Professor Sir Brian Follett, Chairman of the Royal Society Inquiry into Infectious Diseases in Livestock in his comment on the Action Plan drawn up by DEFRA to deal with the illegal importation of meat. When asked what was missing from the Plan, he replied “action”.⁹⁴ Even sharper criticism came from Dr Iain Anderson, the Chairman of the ‘Lessons Learned’ inquiry, in the foreword to his report. In it he said

“Within MAFF, and now DEFRA, I detected a culture predisposed to decision taking by committee with an associated fear of personal risk taking. Such a climate does not encourage creative initiative. It inhibits adaptive behaviour, and organisational learning which, over time, lowers the quality of decisions taken. It seems to me that a reappraisal of prevailing attitudes and behaviours within the Department would be beneficial”.⁹⁵

Dr Anderson suggested that the Department should assess the extent to which it needed to “foster abilities in operational management and project management”, in addition to existing policy-making skills.⁹⁶ He also said that leadership skills should be “husbanded and treasured and developed. In routine, they are always important; in crises they are absolutely essential”.⁹⁷ Finally he recommended that DEFRA should engage with and learn from its stakeholders or, as he put it, “be guided by very penetrating contact with its customer group”.⁹⁸

41. In its own report on the first year of implementation of its plan for change, the Developing DEFRA Programme,⁹⁹ the Department records the practical difficulties it faced after its formation. These included the fact that the business systems such as information technology used by MAFF were “for purely pragmatic reasons” adopted across the whole

⁸⁹ G10, Ev 99.

⁹⁰ G2, Ev 83, para.1.2.

⁹¹ G2, Ev 83, para.1.1.

⁹² See G2, Ev 83, para.1.3.

⁹³ G29, Ev 124, para.5.

⁹⁴ Evidence given before the Committee on Wednesday 16 October 2002, HC (2001-02) 1220, Q.55.

⁹⁵ Foreword to the *Foot and Mouth Disease: Lessons to be Learned Inquiry Report*, HC (2001-02) 888; the report can be viewed at <http://213.121.214.218/find/report/index.htm>.

⁹⁶ Q.33.

⁹⁷ Q.38.

⁹⁸ Q.38.

⁹⁹ *Developing DEFRA: A report on the merger for people who lead and manage change*, DEFRA, August 2002.

Department, “which meant that it felt more like a takeover than a merger”.¹⁰⁰ Harmonising day-to-day matters such as IT networks, switchboards, travel allowances, security passes, and corporate directories “were major irritants but were not easy or inexpensive to fix”.¹⁰¹ The report talks of the “practical difficulties, the culture clashes, the irritations and the frustrations of change”, and concedes that in its first year the change programme has mainly comprised setting a new agenda and addressing the practical difficulties of merger: only in “the next period” is it expected that real cultural change will begin.¹⁰² **It is apparent from DEFRA’s own statements and from the evidence we received that significant change to the culture of the Department is far from complete – indeed it has barely begun.**

42. In our Report on the Departmental Annual Report 2002 we recorded that DEFRA and its staff had faced a period of considerable upheaval, as a result first of foot and mouth disease and second of the setting up of the new Department and subsequent efforts to change culture and focus. We commented that “there is little evidence of current management capability to lead change in such difficult circumstances”.¹⁰³ We recommended that the Department’s change plan *and the competence available to deliver it* be subject to external review. In its reply the Government said that its Change Programme had been reviewed together with the Office of Public Services, which had “helped the Department to identify the priority action areas for the next stage [of the Programme] ... These priorities include an assessment of the skills and competence of DEFRA’s senior managers and action to fill any gaps”.¹⁰⁴ **We note that DEFRA has reviewed its plan for change, the Developing DEFRA Programme, and that the review has identified priorities for the next stage of the programme, including an assessment of the skills and competence of senior managers. We welcome that work, which tallies with the recommendation we made in our earlier Report. We recommend that the Department report back to us regularly on its progress in implementing the Programme and, particularly the action it takes to rectify any deficiencies in the skills of senior managers. We also recommend that the Department address seriously the comments made by Dr Anderson about fostering abilities in operational and project management, husbanding leadership skills, and develop ever closer links with its stakeholders, and report back to us the steps it intends to take to make progress in these areas.**

Dealing with DEFRA

43. DEFRA has relationships with a very large number of outside bodies. It deals with a range of business interests, from farmers and fishermen to food processors and retailers, and from waste disposal companies to water suppliers, amongst a host of others. In addition, as well as forming relationships with non-governmental organisations and individuals, it has connections with various public bodies, not least local authorities.

44. One of the aspirations of the *Developing DEFRA Programme* is to make the Department “outward-looking, professional and expert ... [and] understand the needs of our customers and welcome feedback on performance”.¹⁰⁵ We have heard evidence that the Department is beginning to achieve this aim: for example, a major supermarket told us that DEFRA officials have a good understanding of business issues and are becoming more consumer focused.¹⁰⁶ The Dairy Industry Association Limited (DIAL) said that it “remains satisfied with the professionalism and dedication of the civil servants in DEFRA. DEFRA

¹⁰⁰ *Developing DEFRA*, p.6.

¹⁰¹ *Developing DEFRA*, p.6.

¹⁰² *Developing DEFRA*, p.6 and p.3.

¹⁰³ *Departmental Annual Report 2002*, Sixth Report, HC (2001-02) 969, para.23.

¹⁰⁴ *Government reply to the Sixth Report of the Committee*, Ninth Special Report, HC (2001-02) 1223, p.8.

¹⁰⁵ *DEFRA Departmental Report 2002*, p.17.

¹⁰⁶ Letter to the Clerk of the Committee (not published).

personnel respond promptly to queries raised by DIAL”.¹⁰⁷ Water UK told us that “the willingness of DEFRA Ministers and officials to discuss policy issues and attend meetings with other stakeholders has been impressive”.¹⁰⁸ **We welcome the efforts made by DEFRA to engage with interested parties. We urge it to continue to develop these important links with others, and use such contacts to develop a closer understanding of their needs, and to learn from them in order to become more customer-focused.**

45. However, several witnesses commented that the undoubted willingness of DEFRA to interact with interested parties was compromised by a lack of resources in the Department, and particularly a shortage of staff and high rates of staff turnover. The Environmental Services Association said that “both the Waste Policy and Waste Strategy units remain under-resourced to deliver the diverse and complex work programme surrounding the management of waste and secondary resources”.¹⁰⁹ The Council for National Parks observed that “insufficient resources are being provided to DEFRA’s Countryside Division. The Council for National Parks notes that the Division is very stretched in terms of meeting its responsibilities to National Park sponsorship”.¹¹⁰ The British Retail Consortium told us that it hoped that the Food Industry Division of DEFRA would ensure that the interests of food retailers are heard across Government, but says that “at current staffing levels this will be an ambitious task”.¹¹¹ The Local Government Association reported difficulties faced by local authorities seeking to include targets on recycling waste within their local public service agreements which it attributed to “a lack of resources being applied to this priority”.¹¹² Water UK told us that “there are a few welcome signs of DEFRA being prepared to look for a more integrated approach [to its work] ... However, progress has been slow. We wonder if this is due to a lack of resource and/or experience within parts of DEFRA”.¹¹³ Concerns about staffing levels are also raised by the National Farmers’ Union¹¹⁴ and the Ramblers’ Association.¹¹⁵

46. Another company which deals regularly with DEFRA has separately told us about problems it has faced in its dealings with the Department.¹¹⁶ It said that a Unit with which it deals has suffered from a high turnover of staff, and observed that its staff, including its head, were relatively junior. It also complained of inaccuracies in data issued by the Department, as well as confusion about which agency is responsible for aspects of policy. Finally, it commented on poor management of basic communication issues, such as answering the telephone and responding to written correspondence.

47. We have previously noted problems with staff shortages and turnover,¹¹⁷ and have expressed particular concern about the average overall turnover between June 2001 and May 2002 of 9.2 per cent of staff. Subsequently DEFRA has told us that turnover of staff between January and May 2002 was only 2.8 per cent, and that generally turnover at middle or senior levels was only approximately 2 to 3 per cent, although it was more like 20 per cent for the most junior grades.¹¹⁸ The paucity of data in the Department’s Annual Report means that the extent of staff shortages is unclear, but the evidence we received is unequivocal. **We recommend that DEFRA publish now a breakdown of the number of staff employed in each of its Directorates and units, as well as details of the number of unfilled posts in each. It is important, not least for its ability to deal properly with**

¹⁰⁷ G4, Ev 126, para.12.

¹⁰⁸ G11, Ev 101.

¹⁰⁹ G9, Ev 96, para.19.

¹¹⁰ G6, Ev 93, para.1.

¹¹¹ G1, Ev 82.

¹¹² G16, Ev 115, p.2.

¹¹³ G11, Ev 103–Ev 104, para.4.3.

¹¹⁴ G15, Ev 112, para.8.

¹¹⁵ G19, Ev 118, para.2.

¹¹⁶ Letter to the Chairman, not published.

¹¹⁷ Sixth Report, *The Departmental Annual Report 2002*, HC (2001-02) 969, paras.22 ff.

¹¹⁸ *Government reply to the Sixth Report of the Committee*, Ninth Special Report, HC (2001-02) 1223, p.7.

other organisations and individuals, that the Department is fully staffed. We recommend that the Department set out its policies for recruiting and retaining staff, to ensure that staff shortages and turnover are reduced.

48. Our witnesses also thought that more extensive contact between DEFRA officials and other organisations would be mutually beneficial. The Country Land and Business Association reflected on the situation in France where, it said, government was more responsive to the needs of small business because of its “closer contact with the industries on the ground and through some of their professional organisations and through their departmental system”.¹¹⁹ The British Retail Consortium suggested that understanding by officials of the food industry would be enhanced by “the introduction of a more formal programme of secondments between Government and food retailing to ensure that officials are given the opportunity to witness first-hand the practical impact of policy-making”.¹²⁰ The Consortium has offered to co-ordinate such a programme. **DEFRA must work hard to build up close contacts with businesses and others. One way of doing so might be to organise regular secondments for staff into businesses – and indeed into other organisations – and of staff from outside into DEFRA. We recommend that the Department actively explore the possibility of setting up a programme of such secondments. We believe that a properly structured programme of secondments will help promote mutual understanding between DEFRA and those with whom it inter-relates, and will also encourage cultural change in the Department.**

Conclusion

49. **It is apparent that DEFRA continues to face a difficult period of change. It must bring its staff together, in both structural and cultural terms. It must make clear to them that their twin objectives are sustainable development and the protection of rural interests, and put in place work practices which support those goals. And it must ensure that the Department has the means and the confidence to project those objectives across Whitehall and in other agencies. Achieving such changes to its mission and its practices will not be easy, and we remain concerned about the ability of senior managers to ensure that they take place – concern borne out by the comments of our witnesses and others on the performance of the Department in its first year. We look forward to the rapid changes which will be needed for the Department to fulfil its new role.**

¹¹⁹ Q.67.

¹²⁰ G1, Ev 82.

List of conclusions and recommendations

- (a) **Putting sustainable development, particularly concern for the environment, at the heart of policy-making is vital. We welcome the fact that DEFRA has adopted as one of its primary roles the promotion of sustainability. There is no intrinsic reason why taking responsibility for sustainable development and the environment away from the old Department of the Environment, Transport and the Regions and locating it in DEFRA should have removed it from the heart of Government – provided that mechanisms are put in place to ensure that DEFRA is listened to, and that its proposals are acted upon by other Departments. Whether or not those mechanisms will operate effectively is rightly the matter of some concern, a point we return to later in this Report (paragraph 12).**
- (b) **Rural areas face challenges which differ from those facing urban areas. It is important that the particular issues of rural areas are taken into account in Government policy-making, and we welcome the fact that DEFRA's second primary role is as the champion of rural areas. Although the Department is responsible for many aspects of policy which affect rural communities, it is vital that, as with sustainable development, mechanisms are put in place to enable DEFRA to exercise influence over other Government Departments to ensure that they take account of the rural dimension in policy-making. It is the effectiveness of such mechanisms which are of concern, a point which, again, we return to below. In addition, we are concerned that DEFRA should recognise that it has *two* principal roles: as the advocate of sustainable development, and as the promoter of the interests of rural areas. We recommend that the Department now acknowledge explicitly that these are its primary roles, and that they are of equal importance to its work. DEFRA should also recognise its responsibility to help explain to urban Britain the issues for which it is responsible (paragraph 14).**
- (c) **Whether it likes it or not DEFRA is more than just an interlocutor for agriculture and a wide range of other, related, industries: it is a funder, regulator, negotiator and mediator. It is important, therefore, that DEFRA makes clear the central role played by agriculture in delivering a host of its objectives, and in particular those relating to rural communities, the countryside and sustainable development (paragraph 18).**
- (d) **We are pessimistic about DEFRA's ability to ensure that Government Departments will do more than pay lip service to the objectives of sustainable development. It is essential that the Department vigorously seeks to promote across Whitehall the importance of putting sustainable development at the heart of policy-making. We are not content to wait for a year to see what progress the Department has made. We recommend that the Department now publish details of all agreements, protocols and concordats it has reached with other Departments in relation to sustainable development. It should also describe each year in its annual report the influence it has had on the policies and activities of those Departments, and the progress they are making towards achieving their sustainability objectives. This is doing no more than asking the Department to substantiate the main claim for its existence (paragraph 24).**
- (e) **Like the Environmental Audit Committee, we recommend that the Government invite the Sustainable Development Commission to publish in the annual report on performance against the headline indicators of sustainable development its own assessment of progress made across Government (paragraph 26).**
- (f) **We recommend that the Department report to us annually the results of its audit of its own ability to put sustainable development at the heart of its policy-making (paragraph 27).**

- (g) We recommend that the Government recommit itself to the Rural White Paper, and where other Departments have received budget allocations to deliver specific rural initiatives and do not appear to be doing so DEFRA should advise the Cabinet Committee responsible for rural affairs about this failure to use correctly their budget allocations. It is vital that it ensures that the policies and initiatives the White Paper sets out are put into practice in rural communities (paragraph 29).
- (h) We recommend that DEFRA and the Countryside Agency clarify their respective roles in the process of rural proofing and, above all, make clear which of them takes overall responsibility for the rural areas. Confusion about the respective roles of DEFRA and the Agency is affecting the delivery of services in rural communities (paragraph 31).
- (i) We support rural proofing to the extent that it is the only currently available mechanism through which specifically rural issues can be reflected in decision-making across Whitehall. We urge DEFRA and the Countryside Agency to continue encourage the use of the rural proofing mechanism at the earliest possible stage in the decision-making process in other Government Departments and agencies. We recommend that the Government reply in detail to the annual reports of the Countryside Agency on rural proofing, setting out how shortcomings will be put right. We recommend also that Government promote awareness of rural proofing at senior levels in all Departments, and that the Countryside Agency undertake a detailed audit of such awareness as soon as possible. Without greater impetus behind rural proofing we are concerned that as with sustainable development Departments will pay little more than lip service to the process (paragraph 34).
- (j) DEFRA should set an example to other Departments in its adoption of rural proofing. We therefore recommend that DEFRA, as a matter of urgency, ensure that it improves awareness and use of rural proofing in its own work. We require that the Department, by the time of the next annual report into the matter by the Countryside Agency, have the best record in rural proofing its policies and decisions of all Government Departments (paragraph 35).
- (k) It is apparent from DEFRA's own statements and from the evidence we received that significant change to the culture of the Department is far from complete – indeed it has barely begun (paragraph 41).
- (l) We note that DEFRA has reviewed its plan for change, the Developing DEFRA Programme, and that the review has identified priorities for the next stage of the programme, including an assessment of the skills and competence of senior managers. We welcome that work, which tallies with the recommendation we made in our earlier Report. We recommend that the Department report back to us regularly on its progress in implementing the Programme and, particularly the action it takes to rectify any deficiencies in the skills of senior managers. We also recommend that the Department address seriously the comments made by Dr Anderson about fostering abilities in operational and project management, husbanding leadership skills, and develop ever closer links with its stakeholders, and report back to us the steps it intends to take to make progress in these areas (paragraph 42).
- (m) We welcome the efforts made by DEFRA to engage with interested parties. We urge it to continue to develop these important links with others, and use such contacts to develop a closer understanding of their needs, and to learn from them in order to become more customer-focused (paragraph 44).

- (n) **We recommend that DEFRA publish now a breakdown of the number of staff employed in each of its Directorates and units, as well as details of the number of unfilled posts in each. It is important, not least for its ability to deal properly with other organisations and individuals, that the Department is fully staffed. We recommend that the Department set out its policies for recruiting and retaining staff, to ensure that staff shortages and turnover are reduced (paragraph 47).**
- (o) **DEFRA must work hard to build up close contacts with businesses and others. One way of doing so might be to organise regular secondments for staff into businesses – and indeed into other organisations – and of staff from outside into DEFRA. We recommend that the Department actively explore the possibility of setting up a programme of such secondments. We believe that a properly structured programme of secondments will help promote mutual understanding between DEFRA and those with whom it inter-relates, and will also encourage cultural change in the Department (paragraph 48).**
- (p) **It is apparent that DEFRA continues to face a difficult period of change. It must bring its staff together, in both structural and cultural terms. It must make clear to them that their twin objectives are sustainable development and the protection of rural interests, and put in place work practices which support those goals. And it must ensure that the Department has the means and the confidence to project those objectives across Whitehall and in other agencies. Achieving such changes to its mission and its practices will not be easy, and we remain concerned about the ability of senior managers to ensure that they take place – concern borne out by the comments of our witnesses and others on the performance of the Department in its first year. We look forward to the rapid changes which will be needed for the Department to fulfil its new role (paragraph 49).**

PROCEEDINGS OF THE COMMITTEE

WEDNESDAY 6 NOVEMBER 2002

Members present:

Mr David Curry, in the Chair

Mr David Borrow	Diana Organ
Mr David Drew	Mrs Gillian Shephard
Patrick Hall	David Taylor
Mr Michael Jack	Paddy Tipping
Mr David Lepper	

The Committee deliberated.

Draft Report [*The Role of DEFRA*], proposed by the Chairman, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 49 read and agreed to.

Summary read and agreed to.

Ordered, That the Chairman do make the Report to the House.

Ordered, That the Appendices to the Minutes of Evidence taken before Committee be reported to the House.

The Committee further deliberated.

[Adjourned till Thursday 21 November at half-past Two o'clock.]

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MINUTES OF EVIDENCE

TAKEN BEFORE THE ENVIRONMENT, FOOD AND RURAL AFFAIRS COMMITTEE

WEDNESDAY 26 JUNE 2002

Members present:

Mr David Curry, in the Chair

Mr David Borrow
Mr Colin Breed
David Burnside
Mr Michael Jack
Mr David Lepper

Mr Austin Mitchell
Diana Organ
David Taylor
Paddy Tipping
Mr Mark Todd

Memorandum submitted by the Royal Society for the Protection of Birds (RSPB) (G 21)

1. EXECUTIVE SUMMARY

The RSPB believes the creation of the Department for Environment, Food and Rural Affairs (DEFRA) brings positive opportunities for the environment, particularly in terms of integrating environmental considerations more closely into rural policy than was the case under the previous departmental arrangements. It is difficult to judge DEFRA's performance on the evidence of its first year, as this has been dominated by the aftermath of the foot and mouth outbreak and by the internal personnel and organisational issues created by the amalgamation of parts of the former DETR with the former Ministry of Agriculture, Fisheries and Food (MAFF). However, on balance, we are encouraged by both DEFRA's emphasis on consultation with external stakeholders and much of the rhetoric from the ministerial team and Management Board on its new policy priorities. We remain concerned that some of the cultural issues that characterised the worst aspects of MAFF still predominate and that there is a huge amount of work to convert fine words into real action. However, we acknowledge that this is against the backdrop of a year in which there has been a huge amount of upheaval following the merger and that much consultation was necessary to establish a new direction and ownership within DEFRA.

2. DEPARTMENTAL VISION

2.1 The RSPB endorses the vision set out by the Secretary of State, particularly the emphasis it places up-front on international action to tackle climate change and environmental degradation.

2.2 We contributed to the consultation on the Department's new aims and objectives and expressed concern that the original draft was weighted too heavily in favour of the rural agenda. The final set of aims and objectives was more balanced and represents a reasonable summary of what we believe the Department should be seeking to achieve.

2.3 The Departmental Prospectus *The Essentials of Life* set out some laudable principles for the Department to follow but was disappointing in terms of its policy content. As an overarching statement of intent, it was rather backward-looking and missed opportunities to set out exciting new approaches to tackling issues such as flood defence, rural policy and marine conservation. It could be argued that it was a mistake to publish this document ahead of Spending Round 2002, which will ultimately determine DEFRA's ability to act on a range of key issues.

2.4 To date, there has been little tangible progress towards meeting the ministerial vision. In its first year, DEFRA has clearly been pre-occupied with, in the first instance, managing the aftermath of foot and mouth and latterly, developing an identity and approach distinct from that of its predecessor department. It also appears that the personnel issues raised by the merging of staff from the former department of the Environment, Transport and the Regions (DETR) with the former MAFF have created additional time constraints. There is substantial good will towards DEFRA from many of its key stakeholders but it will need to start showing innovation and urgency on a range of policies to maintain this beyond its first year. After nine months of stakeholder engagement, we are not approaching the time for DEFRA to stop consulting and start acting.

2.5 The area where DEFRA has been most active is agriculture reform, primarily in the UK. Progress on this agenda was delayed by the work of the Policy Commission on the Future of Farming and Food. The RSPB welcomed DEFRA's endorsement of the Commission's overall direction—we see the biggest opportunity of DEFRA's creation as being a more progressive approach to policy on the countryside. However, we were concerned that DEFRA seemed surprisingly ill-equipped and slow to respond to the Commission's report. It is vital that DEFRA start to show leadership on this issue once it has published its Strategy this autumn and that it is not subject to further consultation. Its willingness to champion the whole Curry package—including an increased rate of modulation to 10 per cent—will be seen by the environmental

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community as the acid test of how far it has moved away from acting as a champion of big producer interests and towards a broader view of rural policy. This bringing together of policy on the countryside with environmental policy presents the Department with real opportunities for making change work.

3. BALANCE BETWEEN FARMING, FOOD AND ENVIRONMENTAL ISSUES

3.1 Given the political context for its creation, DEFRA has had to work hard to dispel the perception within the sustainable development community that it is simply a rural department. The RSPB welcomes the high levels of consultation and stakeholder dialogue that the Department has carried out during its first year. We have been involved at many levels with formal and informal consultations on Aims and Objectives, Sustainable Development Strategy and Departmental Prospectus, as well as its horizon-scanning programme for its research and development programme. This is an extremely welcome departure from the approach of its predecessor department, which appeared to see environmental organisations as, at best, alien to its view of rural policy as being about mass food production at lowest cost, and, at worst, a threat.

3.2 We have seen no evidence that farming, food and environmental concerns are not given proper weight by the Department, although agriculture reform appears to be its political priority. However, we are concerned that the environment portfolio has been marginalised within government by the new departmental arrangements. In particular, we are not convinced that DEFRA has the political muscle of the former DETR to champion sustainable development across government. Looking at the performance of departments that should be DEFRA's closest partners suggests that there is a long way to go on joined-up government. In addition, there is still a perception within Whitehall that DEFRA is solely a rural department. Most of DEFRA's initial focus on sustainable development has gone into what the Department can achieve within its own remit. To this end, developing a departmental Sustainable Development Strategy was a welcome exercise in refocusing DEFRA's own priorities and getting ownership behind this new direction across the Department. However, working on sustainable development across government will require close working with all government departments, especially with departments such as the Department of Trade and Industry, the newly created Department of Transport, and HM Treasury on issues such as energy, planning, transport and environmental taxation. DEFRA should be seeking joint Public Service Agreements with these departments to help reach consensus across government on how such cross-cutting areas of policy should be taken forward.

3.3 Despite the progressive rhetoric of the ministerial team and Management Board—and the substance given to this by the Aims and Objectives and Ministerial Vision—there is worrying evidence that the inertia and narrow world view towards agriculture shown by the former MAFF are still pervasive at lower levels within the Department. For example, DEFRA has failed to take the initiative on implementing the report of the Policy Commission on the Future of Farming and Food, particularly on championing the benefits of the broad and shallow scheme, at a time when it is crucial that it wins the money to match-fund any increase in modulation under the Comprehensive Spending Review. Another example would be the flood defence agenda, where DEFRA appears to remain wedded to an unnecessarily narrow view of the range of possible solutions.

5. RURAL AGENDA

5.1 DEFRA should be in a position to ensure coordination of policy across the rural sector within its scope of activities and across Whitehall through influence on “rural proofing” other ministries’ activities. Recent work by the Countryside Agency demonstrates that DEFRA still has a long way to go before rural matters are taken seriously across Government. Confusion still exists as to ministerial responsibility, which remains unclear even to seasoned observers of ministerial roles. Greater clarity on responsibility should be provided. The setting up of the Rural Affairs Forum was an opportunity to develop stakeholder agreement for a range of government initiatives and as a sounding board for the quick rural policy and implementation wins that government seeks. However, early experience of the Forum fails to dispel the fears of those who feared another talking shop. To date there is little sign that this initiative will deliver real benefits and “on the ground changes”. At a regional level however, there are positive signs that the Regional Rural Forums are working and getting to grips with real local problems and their solutions. This could prove to be a success story for the Department.

5.2 The RSPB hoped that the merger of the countryside protection functions of DETR with the Flood defence and agri-environment functions of MAFF would lead to significant improvements in the handling of flood defence issues within the Department as they affected both wildlife protection and enhancement. Early signs are not encouraging. As yet, there is little appearance of the joined up thinking approach that these sectors desperately need in order to fulfil both our national and international biodiversity obligations, within a more adventurous and holistic approach that the new DEFRA should be able to provide. The ability of the Department to develop a strategy for improving water quality which is sufficiently robust to meet new standards arising from the Water Framework Directive, and sufficiently sensitive to the current social and economic difficulties of farmers, will also provide an interesting test of the new arrangements.

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[Continued

6. FUTURE SPENDING PLANS

6.1 The outcome of ongoing management problems is not being felt in the regions and within the farming community. Our fear is that this will dent the farming community's confidence in the new Department to deliver the changes required. Instead of saving money to be spent elsewhere, the creation of DEFRA has cost more than originally planned and this has had knock on effects elsewhere. For example, we understand that, due to lack of staff, the Department is not able to spend all the monies released by the match funding for the original modulation package announced by Nick Brown as part of his New Direction for Agriculture in December 1999.

6.2 We are concerned that DEFRA has suffered in its first year from staff cutbacks and other financial problems caused by the merger. This cuts down its capacity as a fully-fledged environment department. Its capacity to act on a range of big issues, including resource productivity, planning and transport, has also been hampered by the new arrangements. Of the issues that fall outside its remit, the greatest gap is linking its responsibility for energy efficiency with the Department of Trade and Industry's role in championing the development of renewables.

6.3 We see the current Spending Round as critical to how successful DEFRA is in implementing its vision. In particular, it will be hamstrung from the start if the Treasury does not allocate the new money required to implement the vision for agriculture reform set out by the Curry Commission. It is essential that DEFRA gets the opportunity to make this first step-change towards fundamental reform of the farming industry—this could trigger success on other fronts.

June 2002

Examination of Witnesses

MR PHIL ROTHWELL, Head of Countryside Policy, and MR GUY THOMPSON, Head of Government Affairs, Royal Society for the Protection of Birds, examined.

Chairman

1. Gentlemen, good morning. For the record, Mr Phil Rothwell is the Head of Countryside Policy and Mr Guy Thompson is the Head of Government Affairs. You are very welcome. This inquiry is into the role of the Department of Environment, Food and Rural Affairs. What we are really anxious to get from you is whether you think that the department is well-conceived, as it were, whether you think that the emphasis and balance in it is right and, having decided what we think it is there for, whether we think it is engineered in order to deliver those objectives. The Department has been in existence for a year. A large part of that obviously has been dominated by the foot and mouth disease crisis but, in terms of its own public pronouncements and its annual report, the Department has obviously been anxious to try and convey the differentiation between DEFRA and what went before. Is it right that it should have sought to do that and how successful has it been?

(*Mr Rothwell*) Your statement that it is a little early to tell is what we would probably precis our remarks by saying because, having had a very turbulent year, the new Department has had a rather interesting first few months of life. Conceptually, I think we were a little concerned when DEFRA announced the Department because we, in previous times when this has been debated before, have been quite worried about the separation between the environment and the land use planning system which we thought was very closely linked and we were very concerned that to separate those two was a danger. What has happened since in the new Department has caused that separation which we now see as still a concern. However, linking farming and the wider rural environment and conservation does seem a logical step to us and I think we have been quite

surprised at the tenacity and the adventure that has been shown by the new Department and its pronouncement in many publications it has produced has been very forward thinking and very ambitious, perhaps you might say too ambitious. Nonetheless, it is better to have some ambition than none at all. So, the formation of the new Department is something which we have seen over the last year was developing; it is a little early to tell how well it is going to develop but it is beginning to grapple with some of the bigger issues and we are particularly encouraged by some of its objectives and some of the pronouncements made on sustainable development and on some of the qualities of life indicators that it is beginning to get to grips with. I think its approach to agriculture certainly is something we would applaud and that also the move through the Curry Report to a more adventurous approach to solving some pretty dire problems in agriculture is very welcome. So, in that respect, we think it is making a good start in difficult circumstances.

2. You have no doubt read its annual report?

(*Mr Rothwell*) Yes.

3. We did last week. I suppose it is fair to say that we thought it was very big on aspiration and a bit weak on the maths! Do you think there is a real danger that this Department is talking a good show but up to now has not shown it can deliver?

(*Mr Rothwell*) I think I would agree with that, Chairman. It has come out with some very good phrases and very good words and I mention the reports that have been produced to date which are full of ambition. I would have to agree with you that the ambition is not necessarily matched by the action to date and I too would go back to the fact that I think it is early days and, in turbulent times, it is not surprising that some of the action has not come to

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MR PHIL ROTHWELL AND MR GUY THOMPSON

[Continued

[Chairman Cont]

fruition. I am reminded a little of looking at an ant hill where there is lots of action, lots of ants running around, but not necessarily a hill at the moment to be built, and I think that is probably true of DEFRA as it stands at the moment. There are lots of people doing lots of things; there is lots of heat but not necessarily much light. However, I think the general direction, the general thrust of the Department is right and proper and we would hope that, in due course, given a fair wind by perhaps our masters in the Treasury, then more action will be forthcoming.

(*Mr Thompson*) May I just add to that because I think that is a very fair criticism. However, I think the context in which it needs to be seen is that DEFRA's biggest challenge in its first year was perhaps putting clear blue water between its predecessor department and itself and, in doing so, I think that one of its biggest successes has been reaching out to a wider range of key stakeholders than perhaps MAFF sought to do in its later years. Therefore, I think the emphasis perhaps needed to be on consultation and on talking in its first year and that your criticism is fair in that now perhaps the time has arrived to start seeing some action to match those fine words.

Mr Taylor: We objected to the term "clear blue water" but we will accept "clear green water".

Chairman

4. Mr Taylor objects to the expression "clear blue water". My experience of clear blue water is that it often contains sharks! You are a large powerful organisation with a large membership and are well bankrolled, if I can use that term. If you want to, you can go and talk to ministers but, at the same time, you presumably have a large amount of dealing with people further down the hierarchy on matters of detail with DEFRA staff. What is your experience about the extent to which this new culture—we will call it that without wasting too much time on the definition—actually has permeated in the Department? What are your feelings about the responses of, let us say, middle management in the Department to the extent to which there is a sort of shared desire to differentiate between the old regime and this one?

(*Mr Rothwell*) I think that is an interesting question and an astute question. The senior management which has now been put in place in the new Department, replacing many of those who were there in its old constituent parts, have tried long and hard to get a new culture within the departments that they inherited. I think that, to some degree, they have yet to be successful and I think the dealings that we have had with middle management and below would indicate that some of the perhaps lack of adventure and reticence that was present in particularly old MAFF still remains and that a lot of the adventurous talk that has been put forward by both ministers and senior civil servants has yet to be matched by the actions of those who were put in place to get those actions going and off the ground.

Diana Organ

5. In this idea that we can take it forward, do you feel there has been a problem in the first year, that there has been severe hampering by the personnel difficulties that MAFF had? There were IT difficulties of merging the two departments, in that one part could not speak to another part's IT which is never helpful if you are trying to merge two departments, but there was obviously the issues about pay scales. How much did that affect your middle management group? Were there difficulties in taking things forward because they were enmeshed in other personnel problems?

(*Mr Rothwell*) Whilst we are an organisation reasonably well connected with Government, we are not necessarily in the workings of the administration and I would say that, from talking to those people with whom we do meet regularly, that was a very good analysis. I think there have been quite clear problems of stitching together the very different parts of DETR with the Ministry of Agriculture that have caused problems both in terms of IT, in terms of pay scales, in terms and conditions and also with the morale of an organisation that was already pretty damaged, I suggest, with a part of Government that had previously been reasonably successful. I think this was a difficult bringing together, although one has to say that the signs and the marrying up was a very big Goliath mixed with a very small David in fact and the impact of bringing in a very small number of staff from DETR was quite obvious and beyond what one would expect from the size of the merger. I think they have suffered from morale problems and I think it is quite clear that issues like pay scales have had an impact on the amount of money there has been available to spend. I think there are some severe difficulties going out from beyond the centre to the regions where particularly advice to the farming community is not being carried out as well as it might be because there is a lack of staff resource on the ground to do it. In fact I believe, from answers to Parliamentary questions, there is difficulty in spending all the money that MAFF has available to it because there are not the staff on the ground to do the right sort of work with the farming community to spread out that money. So, at present, I think the modulated money that was voted some two years ago is currently way underspent and that that is a factor of insufficient staff resources on the ground.

6. So you would say that it was not a merger, it was a takeover?

(*Mr Rothwell*) I might not put it quite like that. I certainly think a slightly uneven marriage.

7. You talked about the higher echelons in the Department being really forward thinking but that there is a possible problem lower down with people perhaps of a culture that was of the past still at MAFF. Have you noticed any difficulties with that group being able to retain or even recruit quality staff that could take the whole new Department forward?

(*Mr Rothwell*) I suppose only again by rumour; I have no direct experience of this. Certainly it is reputed that MAFF always was, as a department, quite a difficult place to recruit into for those civil

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MR PHIL ROTHWELL AND MR GUY THOMPSON

[Continued

[Diana Organ Cont]

servants who have career aspirations. Whether or not that has changed, I do not know but I would be surprised if it changed in just a year.

8. You obviously welcomed the fact that we have a department that has a wider remit although you obviously made your point that you would like to go into land use money, but then we cannot have departments that have huge empires because they do not seem to work. Do you think that this was a positive move to have changed the arrangement and take MAFF into a different department which looks at wider issues?

(*Mr Rothwell*) We want to be quite critical and look at just changing the name on the door and whether that makes any difference. I think it has made a difference; I think it has not just changed the name on the door; I think it has given MAFF a new lease of life, it has given it new energy and it has given it a slightly broader remit which is probably right in terms of its rural activity and a broader view on the statement of development in the environment. I would reiterate that, after one year, it is a little early to tell how successful that will be. We would wish to give it a fair wind and see how it goes. If what it has said to date is turned into action, then we would be quite comfortable and happy with that.

Mr Austin Mitchell

9. We were told by Professor Kerry Turner that the Department wants to deliver services through a "one stop shop" kind of arrangement wanting to take a holistic view, which I suppose a lot of people might describe as the big picture. To what extent have you found that this operates? Have you been able to see evidence that "one stop shop" policy is in fact developing and that there is a point when you can connect when you need it?

(*Mr Rothwell*) I would say not yet. I think there is still evidence of significant, what I would term, silo thinking within the Department in that there is significant division between the old sectors of say flood defence and environment protection and that we still have different thinking lines within the Department. We have yet to see that integration which we would have hoped might have been achieved through the integration. So, no, I do not think we have yet achieved the "one stop shop" and certainly that is not true—

10. Do you think it is trying to?

(*Mr Rothwell*) I think it is trying to, yes, but to date it does not appear to be that effective and although, again, there is much action being taken when you get right out into where the sharp end of the organisation at a farmer level is concerned, at the moment there is no real sign of "one stop shop" being produced and I think that the farming community still remains served by the plethora of different parts of the organisation trying to help them which does desperately need to be sorted out.

11. In your operations, you have to connect with different people at different levels.

(*Mr Rothwell*) Yes, that is correct. That is inevitably going to be true when you get down to real specialisms, but I think one would hope for slightly better integration than we have had to date.

12. I wonder if it would be useful for an organisation like yours or indeed for the Department to have a "one stop shop" situation because your interests are so diverse; you have been taking up active policies in a whole range of issues from fish to agriculture and whatever it might be. Would it actually be useful to have a "one stop shop"?

(*Mr Rothwell*) I think it would. The delivery of final objectives is often governed by a whole range of different activities, be they agricultural policy or Treasury finance or European finance. So, to deal with those separately is inefficient for us as much as it is for the Department. The answer to some of the environmental problems that we try to address as an organisation are inevitably ones that require integration both within Government and without and, if by concept of "one stop shop" those problems would be solved, then, yes, I think it would be useful.

13. So it is delivery not development of policy?

(*Mr Rothwell*) It is both, is it not? The delivery is only as integrated as the centre will allow it to be. I think we would look for both integration of policy and integration of solution, if I can put it that way. That is certainly the case if you look at the linkages between the Common Agricultural Policy, the Nitrates Directive, the Water Framework Directive the Birds Directive and the Habitats Directive and the range of different requirements which all impinge on the end user, which is those who manage the land. Then, having those dealt with separately is probably inefficient and ineffective when one could use one approach to develop a solution to all those problems or all those opportunities.

David Taylor

14. The present Government are regrettably as driven by clichés and directed by jargon as any of its recent predecessors and one phrase that it seems quite wedded to is "rural proofing". Can I ask the RSPB witnesses what their observations are to a couple of comments not necessarily submitted by them but by allied organisations, with the National Trust talking about "the Department is noticeably more focussed on farming . . . than other areas and has moved very slowly on wider rural issues" and the CPRE urging us, "the Committee to recommend that DEFRA gets back on track with the implementation of the Rural White Paper." Are you happy that DEFRA is indeed achieving this degree of rural proofing? Could the DEFRA acronym stand for "The Department of Enriching Farmers by Regenerating Agriculture"? Is it not too narrow a focus? I would like your observation.

(*Mr Rothwell*) I think that if you look at the financial contribution that agriculture makes to GDP and to rural communities, then one could be forgiven for seeking to give it a lower priority than perhaps others might wish to give it, but when you see how it really stitches together the fabric of the countryside, then you cannot ignore it. There is significant pressure to change the CAP to move towards a process of giving land managers/farmers more support for not just producing things but for actually being there and achieving the sorts of things that the general public and the taxpayer would probably want. I think that, to that extent, if there is

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[Continued

[David Taylor Cont]

a preoccupation amongst DEFRA with the farming community, then that is probably right. It is an industry in dire straits with real problems, but with real opportunities through CAP reform and through, one hopes, the implementation of the Curry Report as our domestic contribution to that international agenda that there is a big game to play there and I think there are some big opportunities which DEFRA has to commit to. I do not necessarily think that it has managed to rural proof most of its own policies as it is encouraging other departments and ministries so to do. I was present yesterday at a meeting with Ewen Cameron, the Rural Tsar when he presented his report on rural proofing and I thought that was rather sad reading is that he and the Department had really not been able to encourage other aspects of Government to rural proof their own operations and I felt that, after the first year of rural proofing, there was little sign that this had been a very effective element of advocacy for DEFRA. I think that is a big problem for it because it is charged with stitching together rural proofing and one could pull in sustainable development across government. It is a fact that the environment is now stitched into a rather smaller ministry than it was previously, no longer under the Deputy Prime Minister, and, at the moment, I am not sure of the extent to which it has the clout across Whitehall to encourage and get people to take rural proofing and sustainable development issues seriously.

15. Clearly one of its key objectives is to promote the rural dimension, as you say, across rural departments. Do you agree with me that it could and should be doing a lot more? What are the first things to which you would turn its attention now that the smoke of the FMD fires has blown over the horizon?

(*Mr Rothwell*) I would again come back to the regeneration of the agricultural sector and I think that, at the moment, that is playing significantly on the health of the countryside and the minds of those who work and live in the countryside and I would not shy away from agricultural reforms being one of the key things that it ought to present itself on. I think many of the other factors that influence rural health and rural regeneration—and this is no specialism of the RSPB, more of an observation—are not within its gift and that is issues relating to transport problems, post offices and the health of rural communities. All these things are part of the rural mix and a crucial part of the rural mix and are those which it cannot directly affect without the help and assistance of other departments, not the least of which is probably the Treasury.

Mr Jack

16. Do you think that the name “Rural Affairs” is misleading in its title? Should it not be, “Some Rural Affairs” or “A Few Rural Affairs” or “Bits of Rural Affairs” or “The Bit We Can Manage to get Anybody to Listen to Rural Affairs”?

(*Mr Rothwell*) Perhaps we could have, “An overview on Rural Affairs”. I think that would be happier.

Mr Breed

17. I was interested to hear that you were at the meeting with the Countryside Agency in respect of their rural proofing because of course they were given the responsibility originally, prior to DEFRA, of actually doing the rural proofing job. What is your understanding of relative roles now in the whole process of rural proofing between the Countryside Agency and DEFRA?

(*Mr Rothwell*) I think I see the Countryside Agency as being expert advisers to DEFRA and the organisation which serves as a bit of a monitor, if you like, on the progress of DEFRA and its influence throughout Government. So, expert advice would be one and then setting targets and monitoring achievement of those targets would be another. Also—and I think this is extremely important—it is a deliverer on the ground in that it has in the past—in the old days, it was the Countryside Commission—an admirable reputation for developing innovative ways of managing land and achieving rural generation. I would hope that, under DEFRA, the Countryside Agency will continue to do that.

Mr Jack

18. The Government response to the foot and mouth outbreak set up three inquiries, one of which was the Curry Commission and, as a document, it has been hailed by a number of people as probably the most significant report on UK agriculture and rural matters for a very long time. It pulls together environmental issues, economic issues and rural issues in a way that has not been seen before, but you said in paragraph 2.5 of your evidence that you were concerned “that DEFRA seemed surprisingly ill-equipped and slow to respond to the Commission’s report.” You went on to say, “It is vital that DEFRA starts to show leadership on this issue once it has published its Strategy this autumn and that it is not subject to further consultation.” What do you think, in the way that DEFRA has been established, led it to be ill-equipped and slow to respond to the Commission which it established and its terms of reference it was heavily involved in setting?

(*Mr Rothwell*) I think I would refer back to an answer to a previous question in terms of also the morale and skills of those people who have to put Curry into place. There is amongst certainly the staff that the Department inherited from the Ministry some fairly demoralised people who are not encouraged to take risks but are encouraged to be non-adventurous and tend to go for a rather safe approach to the world, if you like. Whilst we all welcome consultation, I think one can over-consult in a sense and, if you look at the way in which the Curry Report has been produced, it was produced by a team of eminent people who were well-qualified so to do and it subjected itself to a significant amount of consultation both by taking evidence and through written responses, over 1,000 written responses to the Curry Commission were received. It went round the regions and looked at regional opinion and local opinion and the opinion of those who were affected by the farming crisis such as it is and for the report to then be produced and be subject to another

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[Continued

[Mr Jack Cont]

consultation exercise followed by another group of people going round the countryside taking further evidence or further advice seemed to me a bit of consultation overkill. I think that is because there is this reticence to take action when it seemed to be required and the scale at which it is required without further checking of checks and balances and I think that is the feature of the people who are there trying to put it in place within DEFRA.

19. Does it not underline a particular weakness, which goes back to your first observations about the amount of division and declaratory statements versus the amount of delivery because one of the problems about Curry is that it costs and one of the problems that DEFRA appears to have is insufficient discretionary funding to actually make things happen? Do you think that it was the right thing for a department to establish something which you might have anticipated could have delivered a result that it could then do little about without playing it into the long grass?

(*Mr Rothwell*) I think it was entirely right to have the Commission undertake the work that it did. How you then deal with the results is then the issue. I think that whilst Curry costs, it actually costs relatively little in comparison to many other elements of Government spending: £500 million over three years as a rescue package for the industry which is in dire straits seemed to be not an unreasonable cost. In thinking about your first question, I scribbled down,—"DEFRA internally"—and then—"Treasury"—and I fear that, in trying to promote DEFRA within Government, there are two problems: one is that it does not necessarily appear to have the big clout that the environment had when it was there under the Deputy Prime Minister in DETR and, secondly, it appears to have failed to convince the Treasury that money is required or that money will be well spent invested in the sorts of regenerative things that Curry put forward, and I think that is its major problem. The excuses that we hear behind the scenes are that the Treasury does not think there are many votes in rural. That is a very sad indictment because I think that here we have a relatively small amount of money being suggested by a very eminent panel with a significant amount of stakeholder buy-in from all the major organisations involved in the countryside and that we would be quite concerned to see that DEFRA has failed so far, it would appear though we have yet to see the final results of the CSR, to convince the Treasury that that relatively small amount of money should be available.

20. What could be done to improve the morale within DEFRA? You said it was demoralised.

(*Mr Rothwell*) A few big hits, I think, of which the investment in the Curry Report would be one.

21. Do you think that Curry did represent a true consensus between those with a strong environmental interest and those with a farming and economic interest in the countryside?

(*Mr Rothwell*) I think it tried very hard to do and, if you look at the make-up of the panel and those it took evidence from, they did cover the range of interest that you have described and I think that the buy-in that we have had from most of those organisations which you might expect to have been

concerned about bits of Curry is testimony to the success of it. There is a debate that says that it is the only show in town and you either support it or you do not and that it is better to support it, but I was encouraged by the extent of the buy-in from the different organisations that live and work in the countryside and represented countryside interest. So, yes, I think it did; I think it was fairly successful.

22. Finally on the Curry Commission, do you think that it is going to be a sort of benchmark of the effectiveness/the virility of the new Department that it can accept and enact Curry as a package as opposed to cherry-picking the affordable?

(*Mr Rothwell*) I think that is quite dangerous. It is a big risk to say, "You can have all of it or none." I think it will not necessarily work that way. Inevitably, some things can be done quickly and other things will take a time to put in place and all of it is hampered, or possibly helped, by a midterm review of the CAP and, in 2006, a full review of the CAP. It is a little dangerous to tie your colours to the mast and complete a total enactment of Curry. I think that inevitably in a report that has so many recommendations, some are more important than others and we would treat as a measure of success whether the more important ones were enacted and put into place with an element of emergency. That is not just in the hands of DEFRA and that is the problem.

Mr Todd

23. You have painted a gloomy picture of morale and culture within DEFRA. They will have the main role of implementing the Curry Report should they be given the resources to do it. Why should we be confident that they will be able to based on what you have said?

(*Mr Rothwell*) I think the changes have been put in place by senior management to give people a better feeling for the whole department and one has to have faith in that management skill and ability.

24. Did you say that you had some faith?

(*Mr Rothwell*) Yes, I do. I think you have to.

25. On what basis? Is there some evidence of that or is it blind faith?

(*Mr Rothwell*) Speaking to those concerned and in looking at the things that are written and produced, I think particularly those things which are given out internally to people within the Ministry or the Department, there is a distinct desire and set of actions being put in place that will deliver an increased morale and an increased feeling of achievement, but I think this will take time.

26. How long?

(*Mr Rothwell*) I would say you are looking at at least two years to achieve major changes in the way in which people—

27. Two more years?

(*Mr Rothwell*) Yes.

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MR PHIL ROTHWELL AND MR GUY THOMPSON

[Continued

Mr Lepper

28. When we took evidence as a committee last year shortly after DEFRA had been established, I think RPSB expressed to us—I am not sure you came before us then but in written evidence—a concern that the creation of DEFRA would lead to the setting-up within Government of a policy ghetto for Green issues and although you have said that you have seen some encouraging signs in the direction that DEFRA is moving now, you do say in your written evidence to us on this occasion that you “are concerned that the environment portfolio has been marginalised within government by the new departmental arrangements.” Could you give us some evidence of that?

(*Mr Thompson*) Yes, I certainly could. I think we would stand by that early statement of the dangers inherent in the new departmental arrangements and I think there is no shortage of evidence that the institutional arrangements have actually done the environment no favours. I think my colleague has already outlined that we feel DEFRA with a smaller remit than the old DETR has suffered as not being part of a large spending department with the clout that the DETR had with the DPM at its helm I think across a whole range of portfolios. I could quote to you the planning Green Paper issued by the DTLR in which sustainable development barely gets a look in. The Marine Wildlife Conservation Bill going through Parliament as we speak, which has been subject to numerable trade-offs behind the scenes; the transport agenda where we are seeing early rumours of a proposed new airport on a wildlife site of European importance on the North Kent Marshes. My colleague has already mentioned that the Curry Report may be held to ransom by imminent decisions from the Treasury. The New Electricity Trading Arrangements conflict with the Government’s renewables targets. Our concern would be that environmental policy making is subject to these kinds of trade-offs going on behind the scenes and to this kind of Whitehall fudge which is actually cutting across some of DEFRA’s laudable high level targets and objectives.

29. You mentioned there, as Mr Rothwell did earlier, what you see as the importance of environment issues being lodged with a major spending department, a big spending department as you put it, and having the clout of the Deputy Prime Minister behind it and you feel there were real advantages in the past in that arrangement.

(*Mr Thompson*) Absolutely. I think DEFRA is clearly doing a good job, but all evidence so far suggests that it just does not have the political muscle to actually champion both the rural affairs agenda and the sustainable development agenda, which is a huge, complicated and cross-cutting agenda across Government.

30. When ministers were before us back in the autumn, I think there were assurances given to us that arrangements were in place at least to ensure liaison and consultation between, for instance, DEFRA ministers, DETR as it then was, the Department of Transport now, and we were given assurances that those mechanisms were in place which should of course, irrespective of who is leading

the Department, have acted against that kind of marginalisation. I just wonder, from the perspective of your organisation, whether you can see those links, those mechanisms, in action.

(*Mr Thompson*) There is no real evidence of those kind of links. I think one of the disappointments of the break-up of the DTLR was that it was midway through the preparation of its own sustainable development strategy which may have led to some of these conflicts being brought to the fore. All the evidence to us suggests that there is no leadership from the centre on these kind of issues that is really required to actually take brave decisions on some of these large issues such as climate change, despite DEFRA doing its utmost behind the scenes.

Mr Borrow

31. You have just touched upon the issue of sustainable development which DEFRA has as their principal aim. Last week, they launched their sustainable development strategy before the foundation of our future document. What would your definition of sustainable development be and do you think that is sufficiently tangible for DEFRA to achieve?

(*Mr Thompson*) I think, without wanting to dodge your first question, I would say that it is not necessarily helpful for us to become too bogged down with the perfect definition of sustainable development. I think we all understand it as being about a balancing act between social, environmental and economic; it is about wealth creation that does not harm the environment. I think Jonathan Porritt at the launch of DEFRA’s sustainable development strategy encapsulated it quite neatly as doing things better today and for future generations in creating wealth and not undermining the quality of life and I think that, for us, would encompass the range of issues that make up the concepts of sustainable development quite neatly. I think the real issue is how we actually achieve that and, as you rightly point out, what it actually means to the process of government. I think that DEFRA’s own sustainable development strategy actually encapsulates the problems that face it as a department, in that it clearly only feels empowered to act on sustainable development under its own remit and on its own terms and the strategy is a good one though I think that one of its real flaws is that it does not face and address these kind of bigger picture issues of how the Government lives up to its targets on energy and on transport and on some of these issues that do not actually fall under DEFRA’s own remit.

32. Going on from that, I understand that RSPB did contribute towards development of the strategy; in what way did you contribute?

(*Mr Thompson*) We contributed through informal seminars that were convened as part of the process of developing the strategy; we submitted evidence in the usual way. I think one of the real successes of the process behind that strategy was that again it was inclusive and accessible to all stakeholders and looked to approach stakeholders in new and innovative ways and we will be appearing as part of a

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[Mr Borrow Cont]

seminar next week to give evidence to the Permanent Secretary on how we see that strategy being taken forward, which I think is the real issue.

33. You mentioned your critique of the strategy which is mainly around the fact that it does not extend very much beyond the boundaries of DEFRA. Was that critique made as the strategy was being developed or did it come as a surprise when the strategy was published that it did go beyond DEFRA itself?

(*Mr Thompson*) No, I think it would be unfair to say that it was a surprise. That debate was had at the outset and DEFRA were very clear that this was a strategy for the Department and that it was pointless perpetuating that debate. However, if DEFRA are genuinely going to champion this wider agenda across Government, it needs to be faced up to.

Mr Jack

34. May I follow on from that last interesting point to ask, given the fact that the Treasury have been taking an increasingly pro-active role in environmental policy formation which immediately comes to sustainability issues, you have the DTI also involved and you now have the beefed up office of the Deputy Prime Minister. Do you think DEFRA is actually capable of leading the kind of tough grinding debate/discussion, almost "fighting", to try and get some kind of mechanism that brings this lot together with somebody measurably in charge of it all because at the moment it looks to me as if various people are doing their own thing?

(*Mr Thompson*) I think that is a fair analysis. There is plenty of goodwill towards DEFRA from our organisation, but I do fear that that may be the outcome. Clearly, the Secretary of State sees agriculture as her immediate political priority and I do fear that, although they have done a laudable job on leading negotiations internationally on the Johannesburg Summit on sustainable development and on climate change, some of these issues will be sacrificed as a result of the lack of political muscle that DEFRA has behind the scenes with some of these bigger departments. I think that the Treasury is absolutely crucial to this and that the Treasury's own approach to the original 1997 statement of intent on environmental taxation and its approach to the spending process is absolutely critical to how this agenda has progressed.

Paddy Tipping

35. I thought, when you were looking back in hindsight at your view of DETR, that it was rather rosy. I remember the Green groups being very critical of sustainable development of the DETR.

(*Mr Thompson*) That is not my recollection. I think one of the biggest issues that DETR's approach being the preferable one would be over the planning Green Paper and, as my colleague said at the outset, we saw the split between environment and land use planning as being one of the biggest dangers in the break-up of the old Department.

36. You also made the comment earlier on that DEFRA as it is now does not have the political muscle that the old DETR had and, by definition then, sustainability issues were being lost—and Michael Jack has just talked about the role of the Treasury in this Green taxation—but I think there is a real criticism of Government as a whole that sustainability is not, as they say, at the heart of Government. How would you make it better? What is the prescription for the future?

(*Mr Thompson*) I think there is no easy solution and I would not like to pretend that this is something that can be solved overnight. We are talking about big issues, cross-cutting policy issues needing systemic and structural change. Overall, I would argue that what is required from Government is better leadership and leadership from the centre, be it through mechanisms such as relocation of the sustainable development unit or via leadership from the very top. I think it comes both from political leadership and a re-ordering of the institutional arrangement.

37. So are you saying that we ought to forget about DEFRA and the big promises that they are going to be the department that drives change across Government and that they are going to have a political vision and mechanisms in the centre either through the Cabinet Officer or the Treasury or performance targets that really drives the agenda forward?

(*Mr Thompson*) Exactly, so that the targets are being led and pushed from the very centre, from the very top.

David Taylor

38. In your submission to us today in the very first sentence under the paragraph "Executive Summary", you state, "The RSPB believes the creation of DEFRA brings positive opportunities for the environment, particularly in terms of integrating environmental considerations more closely into rural policy than was the case under the previous departmental arrangements." Listening to the balance of your evidence today, it is not made out to me quite as clearly as that opening pretty positive sentence. Here is an opportunity to reflect on the experience so far. What do you think would be the key positives about the decision? Overall, are you, now looking back, disappointed in the creation of DEFRA and are you, finally, happy or unhappy that adequate progress has been made so far towards those stated aims?

(*Mr Rothwell*) I stick by our evidence that it does bring positive opportunities and one has to be optimistic. I always try to be optimistic and I think that DEFRA is reasonably optimistic. From the statements that have been made by top of the house, as it were, then that is good cause for optimism and I think that what is being promoted as its agenda and what DEFRA seeks to achieve, would accord with many of the principles that the RSPB would aspire to and promote itself. I think that whilst it is a little early to see any tangible outside benefits, just thinking over the last month and the coming months of the

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[David Taylor Cont]

meetings I have had and are about to have with DEFRA officials, there is a significant attempt to try and integrate across different areas of work which perhaps might not have happened previously. There are meetings coming up that relate to issues such as defence where previously that has been a very silo led bit of the agricultural remit and there have been meetings in the last few weeks about integration of nitrates directive and water frameworks directive into the common agricultural policy and its implementation through changes from pillar 1 to pillar 2 to the CAP, and the funding stream to that opens up and how you use then modulated moneys to benefit the farming community and at the same time implement these bigger obligations that Government have. So, whilst there is little as yet positive sign of the opportunities that we describe in the sentence coming to fruition in the outside world, there are at least some signs that things are waking up and that there will be a move towards implementation of some of the things that DEFRA has suggested it would like to do. So, whilst I could not give it ten out of ten for achievement to date, I think there is at least a six or seven out of ten for effort at the moment.

39. Some stirrings in the set aside undergrowth perhaps?

(*Mr Rothwell*) Perhaps.

Chairman

40. You have put enormous emphasis on the word "clout". You have used the word "clout" repeatedly. "A department with clout". How do we manage government if everybody wants clout, if you see what I mean? If this was an education committee and somebody said, "Education has to be the department of the Deputy Prime Minister" or perhaps not the Deputy Prime Minister in that context, or a big minister, then you would have somebody else saying, "Transport has to be a department of clout". It was the department of clout; it has just been demerged. Do you have a view, for example, about any energy agenda?

(*Mr Thompson*) I think whatever happens to the energy portfolio, we would be disappointed to see the remit for energy efficiency taken away from DEFRA because clearly that would only reduce the Department's remit further. If anything is going to happen to the energy remit, we would encourage the removal of the Green energy brief from DTI and giving that to DEFRA, which would make an awful lot more sense as far as their role goes on the climate change side.

41. So when you say, "We as a department should have clout", are you telling me that Margaret Beckett does not have enough clout?

(*Mr Thompson*) There is no question but that Margaret Beckett is undoubtedly an effective leader and has an awful lot of political clout. I think it is more a question of how the department itself functions with the process in the greater scheme of things across the machinery of government.

42. You are a nation-wide organisation; how do you rate DEFRA in delivering what you think matters compared with how Scottish Executive is delivering?

(*Mr Rothwell*) At present, I would have said that the signs are that DEFRA is doing as good if not a better job than some of its government colleagues in the devolved administration.

43. One would expect, I guess, that the Scottish Executive, being smaller and with responsibilities more clearly focused, might have expected to do a better job or find it easier to do the job.

(*Mr Rothwell*) It has had an integrated approach to the rural environment for a long time in England. It is actually quite difficult to categorise but I think that in certain sectors Scotland has been very good at developing thinking on national parks and upland management systems, but perhaps it has not been quite so good at grasping the opportunities for change that the CAP reform would bring and I think that would be true. It is sometimes difficult to say why that is.

44. Finally on the questions of the geometry of government, you will be aware that the incoming Cabinet Secretary, Sir Andrew Turnbull, has been busy drafting away machinery of Government projects, one of which talks about consolidating around the Prime Minister agreeing a sort of Prime Minister's office perhaps with a more cabinet type of structure. Have you been making representations to that? Is that a way of giving the things you want clout or is it a way of removing clout from all the departments?

(*Mr Thompson*) I think if there is one thing Andrew Turnbull can do as part of his reshuffle of machinery of Government, it would be bringing in some sustainable development expertise to the centre of Government, be it in the form of his existing sustainable development unit or the make-up of the previous performance innovation unit. I think that either way, it is clear that delivery and the Government's focus on delivery needs to be applied to this agenda in a really effective way.

45. We are two years down the road; we have dodged inflation for three years and it is at least two years away from the foot and mouth disease. Give me the three criteria which you think this Committee should judge you by if we were conducting this inquiry two years from now. Good, solid, concrete, tangible, outcome like things.

(*Mr Rothwell*) One would be a significant move in CAP reform from the current subsidy driven approach to one which rewards farmers for things that the taxpayer really wants. So, that involves change in CAP or through the mid-term review and it involves more modulation within the UK. We would certainly judge that as being an important factor. The PSA targets that relate to wildlife that DEFRA has to report on to the Treasury, one relates to the health of sites of special scientific interests which are the backbone of conservation throughout the UK and the second relates to the health of farmland birds which in a sense is the backbone of the wider countryside beyond those sites of special scientific interest and I would very much hope, although I hear rumours that they are at risk, that those are kept by

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[Chairman Cont]

the Department and, what is more, that they are successfully achieved, although I would admit quite challenging.

46. That is two.

(Mr Rothwell) The two PSA targets were two and three.

Chairman: Gentleman, thank you very much indeed and you will no doubt see the transcript—everything you said was taken down and will be used in evidence! If you want to add anything, you will let us know. Thank you very much.

Memorandum submitted by the Country Land and Business Association (CLA) (G8)

INTRODUCTION

1. The Country Land and Business Association (CLA) is making a written submission to this inquiry because:

- from 1976 to 2001 the CLA advocated the creation of a rural affairs department in Government, to deliver integrated policies for rural communities and businesses and the rural environment. Between 1997 and 2001 CLA submitted a number of papers to Government on the need for and objectives of such a department, and these submissions were reflected in the public statements made by the CLA over the same period;
- CLA's membership straddles a wider range of economic activities in the countryside. As land managers, generators of jobs and incomes, providers of housing, and of capital and land for investment, and as businesses in their own right, CLA members can help deliver Government's objectives for rural development, environmental conservation, and recreation and leisure, so long as public policy works with, not against, the grain of rural business;
- the future of our members' enterprises and the future of the rural economy are interlinked; they are imperilled by external pressures—such as global, political and trade factors in food and farming—and public policies (whether it be at European, national, regional or local level) which fail to recognise that the countryside is not something apart, to be “protected for its own sake”, but a functioning part of the national whole. The countryside must be able to grow and change organically, to deliver products (food, conservation, recreation, goods and services) to the rest of the country and be kept clean, healthy and unpolluted;
- CLA wants to see DEFRA succeed in: promoting sustainable development; fostering viable rural communities; securing satisfactory access to services in rural areas; promoting profitable farming, food, forestry and other business in rural areas; encouraging environmental land management; and promoting increased recreation and leisure opportunities in the countryside—for those who live and work there as well as the wider population.

2. This submission follows the themes set out in the Committee's commissioning announcement, but brings in new subjects for consideration where justified. These have been linked to particular questions asked by the Committee wherever possible.

3. The submission cross refers—for information—to other statements made by the CLA. These can be accessed from CLA at 16 Belgrave Square, London SW1X 8PQ (020 7235 4696) or via CLA's website, www.cla.org.uk, but this submission is free-standing and produced in direct response to the Committee's inquiry.

4. CLA representatives, in particular those whose experience of farming and other rural businesses and conservation has brought them into direct contact with DEFRA officials or Ministers over the last year would be pleased to develop this submission or respond to questions on it at any oral evidence sessions that the Committee may organise.

SECRETARY OF STATE'S AND MINISTERS' VISION FOR THE DEPARTMENT—IS IT APPROPRIATE?

5. The vision is certainly a step forward from the consultation paper released by DEFRA last summer, in which the links between the economy, environment and community in rural areas were not understood or recognised, and the importance of a viable economy in rural areas underpinning the environment and the rural communities was placed too low down the list of priorities. In this vision the Secretary of State recognises that “diverse, economically and environmentally viable communities” are the first sign of a healthy countryside.

6. However, there is no sign in the vision of recognition by DEFRA of the importance that profitable farming plays in a thriving countryside and in the success of the national economy. Farming may provide only 2 per cent of GDP, but the food manufacturing and food service industries that it supports are responsible for a further 5 per cent or so of GDP, making the combined agriculture and food industry a major factor in the UK economy. Unless the Government believes that the manufacturing and all the food service industry

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would remain in this country without the support of a profitable primary production sector, then it is making a dangerous omission in ignoring the need for profitable agriculture. Does the Government really believe that food manufacturing and much of the food service industry would remain UK based if profitability ceased to return to British farming?

7. Furthermore, the benefits of profitable farming extend beyond the provision of food to the population, important though that is. Farming also supports related industries upstream, connects—a point made by the Curry report—the consumer with where their food comes from and provides a backdrop for tourism and inward investment. Farmstay UK, with some 1,200 accommodation properties on farm, trades on the desire of tourists to see working farming and livestock on the hills. Businesses re-locating to the countryside are interested not only in competitive rents; their employees want to enjoy rural surroundings, and this means the land being farmed, not decay and neglect.

8. CLA would wish to see explicit commitment from Government in two other ways. First, to seeking non-regulatory methods to achieving policy objectives, wherever possible. This would apply most importantly to the measures needed to achieve the UK's Kyoto's commitments on climate change; to the implementation of already existing EU legislation on environmental protection; to the conservation of landscape and biodiversity in rural (and urban) areas; to the maintenance of the heritage quality of listed buildings. It is notable that the Environment Agency is coming to believe that its objectives of ensuring environmental protection could be more effectively—and ultimately less expensively—achieved through a more risk based approach, and through co-operation agreements with land managers. Sweden and Finland have found that the EU Nitrate Directive bears less heavily on those countries because they engaged in major programmes of voluntary agri-environment before they fell under the aegis of EU legislation. The ESA and stewardship schemes in the UK have brought farmers and conservation closer together in parts of the country. A Broad and Shallow Agri-environment Scheme—CLA would prefer the name “Broad Stewardship Scheme” could extend these benefits across the whole country and, by embracing natural resource protection as well as landscape and habitat management, avert an excessively heavy regulatory approach to environmental protection in future.

9. Second, CLA would wish Government to express its commitment to enabling the economy of rural areas to be competitive. Britain has high standards of welfare, food safety and environmental legislation—in some cases higher than elsewhere in the EU. This already makes it more difficult for British producers to put British products in front of our and other consumers at a competitive price. The weakness of the euro against the pound has weakened our competitive position further. Government must be mindful of this position each time it considers how to pursue its environmental and other objectives. Every time a British consumer decides to buy products imported, especially from outside the EU, he or she is acting in a way that supports lower standards of welfare, food safety and environment than our own. Not only do our producers suffer, but our environment suffers too, and so do our consumers, as members of the population. Such a commitment to competitiveness would concentrate the mind of Government when considering such ideas as a pesticides tax, which would have the effect of exporting production from our high standard economy to our importers’.

ARE PROPER WEIGHTS BEING GIVEN TO FARMING, FOOD, ENVIRONMENT AND CONSERVATION CONCERNS?

10. DEFRA is certainly trying hard to understand all these concerns, although, without repeating the points above, the economic importance of successful farming and rural businesses is not yet fully understood.

11. As important is an understanding in DEFRA of the linkages between different aspects of its work, and with work done in other departments:

- CLA produced a policy document in 2001 on the implications of climate change for the rural economy, and the opportunities for land management practices in rural areas, encouraged by Government as necessary, to mitigate the onset and effects of climate change. Climate change and the rural economy are linked.
- Public access and conservation are linked. While access can alert managers to the changes in environmental quality, they can also endanger that very environmental status. The effects on the environment of the Countryside and Rights of Way Act need to be measured and acted on as necessary.
- Farming and tourism are linked. The FMD outbreak showed not that in another outbreak farming should be sacrificed to tourism, because tourism is a bigger industry in its own right, but that without the attraction of healthy farming, tourists did not want to visit the countryside.
- Farming and food are linked in the ways described above.
- Rural development and planning policy are linked. Planning policy has a significant effect on the success of rural diversification, and in turn successful diversification has a positive effect on the viability of rural services serving the local community. Positive planning solutions can be a relatively cost-effective way of generating viable rural development.

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- Policies for rural communities, local government and the survival of rural culture are linked. Recent decisions to require Parish Councillors to publish details of their sources of income run the risk of deterring just those people who have an economic stake in the future of their local economy and community.

12. These linkages are not yet well understood in DEFRA, especially at national level. This is not surprising given the newness of the department, and the previous experience of many officials, which may have been associated more with the complex running of CAP regimes, or with regulatory measures in DETR, than with initiatives and experiences on the ground in rural areas. Secondments to the Countryside Agency, and between regional offices and the national office, can only help.

IS DEFRA ENGINEERED TO DELIVER ITS OBJECTIVES?

13. Inevitably, the need to ensure delivery of required functions, such as CAP management, mean that DEFRA will continue to look like an amalgamated department for some time to come. Therefore the urgent consideration is to introduce staff mobility between different parts of the department, to work by task groups that bring different disciplines together, and to educate minds on the practical realities of environmental protection, land management, conservation and food production. Senior management in DEFRA is undoubtedly working to implement such initiatives. There have been such staff changes and there is undoubtedly internal discussion on how best to deliver DEFRA's objectives to the public, and its services to its customers. The latter has involved welcome seminars with industry representatives and others.

14. The Rural Affairs Forum for England, and the regional Rural Affairs Forums should help in this process of "know how transfer" between staff, and from the outside world into DEFRA. Here, the regional forums may prove to be more useful than the national forum in delivering a message from the grass roots on the success of government policies on the ground, and on the practical needs of rural communities and businesses.

15. The contacts between DEFRA at national level and with its regions, and between the regional offices and local businesses and communities are of great importance in ensuring that DEFRA is in touch with its rural constituency. The disastrous FMD outbreak of 2001 exposed the extent to which these contacts had broken down. In the South West, for example, it was the initiative of the RDA, rather than MAFF, that brought together organisations representing a range of interests affected by the outbreak, and provided a means for channelling information back up the line to MAFF in London. By the time DEFRA was created, some contact had been restored, but there is still some confusion as to lines of communication. The South West is again an example. For rural economy matters, CLA is in contact with the DEFRA senior staff member in the Government Office of the Regions in Bristol. On CAP and rural development programme matters the contact is with the Rural Payments Agency in Exeter. On other DEFRA policy matters the contact is with DEFRA back in Bristol. What appears to be missing on the agricultural side is an equivalent replacement for the regional panels under MAFF, which communicated practical information to the MAFF regional office. The new regional forum may achieve a similar purpose, but a quick contact agricultural sub group should be considered as a means of getting practical information to DEFRA at regional level. Sub groups on other sectors could also be considered, but more as quick contact groups, rather than as the task and finish sub groups that are being set up under the aegis of the national forum.

16. Overall, CLA experience in the regions is that DEFRA is becoming less in contact with its constituency—at grass roots level—not more, despite efforts to improve RPA service delivery. The evidence of this is that some of the regional forum meetings have revealed a knowledge gap among DEFRA staff. If this develops, it will affect the quality of information going to London and the quality of advice going into policy formulation.

IMPACT ON THE ENVIRONMENTAL PROTECTION GROUP AND WILDLIFE AND COUNTRYSIDE DIRECTORATE (FORMERLY DETR)

17. Overall, beneficial. While the former MAFF parts of DEFRA are adjusting to a new culture and the need to adapt their policies to the overall vision, so the former DETR divisions are too, and there is beginning to be a greater appreciation that without economic viability, there can be no environmental sustainability.

18. However, there is still a strong tendency to look at regulation where advice and co-operation might be a possible alternative. In the view of the CLA—and the NFU—there is also still some "goldplating" in the implementation of EU legislation, for example on the Environment Impact Assessment Directive, and in the Government's consultation proposals for further implementation of the Nitrate Directive. This is despite explicit commitments from the Prime Minister to avoid excessive burdens on the hard pressed farming sector, and goldplating.

19. In one area, noted above, the prospects are better, ie the Environment Agency's exploration of the possibility of a more risk based approach to regulation of environmental protection.

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20. The Wildlife and Countryside Directorate has remained open to discussion, as it was before. However, it now seems to be adapting to the wider and more integrated remit of the new department. This is a positive move for those who live and work in the countryside. One significant test will be when the Government considers the future role of national parks. There have been conflicts in the past between the needs of those with livelihoods in national parks and those who have seen them as refuges from economic development. With agricultural and forestry employment falling, the holistic approach to the countryside adopted in Defra's vision will be needed in the national parks— and AONBs, and Green Belts—as it is in the rest of the countryside.

HOW DEFRA HAS MADE THE CASE FOR RURAL AREAS OUTSIDE ITS OWN DEPARTMENT

21. The CLA has welcomed Government efforts to secure better co-ordination and co-operation between departments—rural proofing. However, a fundamental prerequisite of successful rural proofing has to be at the conceptual stages of policy-making—not simply as a measure of last thought in the determination of central government policy. Moreover, it has to be seen to deliver practical and tangible benefits to those living in rural communities.

Rural economic regeneration

22. The central priority for rural proofing has to be the regeneration of the rural economy through better targeted investment by government. Areas such as business rates, VAT and National Insurance Contributions necessarily involve actions by HM Treasury and the Department of Trade and Industry (DTI) requiring greater transparency and co-ordination of the work of these departments in delivering rural proofing. The Government's recent decision to extend business rates deferrals is welcome as a clear case of rural proofing in action.

24. The policies of the Regional Development Agencies have to be rural proofed and Central Government has to ensure that the allocation of funding is conditional upon there being in place adequate and effective rural proofing measures. This also has to extend to the allocation of grants to Local Authorities. Consideration has to be given to the issue of standard spending assessments and the sparsity factor. In order for rural proofing of Central Government policies to be effective, there is a clear case for examining the allocation of services to rural areas provided by Local Authorities. Central Government should require Local Authorities to implement rural proofing at the conceptual stage of Local Government decision making. Policies adopted at this level have a significant impact on the economies of rural areas. Without clear direction from Central Government, it remains likely that policies emanating from town and country halls will neglect the opportunities that arise from rural proofing.

25. Rural proofing of Central Government policies must also recognise the essential need for an adequate infrastructure for rural business. This extends to policies on IT and the provision of broadband in rural areas. If rural proofing is to succeed, there has to be recognition that those in rural areas need access to the latest communication technology in order to remain competitive in e-commerce. Rural proofing of Government policy has to reflect this fact.

26. Central Government policy has to be tailored in a way that promotes both a vibrant and secure rural community. The CLA believes that national policies on the prevention of crime need to take into account better police provision in rural areas as well as the psychological effects of crime on the individual.

Planning

27. Planning policy must adequately reflect rural needs. Whilst we welcome the changes to PGG7 last year to encourage farm diversification, the current commitment to urban concentration and priority to brownfield sites acts against much needed rural development. In addition, housing policy needs to be rural proofed and has to reflect the need for greater resources to be targeted to affordable housing in rural areas. Policy on housing must not have unintentional consequences for rural areas and the CLA believes that the rural proofing of housing policy is an important way in which to mitigate against such a possibility.

28. Planning policies also need to be more positive to rural tourism. PPG 17 Tourism needs to include a specific section on this issue, which is consistent with the positive guidance in PPG 7 and PPG 13. Too often Local Authorities have reverted to the old key settlement policy, that is, identifying larger settlements and concentrating, what little development there is in these areas. Planning policy needs to recognise the needs of wider rural areas in order to achieve sustainable rural communities such as providing homes, employment and services to communities.

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Rural tourism

29. The FMD crisis highlighted explicitly the link between agriculture and rural tourism in generating an economically sustainable rural economy. It is certainly the case that rural tourism can not play the significant role it does without agriculture, and the income generated through rural tourism diversification is often the main means of cash flow for many farming businesses. It therefore remains imperative for the tourism remit of the Department of Culture, Media and Sport (DCMS) to be rural proofed. Indeed, there should be an explicit and separate rural tourism policy.

30. Those involved in rural tourism recognise that the fragmentation of the industry is its main weakness. There is evidence of difficulties of DEFRA communicating with DCMS on the "Your Countryside, You're Welcome" initiative. DEFRA has responsibility for rural tourism (that constitutes the largest industry in the rural economy) whereas DCMS has responsibility for tourism in general. Therefore, effective communication between these two departments is necessary as a permanent fact. The CLA regards this issue as integral to the promotion of the countryside.

Transport

31. The rural economy is regionally based: National policies are integral to the development and co-ordination of policy but it remains the responsibility of the country's regions to deliver. This is why the CLA believes that rural proofing of transport policy is an essential pre-requisite of the success of the rural economy. Without adequate public transport the opportunities for tourists for example to visit the countryside are dramatically reduced. Moreover, rural transport remains a key requirement in maintaining the fabric of rural communities. The CLA recognises that a great deal has already been done to improve public transport provision in rural areas. However, it has to be recognised that a poor transport infrastructure in rural areas is to the detriment of all rural businesses. Consequently, we believe that rural proofing of national transport policy is crucial and one that must be able to deliver the practical benefits.

32. Policies affecting the road and rail network need to be rural proofed to ensure that the impact on the rural community is positive. The CLA believes that Central Government has to recognise the importance of maintaining the road and rail network in rural areas, which is seen by many as the arteries of the rural economy.

Health

33. The CLA recognises the valuable part played by the National Health Service in providing essential services to rural areas. Rural proofing of health policy again must be seen as a priority. It is in the interests of rural communities and central government to comprehend the importance of the role of the NHS. This would require NHS spending decisions to take account of rural priorities, thus, indicating the better targeting of resources. Provision must also be made for contingency planning in the event of emergency. For example, during the fuel crisis in 2000, essential supplies of petrol for health visitors in rural areas were suspended, having the effect of curtailing a much needed social service for rural areas. The CLA believes that clear and consistent proofing of health provisions would increase awareness of the needs of rural communities to NHS decision makers as well as highlighting the benefits of rural proofing Central Government policy in a transparent and consistent manner.

Education

34. The CLA believes that education policy should be seen as rural proofing in action. We welcome the increase in the number of schools located in rural areas (Countryside Agency 2001). We note with interest the government's intention to increase the number of school terms per academic year but we feel that it is essential before any final decision is made to carry out research as to the impact such changes would have on rural communities. Anecdotal evidence suggests that it could have a beneficial impact on rural tourism given the culture change of the public to short breaks. Nevertheless, more work is required in order to identify potential problem areas.

35. The CLA also believes that rural proofing provides an opportunity of increasing the public's awareness of the rural community. This is particularly true within education and clearly it is important for the national curriculum to be rural proofed. This can be achieved with the creation of a new compulsory school subject on rural affairs.

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ROLE OF THE COUNTRYSIDE AGENCY

36. The creation of DEFRA has altered the relationship of the Agency with Government since there is now a department covering a similar range of policy matters to those covered by the Agency. For the following reasons, CLA believes that the Agency should retain its current status and independence separate from Government:

- It can give independent advice to Ministers, throughout the Government, and its Chairman can act as Rural Advocate. Its State of the Countryside reports are very useful.
- It can pilot initiatives in a way that might be considered too risky for central government. The Countryside Stewardship Scheme was a pilot of its forebear, the Countryside Commission.
- It can be quicker to react to trends on the ground than a central government department.

37. At the same time, the Agency should be careful not to do work that can be done by others. It works best as a catalyst.

CONCLUDING REMARKS

38. Even if the creation of the new department had not coincided with the FMD outbreak, there would have been a major job to do in terms of integrating MAFF and the divisions from DETR, and in creating a new culture. The task of pursuing sustainable development in its three elements of economic, environmental and social sustainability would have been a major one. At the same time the reforms already in train to establish the Rural Payments Agency and to reduce the number of MAFF offices have created an extra administrative strain at a difficult time.

39. Add to this the impact of the FMD outbreak, and it is hardly surprising that DEFRA has taken time to come together. In hindsight we may see that the FMD outbreak actually accelerated the process of cultural integration, because DEFRA has learnt fast about the interdependence of farming, tourism, the wider rural economy and the environment.

40. The next test for DEFRA will be its response to the Curry, Anderson and Follett reports. If that response is positive, for example with a simple and properly funded Broad Stewardship scheme, this will be an encouraging sign of its commitment to regenerating rural areas, and serving its urban constituency too. However, if there is a retreat from the recommendation of these reports, this will re-ignite fears that DEFRA has yet understood the scale of the needs of its rural constituency, and that it does not have the commitment to address these needs, and to promote the thriving and well managed countryside that can be enjoyed by the whole population.

Country Land and Business Association

31 May 2002

Examination of Witnesses

MR DAVID FURSDON, Vice President, and MR NICK WAY, Director of Policy and Advisory Services, Country Land and Business Association, examined.

Chairman

47. Now we have the Country Land and Business Association. Mr David Fursdon, Vice President, and Mr Nick Way, Director of Policy and Advisory Services, welcome to the Committee. I will just repeat what you have no doubt been told *ad infinitum*. We are not inviting you to decorate a Christmas tree with all the things you wish the Department would do, but is the Department well founded? Is the concept right? Does it know what it is doing and, if it knows what it is doing, is it able to do it with the machinery and equipment it has got? That is the thrust of what this inquiry is about. Can I start by perhaps asking the question I have just asked of your predecessors? If we were two years down the road as opposed to now, what would be the three criteria you would publish to judge whether DEFRA was useful?

(*Mr Fursdon*) Shall I start by saying first that I would like to see that there were opportunities for rural businesses to be profitable and that I would

include agriculture in that list. That first and foremost would enable a lot of other things to be delivered, such as landscape and environmental effects. I would say that an opportunity for profitable activity within the rural sector would be my first.

(*Mr Way*) I would put forward as the first of the other two a development in DEFRA's approach to implementing EU legislation which at the moment is very much through the regulatory role. We note that the Environment Agency is looking at more incentive and advice based methods to achieve its pollution prevention and control objectives. We are interested in that and by two years' time we would like to see progress having been made so that action taken by businesses, including farmers, in agreement with the Environment Agency achieves those ends with less need for costly regulation. The third one would be clear signs of increased influence from DEFRA on the policies of other Whitehall departments, in particular in the delivery of rural service standards, the access to services in rural areas.

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MR DAVID FURSDON AND MR NICK WAY

[Continued

[Chairman Cont]

48. The Department, when it was set up of course, there was a big old fight because the word "agriculture" did not appear and a compromise was found by putting the word "food" in. Do you think that is symptomatic of something and, if so, what is it? In your submission you say that there is no sign of vision as to the importance that profitable farming plays in a thriving countryside, so you are implying that it is rather more than finding a sort of nifty acronym for what it is saying about government priorities and that that is a mistake, like the chap who turns up at a wedding without a tie.

(*Mr Fursdon*) From our point of view the Ministry was obviously seen as a champion of farming. Whether or not it was all the time that is how it was seen. As such, through the original Ministry it was very difficult to get objective analysis of what was being done because it was almost as if you could see where it was coming from. A number of us have had to diversify into other activities in rural areas and we needed recognition that there was a department that also had a rural remit to parallel what was happening in rural areas and the sorts of concerns that people had. From my point of view, yes, the lack of a title is not a specific problem but in making that move there is a danger that the actual farming aspects are not being given a high enough priority.

49. Can I ask finally the question that again I asked the previous witnesses, which is, to what extent do you think that down the pyramid, or the bit of the iceberg underneath the water, things have changed? Are people competent? I am sorry to ask such a brutal question, but are they competent? Is there major need for re-training? Are there middle management problems in the Department?

(*Mr Fursdon*) It comes back to the first answer I gave you about priority. One of our concerns is that there is sometimes a lack of understanding of what is involved at the front line, a practical understanding of how businesses have to operate and the things they have to cope with. A number of comments have been made about secondments and that sort of thing. I feel sometimes that there is a lack of understanding of quite what decisions you have to take if you are trying to run a business, in other words how to balance the decisions you have to make. I have experience in the south west and in general the feeling has been that there is a great deal of goodwill to try and help but sometimes a lack of understanding of the practicalities that face a farmer or a rural businessman on a day to day basis.

(*Mr Way*) The officials who came to DEFRA came principally from MAFF and DETR and on the MAFF side in particular came with a considerable knowledge of the workings of an interventionist agricultural policy, and on the DETR side with particular experience either from the Countryside Directorate or from environmental pollution prevention and control. What we are asking DEFRA to develop now is a coherent rural policy within the rural affairs part of its remit. In order to do that we see that there are certain essential elements that must be present if the rural area is to be successful. One of those would be agriculture but others would be other land based businesses and conservation and the provision of rural services. To us the policies for each of those are inter-linked in that they have effects on

the others. What we have yet to see in DEFRA, as you say, as it works down the pyramid, is a comprehension which I think must come out of contact with outsiders and local contact of the nature of those inter-relationships and why, for example, farming is important, not only for producing food but for being the basis of stewardship, etc. If an objective is set only for farming in terms of productivity and the real price of food in the shops then another objective of farming, to provide enough capacity to provide stewardship and indeed employment in rural areas, may be lost.

Mr Mitchell

50. But you also indicate the fact that food manufacture and the food service industry will move offshore unless British agriculture remains profitable. To what extent is that just rhetorical rural monte and to what extent is it based on evidence?

(*Mr Fursdon*) We were quite careful about how we worded that comment. We feel that it is a gamble. We do not have evidence that this will definitely happen but we feel that the consequences of it would be so damaging that it is a risk that is probably not worth taking and we are not sure that it would be very many governments that would take the risk of losing that.

(*Mr Way*) I would put in one example, I think, and one contentious example to come. The one example is what is going to happen in the dairy sector where we have seen increased imports of semi-processed and processed products, and the other one perhaps in the future is what is happening in our egg production industry where the government may be taking a decision to put the industry on a different footing in terms of regulation from much of the rest of Europe. Certainly the egg production industry have voiced their concerns that sourcing of materials from outside the UK will be followed by, at least initially, the semi-processed stage of production of egg products.

51. That is because of economics; it is not especially regulation. In the main this is a threat you are conjuring up to frighten government on the grounds that the farmers cannot roll up the ground and leave with it but the manufacturing side can. There is no need to help the farmers particularly because they are stuck, but the manufacturers are a different proposition.

(*Mr Way*) What we are saying is that whilst there is still a worldwide (at least amongst the developed world) system of agricultural production support, and we have made recommendations over the years as to how that might change, so long as that is there, one consideration or one factor in the profitability of British agriculture will be the extent to which government supports UK agriculture compared with how other developed countries support their agriculture and amongst those other developed countries we have certainly seen a desire to maintain that support partly because of their fear that food manufacturing would disappear. The fear that we have is not only our own.

52. That is true, but the main threat to profitability in agriculture, as in food production, is the exchange rate, not regulation.

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MR DAVID FURSDON AND MR NICK WAY

[Continued

[Mr Mitchell Cont]

(Mr Way) We would cite both as the biggest threats to profitability.

53. The main one?

(Mr Way) We would put the exchange rate top.

54. I want to go on to that because you are saying in terms of regulation that the department's vision needs to be adjusted to achieve policy objectives in a non-regulatory fashion, and particularly under Kyoto the implementation of European legislation on environmental protection, conservation of landscape and biodiversity can be best achieved by non-regulatory methods or broad stewardship. First, you do accept those objectives, do you?

(Mr Way) Yes.

55. So you think that a stewardship scheme is the best way of achieving them rather than direct regulation, but of course those regulations would also apply, wherever they come in here, on a European basis, so that is no inducement to fiddle our way through it here, whereas it has been imposed on other European countries. We cannot opt out in other words. I am saying we will have to do our own thing.

(Mr Fursdon) the regulatory approach is sometimes not European-wide. To take one example from hedgerow legislation, which was introduced in order to preserve hedges, which I think we would all want to see, the problem with it is that it does not always do the trick because in practice you will see that there is legislation, however you try and word it, that tries to protect hedges, but in practice hedges require maintenance and what happens is that the sheep start to run the hedge down and they run it down a bit more and at no stage has the farmer done anything wrong but there is a slow decline in the value of that bit of the environment. If, however, you look at the other end of the scale, I stayed in a farm bed-and-breakfast last week with somebody who was the tenant farmer who had completely been converted to the whole idea of environmental stewardship. He was in the Countryside Stewardship Scheme, he was proud of what he was doing, he was taking people who were staying in bed-and-breakfast on guided walks across his farm, and the whole idea and approach was a very different one from the sort of approach you get when faced with regulation and the sort of bristling that you get with people saying, "Well, okay, I am not allowed to do it but I am certainly not going to put myself out". You just accept the regulation. There is a whole educational concept which we would be in favour of about involving people in this way of dealing with regulations.

56. Nobody is against stewardship, nobody is against co-operation. They are good things. The basic problem is whether you can achieve the objectives in terms of Kyoto and in terms of environmental protection without intervention and without regulation. In dealing with hedges you are getting, if you will forgive me, the trimmings. That is comparatively a minor matter. The basic issues can only be forwarded by regulation and your objective is really a kind of *laissez-faire* economic objection to regulation rather than a statement that the objectives could be achieved without regulation.

(Mr Way) Can I put some more flesh on the bones because we have put our heads above the parapet on this one? There already is legislation about pollution prevention and control. We are not proposing to replace that. Indeed, agriculture is strictly regulated in this regard. When we talk about Kyoto and conservation and stewardship and so on, we are talking about how to achieve government objectives to enhance and maintain the environmental quality of landscape and biodiversity. On Kyoto, for example, we produced last year a document which attempted to relate the impact of climate change to the rural economy and to provide some ways in which active players in the rural economy could mitigate climate change and provide some benefit to the wider public. We put forward three in particular. One, agri-environment in terms of soil management practices, we believe could be a practical way to improve the carbon balance of farming and carbon in the soil. Secondly, on water management and indeed flood management, we have proposed that washland agreements between land managers and public authorities are a better way forward to organise emergency storage of water in case of flood to protect cities and others than an approach which is directed entirely by the Environment Agency. Thirdly, we talked about carbon sequestration in trees. A lot more work needs to be done on this but we do believe, and we are doing quite a lot ourselves, that trees offer, so long as they are properly managed, a way forward for carbon sequestration. These are a way of achieving government objectives, not by saying, "Thou shalt not", but by guiding the way in which people behave. We have seen a development of this approach in SSSIs and positive management agreements, which we support, and now we are seeing the Environment Agency developing their approach to actually meeting existing regulation. At the risk of boring you, may I mention one example which I think shows what we are talking about and has happened in practice? Before Sweden and Finland joined the European Union they already had in place a more developed agri-environment system than we had and this has enabled them to meet the terms of the Nitrate Directive without having to take further regulatory action. That is a good example of how positive schemes can meet objectives of regulation, as you put it.

57. That is interesting. So you say you would like European regulation to work in that direction?

(Mr Way) Absolutely, and we would like it Europe-wide.

58. Fine. Is there an incompatibility between having DEFRA commit itself at one and the same time to ensuring that agriculture is profitable, objective one, and that the rural economy is competitive? Are these two objectives compatible?

(Mr Way) In our view they are not only compatible but necessary. We do not see agriculture as being divorced from the rest of the rural economy. We see it as needing to be integrated within the rural economy. This means that agriculture will have to provide more than just food in the future. It also means that some farming businesses, as we have already seen, will have to provide more than agriculture to survive but we think that there are complementarities there and not conflicts, so that one side benefits the other.

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MR DAVID FURSDON AND MR NICK WAY

[Continued

[Mr Mitchell Cont]

We see agriculture as a backdrop for rural tourism and for inward investment, not as in conflict with those two. There are cases where it has been in conflict but in future we want to see it working together with the aims of tourism and we do see it as being an incentive to inward investment. We have seen that in the way that businesses like to set up in rural areas. That is where employees like to work in many cases.

(*Mr Fursdon*) I think there is a danger that unless there is some benefit built into the system for the environmental activities carried out by farmers you could end up with a situation where, if you are asking agriculture to be entirely competitive on a world market, it is unrealistic to expect it to do so and maintain and deliver the environmental benefits that everybody wants. That is the concern.

Mr Todd

59. You gave a couple of examples earlier of industries that might be moving offshore. I can see your point on egg production. In dairying the dairy sector regularly exceeds its quotas. There is no evidence of a fall in supply, I think, within our farming economy. Presumably therefore you are concerned about the downstream activities which must be affected by a combination of two factors. One is the exchange rate, as Austin has rightly pointed out, and the other is simply the competence of our processing sector to take up market opportunities.

(*Mr Way*) I suppose we are surprised—perhaps we should not be—that so many milk production businesses are continuing at, in many cases, 13p a litre.

60. In defiance of market forces.

(*Mr Way*) In defiance of market forces. We are not that confident that they will be able to continue to produce profitably at 13p a litre.

61. In spite of the evidence of the behaviour which is that people are, when pressed, purchasing or leasing more quota to maintain and increase their production levels?

(*Mr Way*) We are not disagreeing with the facts that you have just stated. We wonder how long this can last.

62. So you think there is a big bang coming?

(*Mr Way*) I do not know whether it will be a big bang or a steady decline.

(*Mr Fursdon*) There is a stage at which farmers do not quite know what to do next so they continue to do what they have always done, thinking that that is the way forward.

63. Even though that is in complete defiance of market economics?

(*Mr Fursdon*) For a while. That is a first reaction, in the hope that the cycle will return.

64. Because the natural process is that when prices fall production falls to force prices up, but of course that means some co-ordination within the sector which is normally lacking. Turning to the regulatory issue, to what extent do you feel that this is a peculiarly British problem, that we regulate in a way

which is unhelpful to our sector in contrast to some other EU states, and you drew this out in some of the examples you gave?

(*Mr Way*) I am not sure that it is uniquely British, to be honest. When we speak to our counterparts in other Member States, lo and behold they complain about regulation too. That is not to say that it is always the same in all Member States. Other Member States are facing similar problems to us in the implementation of the Nitrate Directive and it will be interesting to see how they deal with it. I could mention at least one area where I believe we have differed, which is in promotion of regional local food. The state aid rules we are told inhibit us from giving support through the Rural Enterprise Scheme for projects that promote locally labelled food. We do not think that DEFRA has got to the end of the road in examining how other Member States cope with that problem because we see greater success in other Member States in promoting local food. We are not sure that there has been sufficient ingenuity yet or research done to see how other people get round the problems of regulation. By getting round the problems of regulation I do not mean compromising food safety. I mean looking for ways to play the system in a way that is satisfactory to the European Commission but in a way gets what the British Government and we need to help our producers get a better relationship with their consumers.

65. Is that a failure of imagination or just British obsessions with, “Here is the rule book and we apply it”?

(*Mr Way*) What have we seen? I suppose over the years we have seen in this country, yes, a dedication to rules, partly because of the structure we have. I am going to go back an awful long way, but the judicial review system means that there is usually somebody around who questions how we implement the rules and it is perhaps a difficulty that we have that we do have less flexibility in this country because there is, for example, the Judicial Review background and the National Audit Office, who want to make sure that the rules are being pursued very properly. However, we do wonder whether the British Government has said, “That has gone far enough”, as it might in exploring the scope there is. We are pleased to see, incidentally, that they are looking to increase the flexibility of the rural development programme and the access to make those schemes more accessible to small business. Certainly in this country we find that those businesses have found it difficult to get into those schemes and I think here the government and DEFRA are trying to be helpful.

Mr Jack

66. Are there any other Member States who have a departmental structure dealing with the areas that we are looking at this morning which have particularly impressed you?

(*Mr Way*) I think some of them are struggling to grapple with the problems that our government is struggling with, and they have done it in different ways. I am not familiar with all of them; I freely admit that.

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MR DAVID FURSDON AND MR NICK WAY

[Continued

[Mr Jack Cont]

67. But are there any of the ones that you have a degree of familiarity with that could teach us a lesson or two about how we might improve the way that DEFRA goes about its tasks?

(Mr Way) Perhaps it is not in the package of responsibilities that a government department has but the way in which it works with its local organisation. With the French Government I would see closer contact with the industries on the ground and through some of their professional organisations and through their departmental system perhaps a greater contact with industries on the ground. That would, I think, be another example of how government has tried to implement regulation in a way that is compatible with small businesses on the ground in maintaining local markets, for example. I hope that we can succeed in our farmers' markets here because there is the potential threat of regulation there. Otherwise I think that the Scandinavian countries and Austria have been more familiar with rural development policy as an aim of government than we have been here and have done more in that regard. Austria had a record of greater agri-environment and greater rural development incentives for quite a while, and of the links between agriculture, forestry, other businesses and rural communities than we have here. Maybe it is not so much the structures as the connections that they have had. We see it also in Denmark in the use of biomass.

68. I am grateful for that bench marking about DEFRA. Let us move on to what I call the sword of Damocles clause in your evidence. In paragraph 40 you say that the next test for DEFRA will be its response to the two inquiries about foot and mouth and you go on to say: "If that response is positive, for example with a simple and properly funded Broad Stewardship scheme, this will be an encouraging sign . . .", and then you say, "However, if there is a retreat from the recommendations of these reports, this will re-ignite fears that DEFRA has yet understood the scale of the needs of its rural constituency, and that it does not have the commitment to address these needs, and to promote the thriving and well managed countryside that can be enjoyed by the whole population." A triumphant ending. Are you saying that unless DEFRA do all these things, "we, the Country Land and Business Association, wash our hands of you; complete load of rubbish, back to the drawing board"?

(Mr Fursdon) I am glad you liked the paragraph. What I would say is that it is a way of judging the commitment, and of course it is a government commitment, not just DEFRA. What we would like to see is DEFRA, having been closely involved with the Curry report and having then consulted *ad nauseam* again after the Curry report, being brave enough to nail their colours to the mast and say, "This has been set up. We have come to a conclusion. We would like to see that conclusion implemented", and to be seen to be pursuing that as the way forward and, if not, then what is the alternative, because we have not seen DEFRA come up with an alternative to Curry and, in the absence of an alternative, they have either got to say yes or something else as far as we are concerned.

69. Just to be entirely clear, a sort of virility test of the department would be its willingness to adopt, lock, stock and barrel, Curry or do you think that it can still have credibility as a department if it cherry picks?

(Mr Fursdon) Curry looked into it exhaustively and came up with the idea, and he himself is on record as saying that it needs to be the whole thing, because all the intricate parts that link together are designed to give the answer as he sees it and he has spent a lot of time looking at it. He thinks it all needs to come together. It is our hope that it can be and we do have one or two qualifications, I suppose, in our support for Curry in that we wanted it to be Europe-wide and so on. We feel that to cherry pick it would be dangerous. Yes, okay, there are one or two little things that could be left out but the principle of it is—I think "shallow" is always a dangerous word, if you take broad and shallow, but it is certainly a broadly applied scheme.

70. Do you sense that so far they have given a little tick in the box against the food chain activities, they have talked about the collaborative centre and ministers on the cheap end of it have put a tick in the box and waved the flag, saying that Curry has these wonderful ideas, but they are keeping their heads down over the expensive bit? What do you sense is the mood in DEFRA about what they should or should not sign up to?

(Mr Fursdon) What I was coming on to say was that the key to it was the broad application scheme to bring everybody into it. If you are going to look at what is the most important thing and should it be accepted *in toto* or not, the key to it is that it is a broad scheme. One or two of the other things could be peripheral to that but in general terms that is the key to it and that is how we would judge whether it has been a success or not.

71. Our Chairman is a wise man because he reads the *Financial Times* and has drawn my attention this morning to an article about the possible mid-term review of the CAP. If on the Brussels grapevine DEFRA are getting the kind of message back that this article in the *Financial Times* indicates, that the Commissioner is thinking of something far more radical, is it not wise that DEFRA postpones all response to Curry till it does become clear what is happening on the CAP mid term reform, or do you think that whatever happens we ought to go down some route rather than no route?

(Mr Way) I would agree that implementation of the Curry report must take account of what is going to happen in the CAP. We have read the FT report too and what is being described there is more radical. The way that the government system works as we understand it is that there will be a comprehensive spending review announcement before the summer recess and that this will guide spending totals for three years. That must include, from our point of view, resources for a broad stewardship scheme if I am right about the way the system works. If it does not then we will not have that option. If the Commission's proposals come up with very stiff and strict capping of support to farming businesses then there will be a battle, we would argue, in those negotiations to fight Britain's corner from a competitiveness point of view, but it is too early to

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[Continued

[Mr Jack Cont]

say that will rule out a broad stewardship scheme. Indeed, it might well be that a broad stewardship scheme will still be the sensible path to go down once those CAP negotiations/battles have been fought out, so we want to keep the option.

David Taylor

72. In the ante-penultimate paragraph of your submission, paragraph 38, you said that in the creation of a new department there was a major job to do in terms of integrating MAFF and the divisions from DETR and in creating a new culture. What brief observations would you have about any weaknesses in the culture and approach of the old MAFF?

(*Mr Fursdon*) I think I said a bit earlier on that one of our concerns about MAFF was where it was seen to be coming from in terms of what it was producing. From our point of view the fact that a number of businesses have actually moved rather wider than agriculture, they felt that they could not discuss the development of their businesses more widely than in just a Ministry of Agriculture, so that was one thing. The foot and mouth example also was one where it showed in our view down in the south west that the ministry was without the ability to look broader, and indeed was in need of a cultural change which we hoped by some of the broader remit of DEFRA that it would have and I think I said at the beginning that it hoped that a business element, a wider understanding of the way in which businesses link in rural areas, could be introduced. That was something that we felt the ministry did not always have. It was also this idea that culture could be changed and in dealing with the ministry over foot and mouth there was a lack of understanding of so many basics that one had in rural areas that we felt that it had lost its right to be doing the work; for example, just on little things like it had a preferred contractor scheme under foot and mouth whereby it was trying to deal with the foot and mouth problems with builders rather than with people who were involved. I do not want to go back into all that.

73. That is a reasonably concise summary of your concerns. Moving forward to the objective review to date, at this early stage how successful would you say that DEFRA has been in addressing some of those cultural weaknesses and indeed any with which you are familiar from the former DETR? I realise that you will not necessarily have had a close and continuing relationship with them but how successful has DEFRA been in addressing those problems?

(*Mr Fursdon*) I think I will let Nick do it on the national basis. On a regional basis there has been an understanding that there is a wider remit and I think one of the difficulties is that, coupled with a change in the staffing arrangements, and we do make reference to the south west in our response, we have difficulties in that there is a greater remoteness of the new department from where we are looking at it. There is a sort of slight confusion between the roles of the government office south west and with DEFRA and the fact that the senior representative with whom we would have dealings is an employee of the Government Office South West who has local responsibilities rather than directly from DEFRA.

Perhaps we were spoilt before but we do not have the ability to deal with some of the specifics that we used to on a regular basis. There is a willingness, because of the wider remit, that it is now going to be considered by these forums in the regions, that that could be put right. One fear, I suppose, is that by widening the remit so many other people come in. I have been at meetings there are just too many people in the room to ever achieve anything. Because it is such a broad remit and there are people representing a whole lot of environmental concerns, stakeholders, people trying to get involved in agriculture and so on, you end up going nowhere. That is just from the regional aspect.

(*Mr Way*) We have seen a change in the culture, certainly from the senior staff at the national end. We have seen a realisation that countryside and rural policy is about more than agriculture, which we would support. Agriculture is important but we think rural policy is about more than agriculture. We have seen an acceptance that government policy in this area must serve a wider constituency than in the rural areas and we accept that too, so that consumers are listened to more than they were before. We have to accept that, that our members, our constituencies, have interests and concerns and ultimately they sell to a wider market place. We have seen that in the way that the Curry Commission was set up, we have seen it in the way that some legislation has been implemented, in the way that the Countryside Rights of Way Bill was not introduced by this department but how the Act has been taken forward by the department. What we have yet to see though is this integration or understanding of the different elements within rural areas, and I realise that I am now talking about rural areas, but within a wider DEFRA remit we have yet to see that understanding and the development of a more coherent rural policy. We have seen the change in culture but not all the way. Can DEFRA win on this? You made an earlier observation about MAFF being perhaps necessarily too focused on the area of agriculture and then you welcomed the broadening of the remit of DEFRA. Mr Fursdon says he has been in meetings where there has been a Tower of Babel in terms of the policy components of that particular group. Is that something that is also shared by your members? You heard some of the earlier evidence given by the RSPB in terms of the one-stop shop. Do your members have difficulty not getting people into one room but getting the right person on the telephone line for a single query, or do they need conference halls every time they go to the DEFRA fount of information?

(*Mr Fursdon*) We have mixed reactions to that. Some people say that, for example, in the implementation of the Countryside Stewardship Scheme the local project teams on the ground are rather better focused and more accessible. On the other hand, we also get the business of trying to get through on the Rural Payments Agency and trying to deal with queries about IACS and so on is actually much more difficult. I think it is a bit early. There is circumstantial evidence and some people will contact us steaming because they have got absolutely nowhere and other people will be quietly supportive. I do not have a particular view on that. What I do feel is that there are other areas where people would like to have support where they have not yet got support.

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[Continued

[David Taylor Cont]

If you take, for example, rural tourism, I feel that there are people who are saying, "We would like to see what the department with its clearly defined role is supposed to be doing for us if we have branched into on farm bed and breakfast", self-catering accommodation or whatever it may be. "Has DEFRA got something to do for us because we do not see it at the moment?" It comes to this question about the role of the department within Whitehall where DCMS may be taking the lead on tourism. Is there a rural tourism dimension? We believe there is. Does DEFRA believe there is and, if so, how is it going to be dealt with and how are they going to get that message across?

74. My assessment of the interface between, in our case, GOEM and DEFRA is not dissimilar to what you described in the south west and I think that does need attention, but rolling back a couple of years or so, my observations about MAFF in the pre-FMD era was that they were demoralised and poorly led. The annual report of DEFRA makes a very choice observation that it wants to retain and motivate the best quality staff. What organisation does not want that to happen? How would you describe present morale in DEFRA and how would you say that that pretty ordinary objective has been met so far in them getting better quality, highly motivated staff?

(*Mr Fursdon*) I do not have a wide experience of this other than a temporary job done by my son who was working within the organisation, where he was thrown by the idea of having to deal with a farmer in tears at the age of 18, trying to deal with his clients, which suggested to me, I suppose, that if you have a lot of staff changeover and people being thrown in at the deep end without really, in his case, understanding how to deal with a situation like that when he was straight out of school, which was actually almost beyond him. The high staff turnover, the fact that there have been so many people with changed jobs as a result of foot and mouth and the consequences of foot and mouth and switching around trying to deal with things that are hitting them left, right and centre, has caused a problem and a lack of stability and therefore I suspect that there is a lack of morale as a result of that. It has not been terribly easy therefore, and of course are they then able to attract people? I do not know the answer to that but what I would fear, coming back to something I said earlier, is that to give them an opportunity of somehow getting out and seeing what the front line is like and understanding how things work, what they are trying to achieve and what would help in that morale, I do not know whether that is impossible to try and achieve. I just feel that there are ways to go about it. The moment one gets in there one gets the impression that it is everybody running to stand still; they have had too much on their plate, they have not been able to fully staff up to deal with all the problems, they have got complaints coming in and everybody is worried about handling the complaints and so on, and it is not a terribly attractive thing to attract somebody into. That needs to be addressed. How one does that is not really for me to say.

75. Any initial comments, Mr Way, about this area of morale?

(*Mr Way*) Yes, we did see signs before the creation of DEFRA that MAFF had demoralised staff, particularly in the regions, and yes, we have seen signs in its first year of difficulties not least because of the different pay levels and IT problems. I have some sympathy with those attempting to run DEFRA. Our organisation is a much smaller one but we have been trying to join up our rural policy and efforts and re-structure them and you can see that in the time in which re-structuring is going on it is difficult; there are problems of uncertainty. What we would hope to do in our organisation, what we would hope DEFRA would do, is provide a clear direction as to where we are trying to get to. I would hope that DEFRA has got objectives, which should be attractive ones for staff, to regenerate rural areas and to take forward the sustainable development agenda in Whitehall. These are objectives that a lot of young people would like to see achieved. It is a question of whether the policies to do that are visible and going in that direction. I am not saying we have got the answers. We have tried to suggest some for the rural areas. On sustainable development I suppose we would put forward something analogous to what we said on working with the grain of business to achieve objectives, to reduce the cost of regulation and to link economic, social and environmental sustainability together in a way to get through what was described earlier this morning as quite a jungle in Whitehall with different policy interests. We have a similar range of interests to deal with because we deal with many different government departments. We see that approach as being the only way to try and get a result which is economically viable and also environmentally sustainable. That would be our rather general suggested way forward.

Mr Todd

76. You highlighted some of the legislation that the department has been involved in implementing. One of the ways of assessing the direction of the department is the legislation it chooses to promote. How did you feel about the Animal Health Bill?

(*Mr Way*) We can see why certain elements of an Animal Health Bill—

77. We could all see why some of it needed to be done.

(*Mr Way*) It needed to be done. We saw gaps during foot and mouth disease control and the Government did not turn out to have—it is still not absolutely clear; I do not think we are the only ones who are not absolutely clear on this—or appear to have the powers that it first thought it had, so yes, on that. We have raised concerns about the speed with which veterinary inspectors can go on to farms even in emergency cases without the farmer being given notice and being given notice of the magistrates' warrant to go and do so. That we think does need to be looked at.

78. I was more thinking of whether this gave some indication of the way in which the department was shaping up in terms of its relationship with its stakeholders and its culture of carrying out its responsibilities.

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[Continued

[Mr Todd Cont]

(Mr Way) Good point. We did say at the time that we felt that the government ought to wait for the publication of the Anderson and Follett reports before implementing an Animal Health Bill so that it would have that wider scrutiny and consultation on what was necessary before going forward and now it would appear that that is what will happen. We are asking it to take considerable notice of what is in those reports.

79. That is not what the department promoted at the start.

(Mr Way) No, it is not what the department promoted at the start.

Mr Breed

80. In your evidence you point out of course that DEFRA has got a huge range of different responsibilities and areas of policy and you go on to see linkages, and in fact you try to put them in a chart and suggest that there is an absolute mass of them. But then you make what I think is quite a worrying statement when you say, "these linkages are not well understood in DEFRA, especially at national level". One might think of course that that is one of the most fundamental principles of putting a department together in this particular case. Then you suggest that secondments might be one way forward. Do you think that the first year of DEFRA, and in particular the way it has formulated policy, has been damaged or reduced in some way because of its failure to get to grips with these obvious linkages?

(Mr Way) I suppose what we have already said this morning is that we feel that DEFRA is yet to produce a long term vision for rural areas and yes, we would argue that that is partly because it has not understood these linkages. I do not know whether you would like us to amplify any of those.

81. Let us take one particular area, one more obvious area than anything else, which might be agriculture and tourism. Where would you see that they have principally failed to get to grips and understand the linkages? Part of the whole *raison d'être* of setting up DEFRA was to address these rather fundamental things but you are saying that actually here we are and they do not seem to understand them.

(Mr Fursdon) We do not feel that at the moment they are being proactive and that would be a concern. A question to ask is whether the various different components that make up the department are just that or whether it has a greater ability as a whole, with all its components, to think of the bigger picture. I suppose you could take a small example on tourism and, as you have mentioned it, I would have thought one could perhaps have looked at the question of rural tourism and one could have looked at the linkages between visitors on farms and qualification for countryside stewardship and access through countryside stewardship. If you take areas where too much access could be a bad thing but some access would be a good thing, for example, I suspect the RSPB might share that way where you have dangers of too many people but some access would be good. There might be opportunities, for example, to link the provision of access on farms with farm tourism in

a way that qualifies for certain countryside stewardship payments. It is just thinking slightly outside the box and I do not see that at the moment there is evidence of DEFRA doing that and coming out with some imaginative and original ideas.

82. You then suggest that that might be covered by secondments principally between the Countryside Agency, regional offices and national offices, which is all the same sort of thing. Very often of course the best converts are people who come from totally outside who are not part of the culture. I was curious as to why you felt that secondments between people from different offices might blow some real fresh air into the whole process.

(Mr Fursdon) I would go further and say secondments actually into the front line and into places where people have to make a profit or they fail, where people are provided. It is difficult to see how you can set it up, however. It is easy to see how in practical terms you might be able to get secondments with the Countryside Agency. Where people from DEFRA would have a role to be seconded into what is essentially a business of small individuals and operations and so on, it is much more difficult to see, but I agree with you: that is where they need to be seen and how these things could work, to get some of these ideas and come back with ideas that might be fresher and a new approach.

83. Finally, and I touched on this with the RSPB, I am personally somewhat confused about the relationship between the Countryside Agency and DEFRA and their relative roles here. The Countryside Agency was set up principally so that they did not have to set up DEFRA and now we have got both. Do you think that perhaps at the end of the day a wholesale merger of the two might not just be one way of achieving this, mass secondment as it were?

(Mr Fursdon) Then there would not be anywhere to second anyone to! I think that the Countryside Agency has a useful role because of its independence. Independence of government is a very important factor, and the ability to produce a state of the countryside report, for example, where the Countryside Agency could be critical or produce factual statistical evidence to support things from outside government, is useful. In practical terms I suspect it is probably more nimble on its feet and possibly able to introduce quicker pilot schemes, studies, whatever, that can then be fed through into the policy agenda. I think there is a role for the Countryside Agency and it is through the practical ability of being more nimble on its feet and also perhaps by its very independence it provides quite a good alternative check to what is going on.

Paddy Tipping

84. The CLA were very early advocates of the Department of Rural Affairs. A year on how do you think they have done in the rural affairs agenda?

(Mr Fursdon) I would say that it is very hard after a year to say because that year has not been a normal year. One would need, to be fair to them, to give them a normal year of operation to see where some of the things that we have been suggesting could come out.

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[Continued

[Paddy Tipping Cont]

We have not yet seen a lot of original thinking. We have seen so far a lot of safety first and “Let us have more consultations after Curry” rather than “Let us take it on”, and I would say that I would like to see signs of more originality but I do also think you have to be fair to them and say that they have had to pick up the consequences of foot and mouth.

85. There were lot of good ideas in the Rural White Paper. What has happened to it? Has it sunk?

(*Mr Way*) Some have been implemented. There has been progress on helping rural transport, for example. We think there is still need for more action. Affordable housing I would particularly flag up. DEFRA does not have the responsibility for affordable housing but we would hope that it would be—I am not sure “grit in the oyster” is the right phrase—the voice in government that would stir that up and push and lobby for that problem to be addressed where the decision is going to be taken, so for DEFRA to be successful it will have to be persuasive in No 10 and No 11 and it will have to have support from No 10 and No 11. There is no suggestion from us that it should have more bits of Whitehall added to it but that once it is able to put a persuasive voice on behalf of rural areas it should take that voice to the rest of Whitehall and should be the monitor of implementation of the Rural White Paper.

86. Do you think that voice exists at the moment? Is it a strong enough voice? Is there enough grit in the oyster? Is there enough political clout there? Is it going forward?

(*Mr Way*) I think there is potential for the clout. I heard the earlier discussion. I am not sure there is enough coherence in it and one of the factors for being persuasive is to be coherent as to how what it proposed would bring about particular objectives and how these fit in with the government’s wider plan. For example, on affordable housing, the government has now recognised that across the board there is a shortage of housing for people on average wages and below. That applies in rural areas as it does in urban areas and DEFRA should be making that point. They may be making it. We will see in the comprehensive spending review but an increase in the rural housing programme within the housing corporation’s budget will be a sign of whether or not that voice has been heard.

87. Of course it puts all these links into rural proofing.

(*Mr Way*) Yes, it does.

88. And of course the Countryside Agency independently has a role in this but again do you think it is making progress on rural proofing?

(*Mr Way*) It is patchy. There are one or two examples in the Department of Education where it has. What we have been asking for is a more proactive approach to rural proofing so that DEFRA would go to other departments, for example, health, and discuss the needs of rural areas for sufficient health visitors, how people are going to visit those who convalesce after operations, because more operations are going to be in hi-tech general hospitals. The rural impact of that is how do people get to visit their relations after they come out of the main hospital.

89. So you want to see a sense of enthusiasm and pro-activism within the department which, because of difficulties over the last year, you do not think is there just now?

(*Mr Way*) I think it is there in some of the senior staff. I am not sure that it is inculcated lower down.

(*Mr Fursdon*) It is linked with morale. The question is, can you attract the right people? It is patchy. We would have thought that these are really quite interesting jobs for people to do and to link these things and to find a blueprint and a way forward. I would have thought that they could have attracted people if they were given the opportunity. The question that we are not sure about is whether it has been seen that there is the opportunity to play this role on a wider canvas than they have so far.

90. You have always taken as an organisation a big interest in planning issues. Planning is not part of the department now and that clearly creates some conflicts. How do you see the whole planning agenda going forward? What should the department be doing around planning issues?

(*Mr Way*) I am certain there is a role. There are two things. One is for DEFRA through the Whitehall machinery to put its views in, for example, the Green Paper on planning; to get a rural voice heard there. We have a fear that what we will end up with is a gap between sub-regional strategies and local development frameworks and the balanced development of rural areas may get left out. The other thing it could do, if we could persuade it to do so, is to put forward one or two specifics. We have argued, for example, that because PPG7, which is the Countryside Planning Guidance, now has taken on board the sustainability agenda, now is the time to apply this in green belts. We are now looking at development in the countryside in terms of scale, design, how it fits into the environment of the wider countryside. Those should be the criteria for where the development should take place within the green belts, whereas in fact we see problems in green belts, we see development leap-frogging green belts and we see some slowing down of decision making and what to do in green belts. DEFRA could take a view on that because it represents the whole rural area.

91. Are they doing that?

(*Mr Way*) I do not think we have persuaded them to do it yet but we are seeking to. We have been in discussion with them because they are not sure that their views on rural areas and planning more widely, just putting green belts to one side, are being fully taken into account in the decision making on the Green Paper and moving into a Bill. They are concerned.

David Taylor

92. My memory says that there was a Cabinet Sub-Committee formed to deal with rural affairs.

(*Mr Way*) Yes.

93. I am not certain if it still exists but I am going to make a heroic assumption. Paddy, who knows about these things, says it does. Where does that fit in with the role of DEFRA?

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[Continued

[David Taylor Cont]

(*Mr Way*) My understanding is that it exists and that indeed it was announced at the time of the creation of DEFRA that the Secretary of State was going to chair it. We welcomed that because we had suggested that. It is our hope that that would be a monitor for DEFRA to ensure rural proofing of other government policies.

94. I sense from the way you are answering this question that you are not aware of whether it has met.

(*Mr Way*) I am not aware that it has met.

95. My memory says that the last time somebody asked a question about this it clearly had not met very often and, listening to your lines of argument which see DEFRA very much co-ordinating, observing, commenting, developing rural matters in government where it does not have a direct department responsibility, you might have thought that this committee could have been the ideal vehicle to have views for that task, but the fact that you are groping in the nicest sense to find something to tell me about suggests that it is not exactly planning a high profile role in the development and execution of rural policy, and indeed sustainability across government.

(*Mr Way*) I do not know. I am not aware that it has. We would not put all our faith in committees but the advantage of a committee that is meeting regularly is that progress can be chased. I think outside a committee there has to be the co-operation anyway.

David Taylor: Perhaps, Chairman, we might return to further investigation of this area.

Mr Borrow

96. You sat in the back of the room when we had the group discussion about the Department's sustainable development strategy which was announced last week. I wonder if you would like to touch on your views on the strategy for an involvement you have had in developing the strategy and how you see that fitting in in terms of the Department's role and within government in general.

(*Mr Way*) We had some opportunity to feed into it. We were not very closely involved in its development and we have seen the result. I suppose, to be frank with you, the area that I have looked at—and it will not be the only one that we do look at—is food and farming and we were concerned that the two objectives or measures that are in here are productivity of farming (and there is nothing wrong with that as a measure in itself but we do not think it is enough) and real food prices. The graph shows productivity going up and it shows real food prices going down but that is considered as I read this report as being a sufficient guide that all is well within the government's objective to modernise agriculture. Of course there are other measures for sustainable development of the countryside, including woodland and farmland birds and so on. I do not think we have an objection to those measures being there. We would like to see how they will go, but on farming our problem with this is that looking just at those measures, achievement of them is consistent with a contraction in the amount of land farmed in the UK

and it is consistent with a reduction in the number of people employed in farming in the UK, ie on much larger farms. We are very unsure that either of those outcomes is going to produce the means for sustainability in terms of the capacity to operate stewardship, so we think on their own these measures do not come up with an answer for sustainable development for agriculture. You have to consider how the objective of environmental sustainability and social sustainability in the countryside, how agriculture is going to achieve both of those, and we think this actually for once is too economic and has not taken those into account.

97. In spite of the difficulties of balancing social, economic and environmental aspects, I suppose there is an argument that if the amount of land that is used for agriculture and the number of people who are employed in agriculture and the intensity of agriculture will reduce, then some of the negative aspects of agriculture on the environment will also reduce in terms of the use of pesticides, etc. The point you are making, I take it, is that that may still need some input from the Exchequer to ensure that the landscape and woodland and the other environmental aspects of rural life can be sustained.

(*Mr Way*) We believe that conservation of the countryside depends on active land management and that an outcome which may be a contraction of British agriculture is not on its own guaranteed to produce that active management. It may if the land that is not being used for agriculture is being actively managed for something else. There is no indication in here of how that is going to come about. If the alternative is that the same amount of land is used but on much larger farms, as you have just said, it is not clear whether that is going to be managed with stewardship or not and we believe that stewardship option should be there in order to provide the conservation that we think is part of sustainable development.

98. You sat in the back when we discussed these issues earlier with the RSPB. Guy Thompson made a comment that the document was very much just dealing with bits of the sustainable development agenda that fell within DEFRA and that it ought really to extend it beyond DEFRA or at least there ought to be a more government-wide view rather than simply the remit of DEFRA to develop it. Do you have any views on that aspect?

(*Mr Way*) Only in that we have said, and it is not rocket science or perhaps the whole answer, that DEFRA needs the support of No 10 and No 11 in agitating for sustainable development criteria to be integrated into other departments' policies and we are in support of that. We have accepted it for rural areas and we have tried to suggest ways in which it could be advanced in rural areas, so I think we would be a bit disturbed if it is not happening in urban areas.

(*Mr Fursdon*) Even if you take just the rural areas and go outside of DEFRA's remit, the question of the sustainability of a village community, for example, involves discussions about planning as well and what is a threshold population to make a village viable if it is going to provide anything in the way of services or opportunities for the people living within that village. Therefore it has to go wider into other

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[Continued

[Mr Borrow Cont]

departmental remits other than just DEFRA than the way it is organised at the moment. DEFRA cannot do everything. There is an interaction.

Mr Lepper

99. In the light of all that you have said to us this morning do you see evidence of those clear links between DEFRA and other government departments responsible, for instance, for planning, transport, housing, education, the NHS, all the things which you mention in your submission as vital to considering the rural economy let alone the urban economy? Do you see clear evidence of those links between DEFRA and those departments which ministers who came before us last autumn assured us were in place or were being put in place?

(*Mr Way*) When we speak to ministers we see some evidence that ministers see those linkages. We were pleased that after seeing the Minister for Small Businesses we have had a connection made to the

Small Business Service which we see as being relevant in rural areas. The discussion goes on and the civil servants do share information and copy their policy material around but, at the risk of repeating ourselves, what we do not yet see is the DEFRA officials taking an agenda forward with their opposite numbers in the other departments and seeing why they would wish to do so.

(*Mr Fursdon*) It is a question of ownership, I think. It is very easy to have everything sub-divided into sections and nobody actually sits up there and I know there were comments made at the Curry Commission and so on, but someone needs to take ownership of the co-ordination of these things. It is either done by somebody else or it is done by DEFRA being a bit more forthright and going further into trying to draw the threads together.

Mr Lepper: We are back to clout again.

Chairman: Gentlemen, thank you very much indeed.

WEDNESDAY 3 JULY 2002

Members present:

Mr David Curry, in the Chair

Mr David Borrow
Mr Colin Breed
Mr David Drew
Patrick Hall
Mr Michael Jack
Mr Austin Mitchell

Diana Organ
Mrs Gillian Shephard
Mr Keith Simpson
David Taylor
Paddy Tipping

Memorandum submitted by the Council for the Protection of Rural England (G20)

INTRODUCTION AND ASPIRATION FOR A “RURAL” DEPARTMENT

1. CPRE is a national charity which helps people to protect their local countryside where there is threat, to enhance it where there is opportunity, and to keep it beautiful, productive and enjoyable for everyone. We have a longstanding interest in the role of Government in rural areas and welcome the opportunity to submit evidence to the Environment, Food and Rural Affairs Committee inquiry into the role of the newly created Department for Environment, Food and Rural Affairs (DEFRA).

2. CPRE has in the past argued against the establishment of a “rural” Department because of concerns regarding the potential marginalisation of rural issues across Whitehall. With many of the key issues affecting rural areas such as the provision of healthcare, education and affordable housing being the responsibility of other Departments, there was also a risk that a “rural” Department would not have sufficient influence over key priorities and outcomes. We were also concerned about the dangers of separating environmental and rural responsibilities from the then DETR and the risk that this might create for a stronger focus within that Department on delivering infrastructure and development rather than achieving wider policy objectives.

3. Reflecting recent changes, CPRE has moved from this position. Our report *A Department for Rural Affairs—changing MAFF or changing names*, published in May 2001, outlined a range of ways in which MAFF could be restructured and re-invigorated to better deliver a more integrated and innovative approach to rural areas. This included the establishment of new environment and rural development divisions within MAFF as well as a range of measures to foster a new culture within the Department, which together could secure the integrated approach to rural areas envisaged by the Rural White Paper.

4. Our key aspirations for the new Department were that it should:

- be a modern forward-looking Department that could enthusiastically take forward and deliver Government policy for land management (including farming), food, rural communities, landscape, heritage, public enjoyment, recreation and fisheries;
- be an integrated Department that moves forward on environmental, social, economic and resource management objectives together and where policies to deliver more sustainable farming fit within a wider approach to providing more sustainable and integrated land management and rural development;
- acknowledge the role of farming and agriculture in the modern economy of rural areas and not be dominated by agricultural interests;
- champion rural areas and help secure a strong rural dimension in the work of all Government Departments;
- promote integration between urban and rural communities and recognise the importance of the beauty, tranquillity and diversity of the countryside to the nation and quality of life;
- have a strong tier at a regional level that is integrated with other Government Departments and regional institutions, processes and stakeholders and has the capacity to tailor policy to suit the differing needs and opportunities of England’s very diverse rural areas; and
- be open and accessible to a wide range of stakeholders and take a fully consultative approach to policy development.

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[Continued

OVERVIEW OF PROGRESS SO FAR

5. CPRE broadly welcomed the opportunities created by DEFRA's establishment last year. Its overall structure reflects many of our recommendations and aspirations for a reformed MAFF and provides real opportunities to bring a stronger environmental input into the future of food and farming policy and to develop environmental policy in a manner which is better integrated with the countryside and rural land use issues. Its welcome aims and objectives are also broad and reflect the "multi-purpose" nature of the countryside and the need to deliver on a range of functions—not just the production of food and fibre. The establishment and subsequent report of the independent Policy Commission on the Future of Farming and Food (the Curry Report) has reinforced the need for a step-change in farming and the food chain in which the environment plays a more integral role—an objective to which DEFRA should be strongly positioned to respond.

6. We have also welcomed the strengthened regionalisation of DEFRA's responsibilities and, in particular, its integration with the Government Offices of the Regions. This, we hope, will help develop a more integrated approach to rural policy and delivery that links farming with the wider rural agenda. The ability to deliver such enhancements is improved by the continued support by DEFRA for the England Rural Development Programme and its Regional Chapters. These allow for a more discerning approach to rural programmes and the better matching of support to the diversity of rural England. The establishment of new consultative arrangements, such as the national and Regional Rural Affairs Forums and ERDP consultation groups, should also enable the refinement of policies and programmes to meet regional priorities and needs.

7. We remain concerned, however, that the environment overall is becoming divorced from other Government policy decisions. Moreover, we believe DEFRA has been slow to respond to the opportunities for an integrated approach to farming, the countryside and the environment offered by its creation. For example, DEFRA has, so far, been noticeably absent from engaging positively in some key debates including the Government's current review of the planning system, and its proposals to speed up consideration of major infrastructure projects and invest in new roads. It has also been slow to respond to the many welcome recommendations of the recent Curry Report, behind which there was almost universal support. While we recognise the constraints of the 2002 Spending Review process, and the uncertainty this creates for available resources, we believe that more than has been achieved through the recent round of regional consultations could have been done to move the debate on to the mechanics of implementation.

FOSTERING A NEW CULTURE

8. The attitude and approach of existing staff is a potential barrier to delivering the opportunities of a new approach to rural and environmental issues offered by DEFRA. It is essential that officials at all levels are conversant with its new aims and objectives and are encouraged to adopt a new and more holistic approach to solving rural problems. This will be a particular challenge given the cultural "inertia" that appeared endemic in the former MAFF and the dominance of staff, in terms of numbers and resources, focused on the agricultural sector. Our paper, *DEFRA—A New Way for a New Department* (see Annex) provides a range of integration mechanisms to assist the cultural change. In addition to restructuring and reviewing policies and programmes, therefore, we urge the Committee to recommend that DEFRA takes seriously the need for a cultural change within the Department. This agenda should be led by the Department's Corporate Strategy Unit with leadership from the Board and senior Ministers. In the longer term, DEFRA should seek to secure additional resources from a larger share of the EU Rural Development Regulation funds and as a result redress the current imbalance in the Department's resources to better reflect the role of farming in the modern economy of rural areas.

IMPLEMENTING THE RURAL WHITE PAPER

9. Clearly the foot and mouth outbreak last year was a major distraction from DEFRA's early programme. Now, more than ever, there is a pressing need to secure change on the ground. The Rural White Paper provides many welcome initiatives and ideas that could help address the problems of service decline, lack of affordable housing and poor access to training and childcare facing many rural communities. The challenge to DEFRA is to translate these into tangible improvements on the ground.

10. A key tool to assist this process of delivery is that of "rural proofing". The recent Countryside Agency report on rural proofing, however, highlighted that DEFRA could be doing more internally and externally to rural proof policy and practice. How the Department responds to this challenge will be critical in ensuring the effective implementation of the Rural White Paper, as many aspects of delivery lie beyond DEFRA's areas of responsibility. We urge the Committee to recommend that DEFRA gets back on track with the implementation of the Rural White Paper, and adopts the rural proofing processes identified by the Countryside Agency. Achieving the Rural Services Standard, as set out in the Rural White Paper, should be a cross-departmental Public Service Agreement coming out of Spending Review 2002.

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11. DEFRA will also need to engage with the environmental aspects of the implementation of the Urban White Paper as many of the issues facing the countryside cannot be looked at in isolation from urban areas. While we strongly support the Government's commitment to securing an urban renaissance, we would highlight the disparity of commitment across Government to this process compared with the priority attached to the Rural White Paper. For example, plans for an Urban Summit with the active involvement of all relevant Government Departments are well advanced and supported by a dedicated team of civil servants within the former DTLR and there is a regular bulletin of progress on Urban White Paper implementation. We urge the Committee to encourage DEFRA to convene a "Rural Summit" and foster cross-Government support for the implementation of the Rural White Paper.

A STRONG ROLE IN LAND USE PLANNING AND CHAMPIONING SUSTAINABLE DEVELOPMENT

12. The role of DEFRA in relation to land use planning is also critical. DEFRA has established a small planning team but this is currently under-resourced and not effectively connected to key points of the Department. As highlighted above, we are concerned that they have been largely absent from the debate surrounding the Government's Planning Green Paper until very recently and have yet to articulate a clear view of the role of planning in relation to rural development and farm diversification. We urge the Committee to stress the need for the more active engagement of DEFRA in land use planning and highlight, in particular, the role of planning in securing sustainable patterns of development.

13. A key concern remains the relationship between DEFRA and other Government Departments. The Greening Government initiative no longer benefits from a senior member of the Government championing it, and the use of environmental appraisal elsewhere in Government is distinctly patchy. The most recent Annual Report of the Green Ministers Committee notes, for example, that only 55 environmental appraisals were produced between 1 April 2000 and 31 March 2001, and eleven departments produced no environmental appraisals at all. If the causes of unsustainable trends are to be tackled at source, it will be important that DEFRA's ability to influence thinking in other parts of Whitehall is strengthened. This requires the environment to be considered as a core priority for the Government as a whole, rather than a constraint or limitation on the activity of other departments. The Air Transport White Paper; recommendations of the Government's Multi-Modal Studies; the forthcoming Energy White Paper; and the DTI's programme on resource productivity, as well as the planning review, are all areas where DEFRA will need effectively to articulate environmental considerations. While processes were established for joint working with DTLR, the resources committed to this task were small and their effectiveness hard to judge. We recommend that the Committee calls for a stronger and more pro-active engagement of DEFRA in articulating the environmental dimension of Government policy, and promoting its integration into other policy areas.

14. It is also becoming increasingly apparent, for example through the planning review, that the loss of the former DETR environmental directorates from the former DTLR to DEFRA was having a negative impact on the work and objectives of the former DTLR. This may be further exacerbated by the recent reshuffle and reorganisation of Government Departments into separate Ministries for transport and regions, local government and planning. The focus of the slimmed down Department of Transport is likely to be on delivering improvements to the experience of travelling by investing in major new infrastructure. Rising traffic levels represent a Headline Sustainable Development Indicator which is moving in the wrong direction, yet which will not be sufficiently addressed through the current spending priorities in the 10-Year Transport Plan which forecasts a 17 per cent increase in traffic. It will be particularly important, therefore, that DEFRA is able to engage with the new DOT and ensure wider environmental and sustainable development objectives are incorporated into its policies and spending priorities. Mechanisms to do this could include: greater use of environmental appraisal by DOT in policy making; re-affirming that the DTLR/DEFRA Protocol on joint working applies to the DOT; increasing staff resources within DEFRA for joint working; and enabling a senior DEFRA official to continue to sit on the DOT Board. We recommend the Committee Highlights the need for greater cross-Government co-operation and integration by other Departments with DEFRA.

15. One of the main mechanisms for integrating environmental concerns into policy making has been the use of Sustainable Development Headline Indicators. While these have provided a useful monitoring tool, they have not been as effective in capturing the attention of Ministers and officials as specific targets (eg on climate change or congestion). More Departments are being encouraged to follow the lead taken by the Department of Health and the then DETR in publishing 10 Year Plans. In addition to the various strategies which DEFRA will be publishing, we believe there would be great value in DEFRA developing a 10-Year plan for the Environment. This would focus on outcomes and bind other Departments more effectively into Government-wide targets. The outcome targets of such a Plan could be incorporated into the Public Service Agreements of a range of departments in the Spending Review. We recommend that the Committee calls for the development of a 10-Year Plan for the Environment.

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THE ROLE OF LANDSCAPE

16. While we welcome the broad thrust of the aims and objectives of DEFRA, we are concerned that its vision fails specifically to mention the importance of a diverse and beautiful rural landscape. Moreover, we are disappointed that the importance of a high quality countryside is not yet fully understood by DEFRA overall. This is particularly the case given the lessons highlighted by the foot and mouth experience last year that demonstrated the importance of the rural landscape to local, regional and national economies and the public in general and the multi-purpose nature of a modern countryside. The 2000 Rural White Paper highlights the importance of rural landscape and included commitments to “look after, restore and conserve the landscape” and to “develop a more holistic approach which takes better account of all landscape in national best practice guidance”.

17. DEFRA, however, has been slow to progress many of the commitments on landscape. For example, the development of an indicator of countryside quality, including tranquillity, dark skies and countryside character, is only in the very early stages. The Department has also taken a very cautious approach to the designation of the proposed National Park in the New Forest—recently announcing a full public inquiry which will potentially revisit many of the issues upon which there has already been extensive consultation by the Countryside Agency. We urge the Committee to call for a more concerted effort to recognise, protect and enhance the beauty and diversity of the rural landscape and the “countryside for its own sake” across DEFRA’s areas of responsibility.

FOSTERING SUSTAINABLE FARMING

18. As highlighted above, we are disappointed at the pace of implementation of the recommendations of the Curry Report. We believe the Department should be taking a more confident and pro-active approach to fostering a more sustainable and viable farming industry that delivers a wide range of public goods, not least a beautiful and diverse countryside. This includes the establishment of pilot schemes to develop an entry-level agri-environment scheme which provides outputs at a landscape scale, further de-coupling of agricultural support payments from production and enabling farmers to meet the regulatory responsibilities of forthcoming EU legislation. We recommend that the Committee encourages DEFRA to take forward the vision outlined in the Curry report more vigorously and recognise the role of farming in delivering a range of benefits for the countryside and the nation as a whole.

19. While DEFRA should seek to minimise administrative costs of their schemes where possible, this objective should not undermine the ability of schemes to deliver their environmental objectives. We believe there is a strong justification for significant resources to be available for the facilitation of farm support and that a comprehensive farm audit should be included as an essential element of any future agri-environment scheme. We urge the Committee to recognise that good quality advice and planning is more than an “administrative overhead” but is an essential part of ensuring the delivery of the environmental outputs the schemes are designed to support.

20. DEFRA should also be adopting a positive stance in securing support for radical reform of the CAP across Europe, including securing some significant changes through the current Mid-Term Review. There is a significant consensus behind the need for CAP reform. With its broad aims and objectives, increasingly regionalised structure and potential for integration of environmental, farming and rural development objectives, DEFRA is well placed to pioneer a new approach to rural policy. We recommend that the Committee calls on DEFRA to take a more pro-active stance in Europe and lead the way in securing further reform of the CAP.

CONCLUSIONS

21. DEFRA is a Department which has tremendous potential to deliver an integrated rural policy which reflects the aspirations, needs and priorities of a modern countryside. It also has a key but challenging role to play in securing sustainable development as a core objective across Government. We believe DEFRA is taking these roles seriously and is beginning to make some welcome inroads. There remains, however, a long way to go and influencing activity across Government will be a major challenge. DEFRA should also not lose its broad perspective in its drive to secure a sustainable future for farming and should remain vigilant in remaining true to its vision.

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Annex

DEFRA—A NEW WAY FOR A NEW DEPARTMENT

The establishment of DEFRA provides a real opportunity to shape a new future for the management of the countryside which promotes sustainable development. This will only come about, however, through sustained effort, a step change from the status quo, and the development of supporting mechanisms for integration. This may require some new mechanisms, dedicated to the task. Rather than simply adding new processes, it will also be necessary to amend existing working practices and priorities in order to deliver the cultural shift required.

Below we set out opportunities for change, under the general headings of People, Politics and Processes. We hope these will be useful as DEFRA considers how to take forward its new agenda.

People—the success or otherwise of the new department will depend on the buy in from its staff, at all levels.

- Defining inductions—are new staff aware of what the department is striving to achieve?
- Using staff appraisals—do annual appraisals enable managers to explain how the departmental changes might affect staff on a daily basis?
- Promoting training—is training provided to new and existing staff?
- Publish a guide to the new department—so there is transparency over how the department operates.
- Providing assertiveness training for those in front line positions—so that officials feel comfortable questioning the status quo.
- Making use of secondees—bringing an outside perspective can help identify new methods of working and linkages which could be made.
- Providing rewards for those who deliver new ideas—providing an incentive for staff.
- Convening roundtable seminars to discuss the new approach (with Ministerial support)—ask officials how they think things could change and champion their ideas.
- Ensuring physical integration (DEFRA buildings)—the value of face to face contact shouldn't be under-estimated.
- Making sure appointments reinforce the new approach—new blood in key positions can help reinforce the changing environment providing it does not alienate existing staff.
- Establish a unit to help deliver change—a unit on its own will not deliver change, but it can act as the progress chaser and ensure that the cultural transition is seen as a continuous one.

Politics—political leadership can send the right signals to staff and external agencies that change is required, and to break inertia with existing arrangements.

- Amend Ministerial briefs—do they reinforce integration or existing “silos”?
- Encourage active participation by the Management Board—does the Management Board receive regular reports on progress and make it, its responsibility to see that change is delivered?
- Framing PSA Targets—how they're written, whether they are cross cutting and the outcomes sought all can help integration.
- Championing the Sustainable Development Strategy—can provide a vision of what the new DEFRA is about in a single document, including stepping stones to achieve it.
- Using parliamentary statements/press releases—do these always refer back to how the statement on that day relates to the new approach being adopted by DEFRA?
- Reviewing outside bodies—others outside the department (such as the DEFRA Select Committee) can sometimes act as a spur for change.

Processes—the civil service frequently works by procedure and changing the hidden wiring of Government requires the process by which thousands of decisions are taken by desk officers to change.

- Publishing guidance—is guidance available to staff and those who report to the department detailing what the changes will mean in practice?
- Championing policy appraisal—is environmental appraisal and rural proofing rigorously pursued within the department?
- Developing joint budgets—these can again bring disparate parts of an organisation together.
- Reviewing reporting structures—cross cutting issues can require new structures for reporting.
- Delivering a new Departmental Annual Report—the keynote document for DEFRA officials can report on progress in delivering change internally.

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[Continued

- Promoting change within existing Agencies—do these reinforce the existing silo's or reinforce the new approach?
- Looking ahead—do strategic management teams within the department identify what work, policy announcements etc. are exemplars of the new approach, or alternatively represent real challenges and require closer attention?
- Defining indicators, targets, timetables—tried and tested approaches to putting the spot light on the need to deliver changes.
- Sharing information (IT)—can people be brought together electronically?
- Using research—does the research budget of DEFRA respond to the challenges ahead and the new agenda, what information is lacking?

Demonstrating that a new Government department is different from what it inherited will take some time. Nevertheless, the Spending Review, the development of the departmental Sustainable Development Strategy, and the response to the Food and Farming Commission all provide significant opportunities to show that DEFRA is genuinely committed to a new way forward.

December 2001

Examination of Witnesses

MR GREGOR HUTCHEON, Head of Policy (Rural), MR NEIL SINDEN, Assistant Director (Policy), and MR PAUL HAMBLIN, Head of Policy (Transport & Natural Resources), Council for the Protection of Rural England (CPRE), examined.

Chairman

100. Welcome to the Committee. We have in front of us the Council for the Protection of Rural England. Mr Gregor Hutcheon, who is Head of Policy (Rural), Mr Neil Sinden, Assistant Director (Policy), and Mr Paul Hamblin, Head of Policy (Transport & Natural Resources). We are inquiring into what the role of DEFRA is and whether it is able to discharge that role, so we are not really interested in a sort of wish list of what everybody wished it was doing, we really want to know whether it has defined properly what it thinks it is doing and whether your experience of dealing with it shows that it is able to do so. So that is the key task. My first question is, you suggest, in your evidence to us, that, in fact, not a great deal has changed and there is still a lot of the old attitudes which are still embedded in the Department. Without naming individual officials, could you give an illustration of what you mean; what has happened to you, what phone calls have you had, as it were, what meetings have you had which you have come out of saying, "Nothing's changed"?

(Mr Sinden) Yes; if I can kick off. To put this in a broader context, I think it is important to stress that for many years our experience of dealing with the former MAFF was a difficult one, and embraced long-standing problems to do with what we perceived as an inability of that institution to encompass and embrace change that was necessary in the way it addressed questions concerning the future of the countryside and the future of farming. I think some of these problems were structural, in terms of the way in which that Department was set up, and its failure to recognise, I think, the broader, multi-purpose role of farming and agriculture in the countryside, and its narrow focus, from the very early post-war period, on agricultural production and support, and that was reflected in, I think, a sort of very strong imbalance in the amount of resources and staffing that was going into commodity support

and servicing of the agricultural industry. And I think what we are seeing now, with the new Department, is, to some extent, a continuation of that culture; we welcome the moves that the Department has made in terms of setting up a perhaps more balanced structure, in recognition of its wider remit, and we very much support the potential role that the Department can play in developing a strategy and an approach to rural areas which reflect society's aspirations for a modern countryside and for improved standards of environmental protection and environmental quality. I think that, in terms of the contact we have had with the Department and officials within the Department to date, we enjoy a largely positive relationship, particularly with senior members of staff, and we are very encouraged by the enthusiasm that staff at that level have shown towards the wider remit of the new Department. But we do have concerns, both in the centre and out in the regions, that the new culture, the new remit, the new approach, is not perhaps as widely shared as we would like it to be.

101. And is that because you attribute that to a failure to change the culture, or do you attribute that just to the lack of, let us say, policy instruments to implement the new aspirations?

(Mr Sinden) I think it is a bit of both. I think there are big questions about the challenge that the new Department faces in delivery on a new farming strategy, and I think there are big questions there about the policy instruments it needs to develop and promote in order to deliver on that very big, challenging agenda. I think there are also questions about the policy instruments it has at its disposal, in terms of promoting sustainable development across Government, as well, and we may want to go into more detail on those issues later on, if that would be helpful to the Committee.

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MR GREGOR HUTCHEON, MR NEIL SINDEN
AND MR PAUL HAMBLIN

[Continued

[Chairman Cont]

102. On the sustainable development thing, I always imagine, if I was working in the Department and I get up in the morning and look at myself in the shaving mirror and say, "Today, I'm really going to make sure I deliver this sustainable development sort of thing," what would I do, what sort of questions would I ask, as I am sitting at my desk, to make sure I am delivering this? It is one of these wonderful phrases, and I sometimes wonder, the poor blighters who have actually got to translate this into daily action, what does it actually mean, in terms of what they are doing?

(*Mr Hamblin*) I think it is about looking at problems in slightly different ways, and, as Neil mentioned, taking a broader perspective to the problems and your place within that Department, so that you are no longer simply focusing on a sub-objective which is very narrowly defined, but you are taking a much broader outlook, you are recognising that sustainable development is a cross-cutting issue, and that you have a role to play within that. And, for the countryside, more tangibly, I think that means that we need to move away perhaps from looking at the countryside and the demands that we place on it, to what can the countryside sustainably provide, from consuming more from the countryside, in terms of resource use, to getting more from less, and really looking at broader issues about quality of life, rather than narrowly-defined economic growth, as measured by GDP.

Mr Jack

103. But, Mr Sinden, you said at the beginning that you were hoping that DEFRA would develop yet more strategies, according to your own definition of what was required, and yet, if you look at the plethora of documents that have come out from DEFRA, if you look at their Annual Report, it is suffering almost from aspirational overkill. Do I get the impression that you do not think it has yet come up with a clear definition of what it is about, or, if you like, got off the starting-blocks in a forceful way, that you can happily define what this thing is all about?

(*Mr Sinden*) I think we would recognise a certain proportion of the picture you paint there. Our concern here is not that we see the Department developing yet more strategies and more sets of aspirations, but actually we see the Department beginning to focus on implementation and delivery. And, for example, in that respect, we would be very keen to explore, and the Committee may well like to explore, the possibility of the Department having a much more coherent focus, a targeted set of delivery objectives in connection with the strategy statements that it has developed.

104. Are they not already defined, as you may have seen in their Annual Report, with its PSA agreements; all of those are supposed to be about delivery? Do I adjudge that perhaps you do not think much of those?

(*Mr Hutcheon*) I think, in terms of what the Department is trying to set out and what it wants to try to achieve, we welcome what it is trying to achieve, because one of the opportunities we think DEFRA offers is to look at the countryside in a far broader context than MAFF ever could and ever did.

We are concerned, and whilst the Rural White Paper, for example, is a policy document that we think DEFRA should take ownership of, like the Curry Report, which I know the Committee is well aware of, the tremendous consensus there is around that, the Rural White Paper was a similar document, which was extremely wide-ranging, was very visionary, set out the future challenges facing the countryside, and we would like to see DEFRA being the champion of the implementation of the Rural White Paper. Last year, clearly, with foot and mouth disease, understandably, the Department's focus was elsewhere; we would like to see it now get back on track, we would like to see less of the effort being placed, now that the context has been set, about what it wants to try to do, and more on looking at the PSA targets and agreements, which we welcome. I do not think there is one, for example, on PSAs and rural service delivery, the Rural White Paper sets some rural service standards, perhaps those could be incorporated into the PSA agreements with all other Departments. Because one of the challenges that DEFRA faces is that it cannot deliver all it wants to do on its own, and so what we need to do is find mechanisms which make sure that it delivers across Government; and, obviously, with the distractions last year, it has not been able maybe to do that. So I do not think we would want to be overly critical of progress so far, but we are concerned that it really does wake up to the challenges that are facing the countryside now.

Mrs Shephard

105. There does seem to be some internal contradiction between you, if I may say so. Mr Sinden is saying the individual should look, as it were, across the board, while one of his colleagues is saying there should be a more targeted approach. Now an individual can only do a certain number of things, and surely it is either one or the other, and I do not understand that apparent inconsistency; perhaps you can explain it?

(*Mr Hutcheon*) Can I illustrate it maybe by an example. One of the recommendations of the Curry Report was for a food chain centre to be set up, to look at the whole food chain. An old MAFF approach to that might have been to look at the economic efficiencies that could be achieved, and that might be its focus. What we would argue DEFRA's focus for the food chain centre should be is not to focus purely on economic efficiency in the food chain but to look at quality in the food chain, so trying to improve the environmental performance of the way in which we produce food and trying to deliver more environmental benefits. To improve the economic efficiency, yes, because we want viable businesses, but to make sure that it actually delivers more for local economies in the countryside and more for GDP, and, in terms of society, delivering more jobs in rural areas. So, there, we have an example of a focused initiative, it is looking at the food chain, but it has a broader perspective and is trying to deliver a much broader range of objectives.

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MR GREGOR HUTCHEON, MR NEIL SINDEN
AND MR PAUL HAMBLIN

[Continued

[Mrs Shephard Cont]

106. Can you also tell me what your organisation's approach is, given that at the moment your strictures are defined to people in DEFRA, which is essentially centralised, to the setting up of regional government?

(Mr Sinden) We, as an organisation, do not have any strong position on the pros and cons of a regional tier of government.

107. Surely, you should have?

(Mr Sinden) What we do have is a view on how regional structures can work best for the countryside and for the interests that CPRE represents. We also recognise, as an organisation, that the appetite for directly-elected regional assemblies varies from one part of the country to another, and, indeed, the diversity in public opinion is well reflected in CPRE's membership and amongst our local groups and our regional groups. Because we do have a firmly embedded regional structure, which matches the Government's standard planning regions, and we have had that for a number of years, because we saw, before the Labour Government came in, in 1997, a trend towards regional decision-making, the previous Government put in place the integrated Government Regional Offices, back in, I think, 1994, and we responded to that, as an organisation, by strengthening our regional structures. We have continued to strengthen our regional structures, as the trend towards regionalisation has progressed, and it is likely that, where we see, in one or more parts of the country, a strong expression of public support for directly-elected regional assemblies, we would seek to match that with further structural change within our organisation. So we are adopting a horses for courses approach. But I think the final point I would make on this is, in terms of CPRE's focus on the land use planning system, we are very concerned indeed that the Government appears to be pushing the regional governments agenda much further and much faster than is desirable, in terms of the planning structures that are required to deliver strong and effective strategic planning decisions at the sub-regional level. So we have been arguing very strongly, in the context of the planning review, but also in the context of the Regional Governments White Paper, that we would not want to see a significant move away from strategic planning decisions being taken at a county level, if there were not clear and directly-elected and democratically accountable regional assemblies in place. So we are concerned about the issue in that sense, and we would like to see the Government decoupling its regionalisation agenda, to some extent, from its planning reform agenda; but we do recognise that perhaps in one or two parts of the country it may well be that we see directly-elected regional assemblies in place within the next five to six years.

108. I am sure you would agree that regional arrangements for administration are one thing, but regional arrangements, either for diffusing centrally-taken decisions, which are not, of course, easy to be described as accountable, or, indeed, regional assemblies, which might be dominated by urban thinking and urban interests, are a very different matter. And I wonder if your organisation has analysed the likely composition of regional

assemblies, or regional decision-making, and whether that would swamp, to use a very fashionable word, rural interests?

(Mr Sinden) Yes, we are looking at this, in the context of the White Paper; and, as I said at the very beginning of my comments on this issue, we are concerned to ensure that any new regional structures work best for the countryside and for the interests we represent. And, therefore, the issue of representation of rural interests on any future directly-elected regional assembly is a key one for us. The only further comment I would add, at this stage, we have not refined our position precisely on this question, is that we are anxious that perhaps the relatively small size of regional assembly, which is being promoted in the White Paper, would not enable adequate representation of rural interests on a regional body of that kind; so we are likely to be pressing the Government to think much more carefully about this issue of rural representation. I do not know whether Gregor would like to say something about the ERDP angle on this.

(Mr Hutcheon) Yes. Continuing the theme of regionalisation, actually, one of the things we were going to congratulate the former MAFF on, which was one of the few times we would have congratulated MAFF, I think, given our experience of them, was on the regionalisation agenda. It had set up the ERDP, the England Rural Development Programme, and its regional chapters, which, actually, for the first time, allowed a much more decentralised approach to rural policy, design and delivery. In the past, it had been very centralised, not even just nationally dictated but from Europe; and what we recognise is that the countryside is extremely diverse and that the priorities in the South West will be very different from the priorities in the South East. And so we welcome the changes that MAFF made in regionalising its delivery and design and also its integration into the Government Offices of the Region, because they also recognise that you cannot look at the farming sector in isolation from the rest of the economy and society in rural areas, and indeed urban areas, because the two are so closely interlinked. So that sort of progress down to the regional level is something that we welcome, and we believe that the ERDP is a mechanism which can help encourage that further integration and a better, more discerning approach to rural policy design and delivery.

Mr Borrow

109. For the benefit of CPRE, there is a range of views amongst members of the Committee, when it comes to regional government, and no doubt we will continue to debate those elsewhere. But coming to this morning's area of work, we had a meeting here, last week, where the RSPB came along, and I think the comment they made was that the DEFRA still suffered from much of the silo thinking, I think was the phrase they used, of the old MAFF. I wonder to what extent, in your dealings with DEFRA, you feel that that is still the case, and whether you think there is any change taking place?

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MR GREGOR HUTCHEON, MR NEIL SINDEN
AND MR PAUL HAMBLIN

[Continued

[Mr Borrow Cont]

(*Mr Hutcheon*) As Neil said earlier, we are enjoying very positive relationships, particularly at a senior level, with the new DEFRA, where I think there is a significant degree of buy-in to what DEFRA can offer, and the opportunities for a new approach, a much more integrated approach, to the countryside, which links farming, rural development and environmental issues. At a middle-ranking level, I think we are coming up against frustrations, that there is still a kind of territorial approach to issues; for example, the approach to delivering on the farm strategy, there tends to be a fairly hefty and old MAFF style attitude to what Curry has set out in his vision, from certain sectors within DEFRA, at that sort of middle-ranking level. And we find that the dialogue that we would like to see happening across DEFRA, so the environment and rural development and farming interests are actually trying to come up with an integrated approach and integrated solutions, is not yet quite happening. Whether that is something to do with just time-lag and the fact that you had a whole Ministry that had been working in a particular way for many, many years is too much to expect DEFRA to deliver now, well, we would argue, that may be the case, but the fact is, the challenges are here now and the opportunities are here now, and we would like to see them seize those opportunities more vigorously than they are at the moment.

110. So that, if you are dealing with middle-ranking officials, rather than very senior officials, would it be true to say that you are having to speak to a large number of officials when discussing a particular subject, because they are compartmentalised within the Department, whereas, ideally, a group of officials should have knowledge of a wider range of policy and be able to liaise with you as one official, rather than half a dozen officials; would that be a reasonable assessment of the situation?

(*Mr Hutcheon*) It would seem that way, certainly in the last few months, and we are actually having also to explain our rationale and the other arguments they might be hearing elsewhere within DEFRA to those officials, because that dialogue obviously has not happened yet.

111. Is there a sense that that problem is recognised by DEFRA at a senior level and is being tackled, or is it not recognised at all?

(*Mr Hamblin*) I think it is being recognised at the senior level, both with officials and with Ministers, about the need for a cultural shift, and that that requires a cultural shift in staff, at all levels, right from the top to the front-line staff. And, although it is early days, I think there are a number of things which DEFRA could do, in order to try to encourage that, new ways of thinking, that we have already discussed; and our evidence included a paper, "New Ways for a New Department", which incorporated a number of ideas about how we can ensure that staff are looking at this new approach and what DEFRA is. So things like training programmes, inductions for staff, are they aware of the Sustainable Development Strategy and understand its relevance to their daily work, are staff appraisals looking at how these new documents and the Strategy is going to shift the way in which they work, secondees, which have been used in the past, using those more intelligently, and

providing rewards to staff who are thinking in new ways to try to deliver solutions. Even ideas like providing assertiveness training to front-line staff, who are actually wanting to question, perhaps, the *status quo* of doing things and might find it a bit difficult, but giving people confidence to say, "How can we tackle this problem in a new way, which ensures that all those multiple objectives are addressed?"

Mr Mitchell

112. Can we just talk about the calibre of those staff, ignoring the kind of penumbra of guff of sustainability, that every Department feels itself obliged to utter, and ignoring the fact that their agenda, DEFRA's agenda, does not quite seem to tie in with yours, which I think is what you are saying, on the ground, what about the quality of the people, has the Department been able to attract a high level of talent, in its recruitment?

(*Mr Hutcheon*) That is a difficult question. In a way, as we have said already, at a senior level, we have been very encouraged and very impressed with the calibre of the staff at DEFRA. We have also been frustrated at the apparent blindness of middle-ranking staff to see the new opportunities, or to understand the shift.

113. To see things your way, or to see . . .

(*Mr Hutcheon*) To see things, I think, our way, but also the way in which the whole general public now view the countryside and what they expect of the countryside, to deliver on the wider Rural White Paper agenda, which goes much beyond what MAFF would have sought to deliver. At a regional level, where we also have contact with DEFRA officials, again, it varies; we have experience of the regional consultation groups that DEFRA has set up, of meetings, which have been extremely well run, where they have sought active participation of our volunteers but also a whole range of interests. We have also seen meetings where it has been rather remote, as we are to you today, and where our participation has not been encouraged, where our views have not been sought, where simply we have been told what DEFRA is planning to do. So there is a challenge there, and I think, as DEFRA begins to deliver, it may, hopefully, become more attractive to the high calibre staff that we would like to see in there.

114. So, okay at the top, where chaps talk to chaps; patchy in the regions. Has it been a case of the same people who were doing the job before carrying on in much the same way, much the same people, in a new Department, with a new role, on the ground?

(*Mr Hutcheon*) On the ground, again, it varies, it is patchy, in some places there is a degree of movement, which possibly is a good thing, at this time, to help people to understand there is a new agenda; and where there has not been movement, where people are stuck in their silos, then obviously that is a more challenging situation in which to try to encourage change.

(*Mr Sinden*) The key issue for us here is the issue of leadership from the top, and leadership within the regions, to deliver the culture change that we are all

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[Mr Mitchell Cont]

looking for, I think. And, as Paul has outlined, we put forward a number of proposals, in the Annex to our written evidence to this Committee, which could begin to achieve this change in approach, this wider perspective and this recognition that we have moved on, that the Department is about, as I said earlier, meeting society's aspirations for a modern countryside and higher standards of environmental protection, rather than simply looking after the interests of one particular part of the economy of rural areas.

115. I get the impression that you see yourselves as having a role to educate and almost to train them along the lines you think the countryside should be developing; what is your impression of morale in the new Department?

(Mr Sinden) We have been very encouraged, the high-level contacts we have had with civil servants within the Department, by the passion and the eagerness and the willingness to get to grips with this broader perspective and these critical issues, the future of farming, sustainable development, environmental standards, and so on. But I think it is fair to say that we detect a sort of growing sense of frustration at perhaps the inability of the Department to make an impact where it matters on the centre of Government, in terms of gaining resources, in terms of gaining commitment across Government to sustainable development objectives, and so on. So I think we are beginning to detect this sense of, "Well, we're here, we're established, we've got our new structures, we've got our new remit, we've got a set of strategies," and so on and so forth, but the next couple of years are going to be critical, in terms of the perception that groups like CPRE have of the Department and its ability actually to make an impact and deliver on the ground.

116. So the problem, as you see it, is not troops, it is not the officers, it is the impact on the general staff?

(Mr Sinden) Partly that, but I think the point I was trying to make was that this is also a question of the relationship between the Department and other parts of Government, and the level of resourcing that it is able to command and to put into its core objectives.

117. Just one final question; do you see strains caused by personnel issues, different rates of pay between the different parts brought together?

(Mr Sinden) I am not sure that we have the evidence to comment on that.

David Taylor: I do not know whether I ought to declare an interest, I will, as a member of the CPRE. Can I be the only member of this Committee that finds this phrase "rural proofing" pretty vacuous?

Diana Organ: You are not alone.

Mr Jack: Welcome to the Club.

David Taylor

118. I think that was unanimous, the record should show. But, in other contexts, where we weather-proof, or idiot-proof, we seem to be protecting something against the influence of something else, and maybe "rural proofing" is doing just that, protecting policy against rural involvement and influence. Indeed, in the past, can I put to you what you have recorded in your own submission, that you

have argued against the establishment of a rural department because of the concerns regarding potential marginalisation, although you have moved from that stance now, and you note the Countryside Agency report, which highlighted the void that exists between what DEFRA say they want to do and what they have achieved so far. Can I adapt the Chairman's very colourful illustration of senior civil servants looking at themselves in the shaving mirror, whether that includes women, or not, I am not sure, to say that how would a senior civil servant, travelling in from the rural vastness of green-booted Islington, into Westminster, really know that rural proofing was actually taking place within the work of DEFRA, because some of your earlier comments do seem to suggest that DEFRA is more interested in farming and international environmental policies and things of that kind? How can it measure its progress in this regard?

(Mr Sinden) The CPRE, we have to say that we do strongly support the rural proofing mechanism, and I think Paul would have some detailed responses to your questions.

(Mr Hamblin) Whatever you end up calling rural proofing, the idea of ensuring that all parts of Whitehall are thinking rural is extremely important, if DEFRA is going to be able to have a purchase on the activities of other Departments, and policies are going to be amended, so that, for example, the Rural White Paper can be implemented across Government. And I think that, if you look at the Countryside Agency's first Annual Report, it does show a very mixed picture, it has been variable how Departments have applied rural proofing; we have limited infrastructure in place, in the form of contacts in each Department, we have a checklist which has been produced and circulated. But one of the things that we were particularly worried by and disturbed by was that, according to the Countryside Agency's Report, DEFRA itself had not circulated the checklist widely within its own policy divisions, it was not using it as a regulatory part of policy-making; and if DEFRA is going to champion rural proofing across Whitehall then it is essential that it is an exemplar in its application, and, instead, it seems that it is more of a laggard, when it comes to rural proofing. So, although we have the tools available, in terms of the checklist, there is a real concern that Departments are not using the tools available, and the Countryside Agency has highlighted in its Report a number of problems. But we would urge the Committee to consider what happens now; should the Government be asked to respond formally to that Annual Report on rural proofing and explain to those who are interested in this how they are going to move forward and rectify the poor performance in rural proofing.

119. Is timing part of the problem? The impression that one gets sometimes is that this vacuous concept is applied at the end of the process, when the product of the policy wonks is about to be released onto a startled world, and the finished elements of their creativity are then measured against some rural ideal, I suppose. Should there not be more involvement, as the policies develop, and, if you agree with that, how could that involvement actually work, in practice?

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[David Taylor Cont]

(*Mr Hamblin*) We would agree absolutely that rural proofing, to be effective, needs to be incorporated from the very beginning, and that is about looking at what is the rural dimension, what are going to be the implications for rural areas and the differences between different rural areas, in looking at the objectives for Government programmes, or policies, or spending bids, and that, if we simply apply rural proofing as a checklist towards the end then there will be only marginal changes, and certainly a lot of the potential for the tool will have been lost. But, to answer the question directly, in terms of how you do it, one of the problems is that rural proofing lacks transparency, at the moment, it is very hard to know when policy decisions have been rural proofed; it is easier perhaps to say when they are not. But the Countryside Agency, in its own Annual Report, has said that it is quite difficult, because there is no product, as it were, from the rural proofing exercise, to see, clearly, in a transparent way, whether policies have been rural proofed or not.

Paddy Tipping

120. You told us earlier on that you wanted to talk about sustainability, and the Department's own Sustainable Development Strategy was published last month, 'Foundations for our Future'. The Department tells us that stakeholders were involved in its preparation; how were you involved?

(*Mr Hamblin*) CPRE was involved. We attended a number of workshops which were held to look at themes which might come through in the Sustainable Development Strategy; and, as an approach, and as a process, to engage stakeholders in the development of the Strategy, this is something that CPRE very much supports. I think, as with many of these strategies, the real issue is going to be ensuring that we get the buy-in and the subsequent delivery of what the Strategy is trying to achieve, because there was not a huge amount of new material in the Strategy, it was more an explanation of how the Department was going to look at issues in different ways and measure progress in different ways, through a suite of indicators. That said, we need to ensure that the Department actually ensures that the Strategy is used, day in, day out, and is not put on shelves with a range of other strategies. In addition, we would also say that we would want to see progress being made in the development of the Countryside Quality Indicator, which has been long promised. It was initially one of a range of the sustainable development indicators, it was promised in the Rural White Paper, it is continually under development, and, even in the departmental Sustainable Development Strategy, there is not a deadline for when this is going to become available to help inform policy-making, and we believe that was an omission that should be addressed.

121. So are you saying the process was good, there is a product, you might have anxieties about the product, but it is down to implementation now, and that is where your real concerns are?

(*Mr Hamblin*) That is our main concern. One can always improve things. But, as a document, we think it reinforces what DEFRA should be doing in the future, and the real challenge is implementation, yes.

(*Mr Sinden*) I think I would like to emphasise the point that Paul has already raised. This issue about the Countryside Quality Indicator, the CPRE, with its focus on landscape and landscape protection, is particularly concerned that the new Department actually embraces that dimension of its responsibilities, and there is a real danger that the qualitative aspects of the environment in rural areas, particularly the quality of the landscapes, are absent from this approach to sustainable development. Until we have a robust Countryside Quality Indicator, we fear that, it is difficult, it is not an easy concept to work on, but, nonetheless, it is an important one and a significant issue, which I think many members of the public respond to, in terms of what they see happening in the countryside. And, until we have this Indicator, I think we would be very critical of the capacity of the Department's own approach to sustainable development actually to embrace the full range of public concerns and interest in what is happening in the countryside. We will be very disappointed if this Indicator is not in place next year, three-plus years after the Government first committed itself to developing one, prior to the Rural White Paper.

122. Conceptually, it is not difficult to put forward a number of outputs by which to measure, but there is a kind of broader question, which you talked about earlier on, which is, of course, other Departments set the landscape too, on the rural environment, housing, for example, transport, for example; and I think one of the things you have been telling us is that maybe the Department is not a sufficient champion in this area, you have got anxieties there?

(*Mr Sinden*) We do, and we are seeing this coming through very strongly in some of the initiatives being promoted by other parts of Government. I mentioned previously the review of planning. I know this is not a central concern of this Committee, but you will be aware that your colleagues on the Transport, Local Government and the Regions Committee have recently issued a very critical report of the Government's proposals on planning, and particularly stress the absence of any convincing and robust analysis of the environmental dimensions of the planning process, the environmental objectives that planning has a critical role in delivering. And we have been concerned, in our dealings with the Department, that, at official level but also ministerial level, I think the impact on the purchase of DEFRA on that particular review has been minimal, at best, and I think this is an important aspect of the sustainable development agenda, that we would like the Department to be much more proactive across Government. I think, to sort of step back a bit from the planning review, the temptation, in dealing with this question, is to argue that there should be a sort of sustainable development unit at the heart of Government, which is actually responsible for leading the Government's thinking and policy development in this area. But we believe that that is not necessarily the right solution, we believe that DEFRA could have the ability and the capacity to be

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an effective leader for sustainable development across Government, but it does require buy-in and commitment from other Departments, particularly the Treasury, and particularly No.10. And I think that if you compare the relatively low importance attached to sustainability considerations with the strong, with the multi-departmental axis that there is on promoting improvements in productivity and competitiveness, you begin to see, and we would rank sustainability alongside those other important objectives, you will see, I think, the relative weakness of the Government's approach to sustainability and the relative ineffectiveness of the Department to put this issue at the top of the agenda of Government.

Diana Organ

123. Following on from that, earlier you talked about the difficulties that the Department have about getting over its territorial approach, its silo mentality, its change culture, to reach across its own Department, but, following on from what Paddy has just said, in the DEFRA publication, they are saying that they are leading across Government on sustainable development; and we have already talked about the difficulties because the Department does not have the responsibility for land use planning, and there have been criticisms about how that particular Department has shown the way about sustainable development. I wonder if you can give us any evidence of actually DEFRA really reaching across Government Departments on sustainable development, or is there none?

(*Mr Hamblin*) I think there are two ways of answering that question, or two parts, rather. There is the extent to which DEFRA is engaging in big policy debates and then there is the Machinery of Government and the tools, in which DEFRA can ensure that sustainable development is being applied throughout Whitehall; and, if time permits, we would like just to share some evidence on the Machinery of Government. We have talked about the planning review, but there are other major policy initiatives under way where DEFRA seems to be absent from these debates, at least, not visibly, air transport, for example, where the talk is all about growth rather than how do we address managing demand more effectively, and yet the growth in air transport poses a huge threat to achieving climate change targets and objectives. The review of the Ten-Year Transport Plan, which forecasts increasing traffic levels of 21 per cent in the next ten years, despite traffic being a headline indicator for sustainable development, yet DEFRA does not seem to be visibly engaged in the review, which has focused rather narrowly on the pursuit of reducing congestion and losing out on not addressing these wider traffic impacts. In relation to the Machinery of Government, one of the main mechanisms that DEFRA could use is environment appraisal, really to ensure that the environment is being examined as part of policy-making processes throughout Whitehall, and DEFRA takes a lead in that respect; yet the Green Ministers Annual Report shows that, in 2001, only 55 environmental appraisals were produced for the whole of Government, which you might think was a rather low figure, even more so when you consider the fact

that 45 of those were produced by one Department. So 11 Departments have not produced a single environmental appraisal; and a number of questions have been raised on this matter by Peter Ainsworth MP. And, just to illustrate the problem, an answer received from DCMS said that, "My Right Honourable Friend, the Minister for the Arts, has not had occasion to request a formal environmental appraisal since her appointment." The Civil Service College runs training courses on environmental appraisal, to assist Whitehall to use this new technique, yet nine Departments still have not sent an official to those courses, despite the training course being described in the Green Ministers Annual Report. And, finally, if you look at the Cabinet Office website, which lists Government cross-cutting issues, sustainable development, and the Sustainable Development Unit, is absent from that list; and I think that, although small, in terms of whether it is on a website or not, is symptomatic that the environment is not at the heart of Government.

124. So it is not working, their intervention, their lead, is not happening; and you talked earlier about how you do not think a unit needs to be there, but it needs to be, if you like, commitment and signed-up from No.10, and Treasury, in particular, which might be one way that DEFRA could actually have the capacity to do that. You also talked about the environmental audit, would you want to see DEFRA officials actually being responsible for the flagging up of a need for an environmental audit, and actually to supervise that, or should it remain within the discreet environment? How can we do it, other than saying, clouting over the head in Treasury and saying, "Right, loads more money for DEFRA because they actually do have this remit;" how else could it be done, because there is a problem within the Department, is there not, because they are civil servants that have a particular task and it is difficult to reach out?

(*Mr Hamblin*) I think that DEFRA provides expertise and can help champion the need for sustainable development and for the use of environmental appraisal. I do not think it is appropriate to suggest that DEFRA officials should be involved in every single appraisal, or audit, that is undertaken by all Government Departments; but what we do need to see is much more effective use made of that tool. And that requires, for example, the Cabinet Office to lend its weight behind the use of integrated policy appraisal, which is being developed with DEFRA and the old DTLR, which tries to incorporate the multitude of different assessments which officials are asked to undertake, rural proofing, environment regulatory impact assessment; it is being developed but has not really won support yet from the Cabinet Office, and needs to. In terms of the Treasury, which you highlight as clearly an extremely important actor here, we have seen progress with the Spending Review; the Treasury have issued guidance to all Departments, as part of the Spending Review, saying that all Departments need to submit sustainable development reports with their bids for additional funding. Those are not going to be published, because they are incorporated as part of departmental bids; and it is a good process, it shows

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movement and it shows commitment on the part of the Treasury to try to address these wider issues, but, really, the jury is out until we see the product, in terms of the Spending Review, to see whether this has been just an assessment exercise, or whether it is actually biting on big decisions that matter and have led to sustainable outcomes in the Spending Review.

Chairman: Gentlemen, thank you very much indeed for that. If there is anything you would like to add, please let us have it rapidly; and then no doubt we will see you ere long in another context. But thank you for coming today.

Memorandum submitted by The National Trust (G5)

1. The National Trust welcomes this opportunity to contribute to the Committee's inquiry into the role of DEFRA. As the country's largest conservation body and farmer and as a major rural business we have extensive relationships with and a great interest in the Department and its operations.

2. The Trust welcomed the creation of the new Department in 2001 and recognised the new opportunities it provides for both rural areas and the environment in bringing a more integrated approach. We identified cultural change within the Department—to focus on delivery and integrate agriculture with other policy areas—as a priority and the need for DEFRA to be visibly different from MAFF in its style and approach. We also expressed particular concerns about the potential dislocation of urban and rural policy (especially in the wake of the Rural and Urban White Papers in late 2000) and the need for effective integration with key policy areas for implementation, notably planning, housing and transport, in other Departments.

3. Our initial assessment of the Department after the first 12 months is that it has:

- Moved quickly and effectively to establish internal structures, clear aims and objectives and strategic priorities.
- Made important progress towards integrating with other Government departments at a regional level.
- Much work to do to in integrating its own operations, especially on the environment and the links between farming and rural policy.
- Singularly failed to make any appreciable impact on key policy developments in land use planning and transport despite their environmental and rural significance.
- Been a major disappointment in making only slow progress in realising the opportunities for far reaching improvements to farming policy in the wake of foot and mouth and the Curry Commission. This could also be a catalyst for DEFRA's own internal development.
- Notably struggled to move from policy development to delivery on farming policy, been risk averse and underestimated the potential of those outside Government to help develop new approaches.

4. The rest of our submission expands on those areas of particular interest to the Committee:

DEFRA's VISION

5. DEFRA's vision is both wide-ranging and ambitious, setting an appropriate framework within which the Department can achieve its aims and objectives. The publication of *Working for the essentials of life* is very welcome, although lacking an implementation plan or key performance indicators through which to assess performance.

6. It is too soon properly to assess progress but the Department is noticeably more focused on farming and international environmental policy than other areas and has moved very slowly on wider rural issues (notably the Rural White Paper) and “modernising” the way it works. The Department also has significant progress to make in exercising its influence across Whitehall.

INTEGRATION

7. The establishment of DEFRA signalled a welcome change in focus, particularly on farming and food policy, which offered significant opportunities for better integration. These have not yet been realised. The Department's current focus appears to be on farming and international environmental policy and too little importance is currently being given to wider rural policy and internal change.

8. An important test of the new Department is that it is visibly different to MAFF and yet too much weight is still being given to the commodity divisions and their old MAFF role in distributing production subsidies. DEFRA's priority now is to work towards sustainable food and farming, and the way it develops and delivers policy should be redesigned to take account of its new objectives. Across important areas of its brief, such as

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farming, the challenge lies in taking forward the consensus for change and this requires both more effective policy integration and new ways of working that are focused more on delivery and implementation than policy development.

9. We are concerned, for example, that DEFRA's approach to the Curry Commission report has not been to identify it as marking a point of consensus from which to move forward and debate the how of policy, but to re-open debates on the policy questions already addressed by the Commission. This has been a major failing, for example, of the "regional roadshows" which could have been used to road test delivery models rather than revisit the fundamentals of policy direction. With important exceptions, such as on agri-environment policy, the Department also lacks confidence in working with others outside Government in developing models of policy delivery. This has not only slowed the momentum for change but also missed an opportunity for developing new internal ways of working focused on outputs rather than process.

10. The delivery of farming policy will require more flexibility at a local level, with different solutions needed for different parts of the country. DEFRA will need to take more risks to achieve change on the scale required, by piloting new initiatives, ring-fencing funding for policy development and testing, and ensuring it learns from the approach other Government departments take to delivery.

11. Implementation of the Water Framework Directive will provide a similar challenge, with the Water Quality Division being responsible for meeting the targets and the agri-environment programme and Rural Affairs Directorate having the funding to provide incentives and training for farmers.

12. DEFRA would also be better equipped to deliver its objectives if it were to think more widely about the links between its own work and that of other departments. For example, there is great potential for further exploration of the positive links between environment, food, rural and health policy, and the significance of DEFRA's work to the Government's quality of life agenda. DEFRA should also work with DfES to tackle the legacy of poor investment in skills in the land-based sector. Close working with DTI is needed to meet the needs of small business set up and financed by DEFRA given the importance of the small business sector in rural areas.

13. In boosting its performance and reshaping its forces around policy delivery, DEFRA should make use of two particularly important tools. It has a large research budget, which it should ensure is deployed to full effect so that it makes an innovative contribution to policy development and delivery. It also has a vast array of Non-Departmental Public Bodies and Executive Agencies to inform, guide and deliver its policies. Many of these reflect the needs of the past—such as boosting agricultural production—rather than those of the future. These bodies should be culled, reformed and retargeted to help deliver DEFRA's objectives. The recently announced review of science-based agencies should represent the start of a much wider process.

IMPACT ON ENVIRONMENTAL PROTECTION GROUP AND WILDLIFE & COUNTRYSIDE DIRECTORATE

14. We are concerned that the transfer of these two directorates to DEFRA has not resulted in the kind of changes that were envisaged when the new Department was set up. There is a concern that the internationally regarded work of the Environmental Protection Group has been downgraded and there is too little evidence of integrated working across the Department. Surprisingly, DEFRA has not yet developed its own sustainable development strategy and the expected synergy between farming and environmental work has failed to materialise in a noticeably different way. The Department is missing important opportunities as a result.

15. Environmental Protection and Wildlife and Countryside also seem to have suffered through the dilution of some of the important working relationships that operated in the former DETR, especially on transport, planning and housing. These have major implications for rural and environmental policy and planning transport policies in particular have been going through a major period of review and development. DEFRA has been barely visible in key policy debates, including, for example, on the internal working groups which developed the Planning Green Paper without any DEFRA input. Where it has exercised a role, for example in relation to the Hasting bypasses it has too often been at the "end of pipe" when problems have emerged and controversy set in.

RURAL AFFAIRS

16. Rural policy has been a casualty of the Department's focus on farming policy and the Department still has much work to do in demonstrating its wider rural role beyond farming. The lack of progress on the Rural White Paper is a particular disappointment given the momentum that its preparation helped develop. The establishment of the national and regional Rural Affairs Forums is welcome but these need a much clearer brief and sharper focus if they are to be useful. The Department also needs to do more to track progress and

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invigorate the debate stimulated by the Rural White Paper. This would enable it to work more effectively on the front foot in relation to rural policy and the forthcoming national conference in the Autumn provides an opportunity to do so.

17. There is no doubt, however, that DEFRA's rural performance will be judged principally on its ability to implement the recommendations of the Curry Report. This is a once-in-a-generation opportunity radically to reform the direction of farming policy with far reaching benefits.

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Examination of Witnesses

MR TONY BURTON, Director of Policy and Strategy, and Ms ELLIE ROBINSON, Policy Officer, the National Trust, examined.

Chairman

125. Now, Mr Tony Burton is the Director of Policy and Strategy of the National Trust and Ms Ellie Robinson is the Policy Officer; is that right?

(Mr Burton) That is correct.

126. Thank you for coming today. You are familiar with what this inquiry is about. To what extent do you think that the new Department has actually established a clear, grand image, as it were, of what it is about?

(Mr Burton) I have to say, I think that is the one area where it has made significant progress. The Department has done considerable and welcome work in establishing its rationale, its vision, its aims and objectives in an effective way; you can always quibble about the detail, but we welcome the commitment that has been made, and the focus really on the business planning side of the new Department in difficult circumstances. The key questions in our mind are how do you take that forward and how do you convert that aspiration into delivery and the change in internal culture and operations which will actually help the process of change, rather than, at the moment, slowing it down.

127. And that was about to be my second question; to what extent has that aspirational architecture been accompanied by a perception, right throughout the Department, what it is about, and its ability to deliver that?

(Mr Burton) I do not think DEFRA is alone in facing those sorts of internal organisational challenges and cultural challenges, they are ones that we recognise, they are ones that other Government Departments recognise, so I do not think we should see them as unusual, in that respect; and the need to deliver those changes happened overnight, literally, with no additional support, no lead-in, no finances. So it is a difficult process which they are going through. They have started correctly, in giving a sense of direction, but it is slower than it should be in moving on to the next stages. We would see the three elements which they need to focus on. One being the leadership and direction, and that is where they have made most progress. The second being the people and the skills within the staff to make those changes, and, there, it is operating at different speeds, depending on the genesis of the different sections. And the third is, essentially, the support systems and processes and administration to make that change happen, and that is also an area where it is patchy, at best. I suppose, the one area of particular concern I

would want to highlight with you is that there have been opportunities to make really quite significant jumps forward. We are looking for the sort of *carpe diem* moment, within DEFRA, of which something like the Curry Commission Report could have been, not just because of the external policy changes that it would bring about, but actually by taking a bold approach, by recognising the opportunity, it would catalyse change internally and move further forward more quickly than would normally be the case, in the normal process of administrative change.

128. There is a problem though, is there not, with taking the Curry Report as sort of a touchstone of the whole spirit of the Department, because, after all, that was what was produced before the Department had any provision in order to fund it; and one of the consequences of this sequence of fundamental Spending Reviews is that every single Department seems to go into absolute throes of immobility for at least six months before it is published, because it does not know whether it has got any money or not. So, in a sense, it is a bit difficult to judge it, at the moment, on that, is it not, it is impossible in judging the Treasury, or the Department's ability to influence the Treasury, more than anything else?

(Mr Burton) Clearly, the outcome of the Spending Review is crucial to the delivery on that agenda; but money is not the only issue here. We could have been, at an earlier stage, working through the approach necessary to tackle the delivery of the Curry package of recommendations. Instead of setting off on a set of regional roadshows, which had the potential, and in reality tended to reopen the debates around the Curry Commission Report, which, in our view, was crucial, because it was a point of consensus from which you move forward, that those should have been action-oriented, problem-solving, geared to how do we deliver the change, not whether the change should be delivered. So the building-blocks necessary then to drive the motor, once the funding became available, we could have made more progress on that, to this date, regardless of the outcome from the Spending Review.

129. The Department's responsibility for the environment is fairly clearly defined, you can put a long list of things underneath the headline "Environment", and I suppose the Department's responsibility for food is pretty well defined, though obviously some of the safety issues come under the Department of Health. Are not the words "rural affairs" a bit of a, you hear a Department is in charge of rural affairs and immediately a whole series of

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things comes into mind, but when you investigate what the Department is actually responsible for it is responsible for none of the things which immediately spring to mind; is that a bit of a misnomer, and what does one do about it?

(*Mr Burton*) It is a difficulty, and it is most visible in terms of the slow progress of something like the Rural White Paper, where the strategy has been established under a previous regime, in the previous process, but the delivery, which is the stage we should now be in, is now scattered across Government, in a way that it was less scattered under previous arrangements. Now that is not necessarily something which is an insurmountable problem, because, the building-blocks in Machinery of Government, there is no right answer to that sort of eternal process of change and revisiting of structure. What it does require is, as we hear so often, a silo-busting approach to delivery, which actually recognises that the opportunities for taking these debates forward lie beyond the Department, but that does not mean to say they should not be prioritised and integrated, in the way that the Rural White Paper envisaged. The other problem we identify here is the separation of the urban and the rural, and although they were separate when the Rural White Paper was produced they were produced within the same sort of mind set and the same processes, at the same stage, and came out very closely connected to each other; that connection very visibly has been broken, and they are now visibly being taken forward virtually independent of each other.

Mr Borrow: Last week, the RSPB came along, and one of the points they made was that, in their dealings with the Department, they felt there was still an element of silo thinking, which had been carried over from the previous constituent parts of the new DEFRA. I wonder to what extent you have had the same perception, and whether you actually feel that things are getting better, rather than worse, and whether that silo thinking lies within certain parts of the Department?

Mr Jack

130. Excuse me, could you just explain what silo thinking is; it is not something that I am awfully familiar with?

(*Mr Burton*) I would envisage that, in relation to DEFRA, essentially, there are three large sections to DEFRA, one around the environment, one around rural affairs and one around agriculture, and are the three talking to each other, or are they operating independently of each other; and we would share the concern about silo thinking, although this is not new, this is a problem of big bureaucracies, wherever they are. We would argue that the process is getting better and that the visioning exercises and the clarity of aims and objectives and the Sustainable Development Strategy are part of that process of improvement; that the most tangible example of a problem for us, and our sort of core relationships with DEFRA, is the mismatch between the integration of the farming and rural and environmental agendas, which is the sort of middle silo, as I described it, and the sort of carrying on business as usual, commodity production, CAP,

MAFF type processes, in relation to Agriculture, almost unrelated to the changes that have been brought about.

(*Ms Robinson*) Yes, actually to deliver on a lot of the things the Secretary of State has said, that the Department is committed to, both in the Sustainable Development Strategy and "Working for the Essentials of Life", is going to require a lot more cross-departmental working. One of the good examples is how they are going to bring together all the different people within DEFRA and their agencies that deliver advice to all their different stakeholders; they recognise that there is a big problem in co-ordinating the information they give out, in making themselves accessible, making the grants they give out much more integrated and actually deliver the kinds of objectives they have set out. So I think that the big delivery reviews that are going on at the moment are going to have to come out with some very radical changes to the way they work; and a recent example, which is partly to do with silo working and partly to do with being constantly on the back foot, is the NVZ announcement that came out last week. To be fair to DEFRA, they were up against legal and financial hurdles. But what would have been really nice to see is the actions to implement NVZ put within a much wider framework of resource protection. The Department has recognised this, in announcing their strategic review of diffuse pollution from agriculture, but it is a really big, missed opportunity, and what they could have been doing was setting what we consider, and what the Trust consider, to be good farming practice and good business management, look at the incentives, the capital investment, the planning and advice information tools, to make implementation of NVZ just one small element of a much wider strategy for tackling environmental protection.

Chairman

131. The Water Framework Directive, as you know, has now been agreed and will shortly come into national legislation, and that is, in fact, is it not, the measure which will provide the sort of integrated approach to all these issues?

(*Ms Robinson*) It is definitely a target, to achieve that, and we know the issues that need tackling, and what do we have to keep waiting for actually to be proactive and develop the tools and the instruments now; it is always waiting until we really have to. There are actually really good, sound business reasons for the farming industry to adopt these practices now, it is going to save them money, it is going to save the taxpayer, the citizen, money as well, and it would be a really good demonstration of the way DEFRA can have joined-up thinking between water quality, environmental protection, between agri-environment, between agriculture, and much wider resource industries that, until now, have had slightly to take a back seat.

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[Continued

Mr Borrow

132. One of the points in the initial question was whether you felt there were differences, depending upon which level of the organisation you were dealing with, in the sense that previous witnesses have made the point that they felt that at the top there was some broader thinking, but dealing with middle-ranking officials, they were still, if you like, in many ways, in their very narrow area of expertise, without much knowledge or awareness of the wider policy issues across the Department?

(*Mr Burton*) We would share that analysis, but we would also recognise there are examples of very good practice at what you term a lower level; but I think something like the agri-environment review we would see as a model of how DEFRA could be approaching issues in a much more integrated and participative and inclusive way. But there are other examples which are less effective and the cultural changes are not clear, or not visible, and the sort of limited horizons within which the work is being undertaken are very visible to us.

133. Is it your perception that that problem is recognised at senior management level, and in some ways has been addressed?

(*Mr Burton*) It is far better recognised, and, as I was indicating earlier, one of the things that I do not think we would ever have seen from the MAFF process would have been a recognition of the importance of business planning, of staff, of skills, of the internal challenges, and the fact that it is recognised, even the Secretary of State, in some of her public pronouncements, has identified that we need actually to look to ourselves, as well as look to what we can do for others, I think, is an honest and welcome acknowledgement of those challenges. Clearly, there is an important step to go from recognition to making the changes, but we do believe that it is recognised, we would wish that the processes of change were quicker, and that we use some of the key decisions that DEFRA has to make as catalysts, so it became a less risk-averse approach to policy development as well as to cultural change.

Mr Mitchell

134. It seems to me there are three roles in environment, rural affairs and agriculture, it did not mention fishing, incidentally, but I just wonder about the calibre of the staff, and the way they are able to motivate them; what is your impression of the quality and calibre in each of those three areas?

(*Mr Burton*) I do see that as a leading question, but I will seek to respond in kind.

135. It is; give us a leading answer?

(*Mr Burton*) The resource, commodity production, farming and fisheries Directorate is that which has most of the sort of difficult associations that we have with the former approach from MAFF; the Environment Protection Directorate is one that, in its previous incarnation, in DETR and elsewhere, in DoE, has had an international reputation, and that is an international reputation which, I know, from the inside, feels that it is not being given the priority it deserves. And the bit in the middle is, actually, in some ways, the most important and

biggest challenge, and it is the one where a lot of the real challenging, integrating opportunities are going to lie, and that is probably the one where the gap in the levels of the organisation is clearest. I do not know if that is precise enough.

136. That is a nice answer. Is it, in the first department, the agriculture role, much the same people carrying on in much the same job?

(*Mr Burton*) Yes. There is some churning, but there has not been the interchange that ideally we would have wished; so, in that sense, yes, there is a strong continuity with the former Department, the former Ministry, and the people involved, and indeed some of the structures are the same.

(*Ms Robinson*) Following on from that, and there is a slight mismatch of staff resourcing between some of the core regulatory and administration compliance in delivering CAP, on the one hand, the sort of old MAFF functions, which, of course, have to continue, and some of the very much more creative, challenging and agenda-setting policy development that is going to be required both to develop and implement the England Farming and Food Strategy and a whole host of other measures, including diffuse pollution in the Water Framework Directive. And it is those teams that are leading that work tend to be much smaller, less resourced and they are being pulled in lots of different directions. And, yes, it is here that the Department is going to make a really big impression of doing something new and different, in new and different ways. So I think there is an element there of a bit of a time lag between wanting to do these things and having the resources actually to achieve them.

(*Mr Burton*) And one very practical example is, we would have wished, I think, given the option, to have seen the leadership within DEFRA, on what do we do with this Curry Commission Report, to have come from the middle, the sort of rural affairs and the integration of land and environment, as opposed to from the agriculture and fisheries.

137. I do not want you to feel you were being too frank with us, those were the answers I wanted to a leading question. Just give us a few more words on morale within the different sections?

(*Mr Burton*) I think, quite a lot of DEFRA, it is a bit rabbit in the headlights, because they are being asked to move very quickly, on some very challenging agendas, and it is running up against the culture, which has not actually been about policy development, particularly from the sort of agriculture and farming side, it has been about administration of funding arrangements from Brussels to farms, and it has been a real intellectual and personal challenge for many of those involved, coming also on the back of the real challenges of tackling foot and mouth. On the environmental protection side, I think, clearly, Johannesburg, the Climate Change agenda, is a big focus there, but, I think, beyond that, a concern really that the shine and the gloss of what was seen as a very powerful Department is perhaps not getting the attention that it deserves.

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[Continued

Mr Drew

138. Surely, one of the problems, Tony, is that you have got a lot of these autonomous offices, largely in the area of animal health, and, with the best will in the world, when you visit them, there is not a lot of difference from the old MAFF, they do not see themselves naturally fitting into a region, the regions were always different for MAFF, and I feel quite sorry for them, in the sense that they have almost been further cut adrift, because there was an empire, whether good, bad or indifferent, that you could associate with MAFF. Now they often sit in splendid isolation, and I think, if you want to develop policy, it can be seen almost to be more difficult, unless you are relocating those offices closer to the Regional Offices, or wherever, but I do not see a lot of evidence for that. I do not know what your views are on that?

(*Mr Burton*) I would agree with that, and there is quite a lot of just carrying on as usual and trying to pretend the outside world is not changing going on. And we would also see that in terms of some of the agencies reporting to DEFRA, and we would encourage you to look at the real panoply of agencies which are reporting to DEFRA, which are part of that carrying on business as usual, and whether they are not just a bit of a time capsule of the old way of looking at some of these challenges and they do not need to be revisited and revised in the round to support the change, which we do support, that DEFRA is making at the highest level, so whether it be individual departments or sections within the Department, or agencies and NDPBs and others who are reporting to it.

Paddy Tipping

139. Since you produced your written evidence, the Department's own Sustainable Development Strategy has been published. Now, presumably, you were involved in the process; can you tell us a little bit about the process of being involved in it, and about the product as well?

(*Mr Burton*) I have to say, we were not particularly involved in the process.

140. So what has the Department got against the National Trust then?

(*Mr Burton*) There were opportunities; probably we were not able to make the one seminar date which was presented to us in the Green Alliance co-ordinated event. So, although it was welcome that there was some debate, and we were aware of a process, and if we had chosen we could have become more involved, our resources and attentions were focused more on Curry and the farming agenda at the time. It was not the most robust of processes, but it was a process which was there, we recognised and one we welcomed. In terms of the document, it is not a major step forward really, it is a sort of representation of the Sustainable Development Strategy for Government as a whole, in relation to the Department, and some useful few new sentences, explaining the relevance of some of the key principles, as the Government see it, of sustainable development in relation to DEFRA; and not much of an update, frankly, of the indicators. And you have heard previously from CPRE about the lack of progress on that, and that further development has

been under programme on quite a lot of those indicators for quite a lot of the time. But we should not underestimate the importance of having this in one set of covers, and the use that we and others outside Government can make of documents like this in asking pertinent questions at pertinent points in the development of policy or in response to decisions that are being made.

141. So the process could have been improved, the product is alright but could sit on a shelf, and it is a useful tool to hit people with, is it not?

(*Mr Burton*) It is not a living document yet, it is not an active document; the reporting, the enforcement, the sort of carry forward, the implementation, is as it is with the aims and objectives, all a bit unclear, and we will be interested to see what the second Annual Report is able to say on that kind of monitoring and evaluation of progress.

142. And your evidence is pretty hard about land planning issues and the fact that the Department now has very little role and responsibility in this. Tell me about who is driving sustainability forward across Government now; if I were trying to identify the real driver for sustainability across the Government, where would I look?

(*Mr Burton*) The conscious drive for sustainable development across Government does not lie within Government, it lies within the NGOs, there is no question in my mind, the NGOs are much more joined up in bringing that to Government's attention in all sorts of places than Government is itself, and more effective in using Government's own documents to drive policy and change within Government. There are examples where we have seen progress, and I think the most helpful in recent months has been the approach that Treasury has taken to sustainable development, in relation to the Spending Review, where there is genuine progress, and we have yet clearly to see the results, to judge those. And the results, as we understand it, will not be as transparent as perhaps we might wish them to be, but we are confident, from the conversations and the discussions that we have had, that Ministers have genuinely been asked searching questions around sustainable development, for the first time, in their bids and proposals. So that is the major step forward, from the last wave of activity around environmental appraisal and Green Government and Green Ministers networks. And the Sustainable Development Unit still has this aspiration, but a lack of clout, to take that more proactively to Government as a whole. So if you wanted a single point where you would want to chew the cud about the difficulties, that is where we would go and whom we would talk to.

143. But the Department itself, in its Annual Report, says that "sustainability is our prime concern"; are you telling me they have got a lot to do to achieve this then?

(*Mr Burton*) There are many organisations who say that, and you will know, as well as anyone, the sort of various conceptions of what sustainability is, what sustainable development means, it is a journey, not a destination, it is something which actually everyone quite easily can say they are doing, but what matters is, what is different as a result of those kinds

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of changes. And there is progress, but it is, as you would expect us to say, slower progress than is necessary, and what it needs is searching scrutiny, review and examination, constantly, asking the questions at the right time, as policies are made and decisions are taken.

144. By the Department, or elsewhere?

(*Mr Burton*) By people such as yourselves, by the Environmental Audit Committee, by the Department, but the Department should not be seen as the enforcer, it should be the policing of this system, it needs to be owned and bought into by Departments, so it is a natural part of their thinking, just as other Government priorities are a natural part of Government thinking. So the Department is not there to police it or to enforce it but it is there to help, to assist and to identify shortcomings and to provide mechanisms for raising the game across Government as a whole.

Mr Breed

145. The Trust have been quite critical of DEFRA's involvement in key policy areas. What impacts do you think that it has made, bearing in mind DEFRA has only been in existence a year, on Government decisions and policy-making areas, and, in particular, do you think that it has got more or less muscle in respect of its predecessors, in order to try to drive that agenda?

(*Mr Burton*) On the first part of the question, if you are talking about decisions which are outside DEFRA's direct responsibility, pretty limited, beyond the debate to add energy and climate change, to a certain extent resource productivity, and some of the sort of better equipping of the Spending Review in relation to sustainable development, I would see there being some purchase. But, particularly on the land use issues, around planning, around transport, around the historic environment, we really do not see DEFRA as visible in the way that we wish to see them visible, and where they become visible it tends to be end of pipe, it tends to be when the decision is just about to be made to allow, or not allow, the Hastings bypass, for example; that is not the place where we would want DEFRA to be making itself visible, it needs to be much earlier in the process. And the changes that are going on, in response to the debate the Planning Green Paper has triggered, to the debate about transport, to the forthcoming debate around aviation, the changes that Government is making, in response to that debate, are not ones that really we see DEFRA in the lead on, it is responding to other forces, largely forces outside Government, and NGOs, business and others have been actually much more important in helping Government rethink itself. In terms of whether it is more effective, or not, I think I will have to say it is too early to judge; give them a chance.

146. Given what you have just said, in a sense, how do you think that they can improve their influence over decision-making and policy-making?

(*Mr Burton*) By giving it the strategic capacity and attention resources that it needs; there is not that strategic approach to what the role of DEFRA is, in relation to other Departments, it tends to be a bit of

people's jobs, the sort of check it out elsewhere, but it tends to be more how does DEFRA's policies impact on Government, not how does the rest of Government impact on DEFRA's policies. And some clarity about, essentially, the protocols and the working arrangements between different Departments, and there will be a particular challenge there, I think, with the new Office for the Deputy Prime Minister, which is potentially a very infrastructure and development, has significant infrastructure and development responsibilities, which DEFRA will want a very careful eye on.

147. So, in a way, you are saying that, taking environment out of the DETR and putting it into DEFRA, the jury is still out as to whether that was a more effective way of projecting the environmental voice?

(*Mr Burton*) That new machinery has swings and roundabouts. Clearly, there are benefits, in terms of the potential for integration of agriculture and land management and land use and environmental considerations, but it reopened the set of other debates about the rural connections and the impact of the environment on a whole range of other responsibilities, whether it be the work of Regional Development Agencies, whether it be the planning, the transport, the infrastructure debates which are going on.

148. In your experience, bearing in mind that many other Departments have been in operation, in being, for quite some time, are there any Departments which seem particularly to work better than other Departments, or is there anything, in fact, that DEFRA might learn from other Departments and the way in which they work across departmental issues?

(*Ms Robinson*) The Department for Education and Skills has been very proactive in looking across industry sectors, working with DTI, in trying to set a skills agenda for the future, and this is one area we are really hoping DEFRA will tackle, and see DfES as a really key Department to help them build the capacity of rural business, of the farming industry, to cope with change; that is one example. And the others are much more to do with cross-sectoral units that have got a defined point of project, and volunteering, to give an example of something being run out of the Cabinet Office, it has pulled together lots of different agencies and initiatives from different Departments. With DEFRA, they have got to see and have got to really push for other Departments to help them deliver some of their core objectives, and rural affairs is just so vast and so much of what they want to achieve is going to be controlled by others.

149. So you seem to be saying that they need to be more proactive rather than reactive?

(*Ms Robinson*) Certainly.

(*Mr Burton*) Yes, and identify those areas where the, be very clear for itself and for the outside world of those areas which it would see as the most important relationships with the rest of Government, you know, has the mapping exercise been done, of the potential impacts of other departmental decisions on what DEFRA is trying to achieve, and have the resources then been put in to address that.

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[Continued

Mrs Shephard

150. You have just said that DEFRA should have, I think, am I right in quoting you, a greater strategic capacity, or a phrase like that?

(Mr Burton) Yes.

151. And you have just been describing how you think that might work and how DEFRA could take a stronger lead with other Departments. Would you see that strategic capacity being strengthened or weakened by devolution to regional assemblies for a number of the areas of responsibility that concern you?

(Mr Burton) I think it is needed, regardless of what happens with either regional assemblies or directly-elected regional assemblies, but there is—

152. That was not my question. You have made clear you think it is needed; would it be weakened or strengthened by the devolution to regional assemblies, the capacity?

(Mr Burton) It would need to address those issues where regional priorities were driving change; so, in a sense, the strategic capacity will not be just to look at other Government Departments, but it will also have to be looking at regional assemblies, and that would need to be a part of the process.

153. Do you think it would be diffused, it would be weakened?

(Mr Burton) It would have to cover more bases, it would have to bring coherence to regional decision-making, where there was a national interest at stake; but, equally, we are strongly supportive of the way in which, particularly on farming policy, that is actually getting closer to the ground, and the regional dimension to the England Rural Development Plan is a very important additional strength to the process of ensuring that we are putting in the finances and establishing priorities which were appropriate to particular areas, and not just being controlled from Whitehall, as was the case under the previous regime.

154. Except that, of course, there were always regional arrangements in place for MAFF, with Regional Offices, from a very long time ago, and it seems to me that there is a difference between having administrative arrangements to look at the ways policies impact on different parts of England and also the way those services are delivered, and a transfer of strategic powers from the centre to the regions, which is the point of the regional policy?

(Mr Burton) We would certainly support the need for more differentiation, at a regional or a sub-regional level, about what it is that farm spending, for example, is spent on, and previously many of the regional MAFF structures were administrative arrangements for ensuring that funds were made available on the ground.

155. But, surely, since you have been arguing for a strategic approach from the centre, you must accept the implication of that argument, which is that to devolve that strategic capacity to the regions weakens the strategic power of the centre; you cannot have it both ways?

(Mr Burton) I think you can.

156. I would like to know how?

(Mr Burton) It depends on the issues that you are dealing with; there are some issues which need a stronger national lead, there are other issues where we are strongly supportive of the need for greater regional diversity.

157. Yes, quite so; but the regional devolution you can go to the Government to differentiate, especially if there is, as you say, no mapping exercise. What advice would you give DEFRA?

(Mr Burton) We would certainly want DEFRA to be very conscious of the impact that any moves towards either stronger regional assemblies or directly-elected regional assemblies would have on its interests and its issues, on the farming but also on the environmental side, just as they are already having to do in relation to the growing influence of Regional Development Agencies, who are a key part of the delivery of the new rural agenda, as well as being economic drivers. So what you could be saying is that the strategic capacity needs to be that much stronger, to ensure it can deal with the fragmentation of policy, as well as more strategic coherence of policy at a national level; you need to look both ways.

158. Well, yes; in which case, what you are saying is that you think that devolution to regional assemblies would weaken the strategic strength that you are looking for from the centre; that is the implication of what you have just said?

(Mr Burton) That is not what we are saying, we are saying that there is a need for DEFRA to be clear about the impact of other people's decisions on its objectives; therefore, it needs to equip itself with the resources to ensure that it is aware of those implications and can influence those implications. The amount of resource that it needs to put into that clearly will depend on the number of decisions that are not within its control.

159. But if the decision-making moves elsewhere, it is not where you are, you cannot influence it?

(Mr Burton) I do not think that is true. One of the welcome things has been, DEFRA has become a more effective part of the Regional Office structure.

160. No, we are talking about regional assemblies, when the decision-making moves elsewhere; at the moment, the decision-making is still in the middle?

(Mr Burton) But the decisions that DEFRA are trying to influence, they are not just within Government at the moment, DEFRA is there trying to change the decisions of thousands of farmers; you could say, well, you cannot directly control those, but, clearly, what it does is it sets the policy framework, provides funding arrangements, provides leadership, within which a whole myriad of people, whether they are regional assemblies, farmers, the National Trust, other organisations, are making decisions. So I do not see that the regional assemblies, essentially, are different from the vast number of organisations and individuals that DEFRA is trying to shape.

Mrs Shephard: Thank you. Clearly you do not see that; so, thank you very much.

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[Continued

Mr Jack

161. I just wanted to ask, really, for my own information, in case I have missed it, because the word "rural" obviously keeps cropping up. I received an answer to a Parliamentary Question some time ago, indicating that the work was beginning on trying to establish a common definition across Government as to what they mean by the word "rural". Have you any idea what has happened to that exercise?

(*Mr Burton*) As I understand it, it is not felt to be a particularly useful exercise; the Countryside Agency is working on seeking to help respond to a very specific question. But I think we would question the value of finding a simple distinction between urban and rural, not least because rural is itself, the diversity of what you mean by rural is enormously complicated. And, certainly, in the process of drawing up the Rural White Paper, it was very clear that that would not be a helpful, one size fits all definition to which you could apply policies. The countryside of mid Berkshire is very different from the countryside of north Cumbria.

Mr Jack: And I would not disagree with that. The only reason I ask this is that, in terms of the way in which resources are disposed of, disposal policies usually require some definition of who the recipients are, and things like sparsity measures have, up to now, perhaps helped to inform what has been defined as rural. I have sympathy with what you are saying, because, as far as I am concerned, rural, in my constituency of the Fylde, begins roughly where urban ends, because the people a mile away from an urban community think that they are in the countryside, because that is where they are, and yet, by the official measures, they are not, they are in some kind of sort of no-man's land, they are not rural and they are not urban, they are sort of in-between. We do not have a definition for in-between.

Mrs Shephard: Sub-urban.

Mr Jack

162. Sub-urban; well, no, suburban is sort of, I will take you and show you what I mean. I think I know what the definition in my own mind is of suburban, but it is quite interesting that there is this sort of, sometimes, cliff-edge view, where there is a field in-between one settlement and another, as to whether, in fact, one is countryside and one is urban; it does actually affect a lot of the policy areas that DEFRA operates in?

(*Mr Burton*) It does, and it is not just a physical distinction either, because it is as much about how the dynamics of how the place works, where people work, how the economies interact, is going to be as important to those judgements as whether or not it is physically developed, or looks nice.

163. I wanted really to ask you a question about research and development and DEFRA. Can I just ask how you, as the National Trust, monitor what DEFRA is doing, in terms of its R&D activities?

(*Mr Burton*) It is very *ad hoc*, and we do not have a clear picture of DEFRA's research or its research priorities. We will tend to bump up against it when DEFRA is wanting information, wanting advice, wanting us to get engaged, but we do not have a

strategic sense of how it is deploying those resources, although we recognise those resources are very considerable and could be a very important way of helping drive the kind of changes that we have been talking about.

164. The reason I asked that question was because, as you rightly allude to, in paragraph 13 of your evidence, you say the Department "has a large research budget, which it should ensure is deployed to full effect so that it makes an innovative contribution to policy development and delivery." And I thought that that phrase might have been founded on some kind of assessment of the way that the current resources were deployed; but I think, if I have understood you correctly, it is an aspiration on your part, as opposed to an outcome of a piece of detailed analysis?

(*Mr Burton*) It is an aspiration, but I would say that we do not see particularly visible the research that is not just about collecting information and facts and the science of a lot of the policy debates which were involved; we would like to see more visible research on how to go about an engaging in policy development, how to go out and bring other values into the process. Because DEFRA is a Department with responsibilities which are going to be political judgements, based on an assessment of a range of different factors, and we do not see that approach to policy development in the way in which the research is coming forward.

165. Given that this Committee has conducted inquiries into sensitive areas, such as nuclear waste disposal and genetically modified crops, and in both instances we have heard of a lot of work that has already been done on innovative ways in engaging the wider community, in many ways, in public debates on sensitive issues, do you really think there is any need for DEFRA to use money which already appears, again, from other inquiries, we have heard about, for example, shortages of resources for investigating bovine TB, transmissible spongiform encephalopathies, and the whole raft of science-based activity which DEFRA is currently involved in? Do you think it is sensible, given the other work that has been done, to divert resources to the objective which you have just enunciated, given the problems they have, seemingly, in meeting the other science objectives that they are already struggling with?

(*Mr Burton*) Providing DEFRA is using that research and using that information, there is always, as with many Departments, a sort of "not made here" mentality, it means that it does not necessarily attach the importance, or, indeed, the awareness levels are not as high as they need to be about the other research which is being done, and that research will tend to continue to feel associated with those discreet areas in which it has been developed, rather than being a more generic application.

166. Do you have any examples of projects which you would like to see DEFRA doing, which they are not at the moment, which are not, if you like, described in the general terms that you introduced remarks in, but which are specific projects; if you could nominate three, what would they be, for example?

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MR TONY BURTON AND MS ELLIE ROBINSON

[Continued

[Mr Jack Cont]

(Ms Robinson) One is related to testing approaches and how they deliver; it has been said that understanding science is a key challenge, but equally how do you deliver is a very big one that they are working on at the moment. And one of the things that we really would like to see is how, at regional level in particular, they engage with a variety of stakeholders; taking farming as an example, I mentioned earlier about integrated business advice and information, and what would be really good is if they started testing how to bring together all the different players in the public, private, voluntary sectors who give advice, who are sources of expertise and information, and to model on one region how that could be much better integrated, tailored to meet the needs of businesses in that region. But it is that kind of thing. I do not know whether you are aware of the Bodmin and Bowland experiments in upland agriculture in integrated rural development; that is a different type of research budget that is yielding results over a three-year period, but it is really trying to break apart and understand much better how things work at local level, and it is ground-treating a lot of what their delivery models are going to have to cope with. So that is one of the areas we would like see some very practical work on.

167. Have you done any analysis on, if you like, MAFF versus DEFRA, in terms of levels of expenditure in areas that you would like to see work undertaken in, comparing historically, say, five, ten, 15 years ago with now; have you done any work in that area?

(Mr Burton) We have not, but it sounds like a worthy area of exploration.

168. Your resources, no doubt, are as stretched as DEFRA's are, as far as that is concerned. You have touched on the subject earlier in your evidence, about

the sort of non-departmental public bodies, of which there are a lot, that report to DEFRA; what are the ones that you do not think are relevant to their work in the future, or will the National Trust cull this?

(Mr Burton) It is always invidious to sort of name names, and I am sure that if you went to any of these individual organisations there would be a very good reason why they were not the one that should be subject to change and to review. So it is a wider point we are making, rather than fingering individual organisations. But we do think that a fresh look at the executive NDPBs that report to DEFRA, and considering what DEFRA believes it to be about, would say that, if you were starting from a clean sheet of paper, which, of course, you are not, this is not what should be happening. Now one example of that, which there is already progress on and which we have strongly supported and welcomed, has been the repositioning of food from Britain, from being how can we market the UK's products overseas to how can we develop and deliver on the local food agenda. That is an example of, essentially, a repositioning of the presentation of those resources to deliver a different agenda. Now it could be in other areas, the sort of fragmentation between apples and potatoes and cereals and horticulture and meat and milk, and all these separate sections, into separate councils and separate bodies, does that feel right, given the kind of approach that DEFRA is now trying to introduce. So we would like to see a fresh look across the piece, rather than a piece-by-piece look at individual agencies and bodies.

Chairman: Thank you very much indeed.

Memorandum submitted by English Heritage (G24)

INTRODUCTION

1. English Heritage welcomes the opportunity to offer evidence to the Environment, Food and Rural Affairs Select Committee on the role of DEFRA.

2. English Heritage is the Government's principal adviser on all aspects of the historic environment in England—including historic buildings and areas, archaeology and the historic landscape—with a remit that extends to both the urban and rural environments. As well as conservation, our statutory duties include promoting the public's enjoyment of the historic environment and their knowledge of it. As part of this function we manage an estate of over 400 historic properties—attracting in excess of 11,000,000 visitors annually—the majority of which are in the countryside. We are, therefore, significant participants in the UK tourism business and, for example, have been a partner in the recent “*Your Countryside: You're Welcome*” campaign to revitalise rural tourism.

3. Our role in heritage and landscape conservation issues give us a significant interest in the implications of environmental, agricultural and land-use policy. We also have a close interest in rural development and the contribution the historic environment can make to the regeneration of rural communities. We are pleased to be closely involved in the England Rural Development Programme (ERDP), sitting alongside the other environmental agencies on the National Strategy Group for the Programme and on its Regional Programming Groups. We are also members of the national and regional ERDP Consultation Groups.

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[Continued

4. In December last year, the Government issues a major statement on the historic environment of England¹. This confirmed that the historic environment contributes to a wide range of government policies and should not be seen as the preserve of any single department. It underlined the need for good cross-departmental links if the historic environment was to be managed effectively. DEFRA and DTLR (as it then was) were both involved in drafting the statement, and were identified as having a particularly important role to play in managing the historic environment by virtue of their involvement in planning, regeneration, land-use and environmental policy.

5. Our evidence to the Committee therefore focuses on DEFRA's own involvement with—and contribution towards—the historic environment. In this context it should be noted that the ministry of Agriculture, Fisheries and Food had a statutory duty under Section 17 of the 1986 Agriculture Act to achieve “a reasonable balance” between “(a) the promotion and maintenance of a stable and efficient agricultural industry; (b) the economic and social interests of rural areas; the conservation and enhancement of the natural beauty and amenity of the countryside (including its flora and fauna and geological and physiographical features) and of any features of archaeological interest there; and (d) the promotion of the enjoyment of the countryside by the public”

6. This duty has now passed to DEFRA, which is better placed than MAFF to achieve this difficult balance. With its enhanced emphasis on environmental protection and rural development and its interest in rural tourism, the new department has the potential to be a major force in the promotion of the historic environment in England.

7. Unlike the other leading conservation agencies (English Nature, the Countryside Agency and the Environment Agency), which are sponsored by DEFRA, English Heritage is sponsored by the Department for Culture, Media and Sport. We therefore have a close interest in ensuring that inter-departmental and inter-agency links with the DEFRA “family” are as effective as possible. These links were examined as part of our own recent quinquennial Review. The review acknowledged that effective operational links have already been forged between DEFRA and English Heritage, but noted that effective joint working has been hampered by “the lack of any formal constitutional relationship and high-level influencing capacity”². We would like to see these problems rectified as soon as possible and have already taken steps to achieve this, which we hope will be reflected in action on DEFRA's part.

8. Our operational links with DEFRA are focussed particularly on the Land Use and Rural Affairs Directorate and the Rural Development Service, reflecting their leading role in delivering environmental conservation and rural development. We are also beginning to develop effective links with other areas of the new Department, such as the Environmental Protection Directorate, although these are less well developed.

THE APPROPRIATENESS OF DEFRA'S VISION

9. English Heritage commends the speed with which DEFRA has sought to establish its new ministerial vision statement, its underpinning statement of Aim and Objectives and its new prospectus “Working for the Essentials of Life”. We also greatly welcome the open and consultative manner in which DEFRA developed these statements. We are particularly pleased to note that, as a result of the consultation process, the final version of the statement lays far greater emphasis than the consultation draft on the holistic character of the environment and on the global, marine and urban responsibilities of the new Department. As a result, we believe that the vision statement is wholly appropriate for DEFRA.

10. We were, however, disappointed that “Working for the Essentials of Life” pays comparatively little regard to the Department's role in maintaining the quality of the countryside, and makes no specific reference to its work in conserving the historic environment. This is particularly disappointing given the Department's parallel involvement in producing “The Historic Environment: A Force for our Future” and the increased general awareness—following the Foot and Mouth Disease outbreak—of the close links between farming, landscape quality, heritage, tourism and the rural economy.

The weight accorded to departmental functions and whether the Department is engineered to deliver its objectives

11. English Heritage believes that the creation of DEFRA has marked a very important step forward in terms of the administration of rural affairs. We particularly welcome the increased emphasis that the new Department lays on environmental protection, conservation, rural development and food safety. This increased emphasis on issues other than agricultural policy represents a long-overdue correction to the imbalance apparent within the Ministry of Agriculture, Fisheries and Food. We believe that the weight

¹ “The Historic Environment: A Force for Our Future”, Department for Culture, Media and Sport and Department for Transport, Local Government and the Regions, December 2001, London.

² “English Heritage Quinquennial Review: Stage One Report” Department for Culture, Media and Sport, May 2002, London.

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[Continued

accorded to agricultural policy within the new Department now reflects far more accurately the comparative contribution of farming to national GDP, while at the same time recognising its key role in delivering landscape quality and biodiversity as well as food.

12. It is too early to take a view on the Department's internal organisation. This is still settling down and will need time to bed in before its effectiveness can be fully assessed. The Department was preoccupied with the Foot and Mouth outbreak and its aftermath for several months after its creation, which meant that its initial focus on agricultural and rural policy issues tended to be at the expense of its profile in environmental protection, urban affairs and international relations. As a result, an erroneous perception has arisen that DEFRA are the department for the countryside and DTLR (and now, presumably, the Office of the Deputy Prime Minister) the lead department for urban affairs. In recent months we have detected moves within DEFRA to counteract this perception, not least through the Minister's vision statement.

13. Despite its important role in landscape conservation, and the implications of many of its strategic or operational decisions for the conservation or exploitation of the rural heritage, DEFRA has acquired only very limited "in-house" expertise in these areas. For example, its Rural Development Service employs over forty in-house ecologists, but less than a handful of professionally qualified staff dedicated to advising on archaeology and historic buildings. Indeed, the number of landscape architects employed by DEFRA in recent years has fallen from 11 to two. We therefore believe that the Department is poorly equipped to deal with the full range of environmental and landscape issues implied by the new span of its responsibilities.

14. We are particularly keen to see DEFRA establish effective relationships with other Departments with an interest in rural affairs and environmental protection, particularly with those responsible for planning and tourism. The planning system is critical in delivering environmental protection. This is not merely a matter of planning policy and casework, but also the research and development needed to enable planning policy to develop and improve. We would also like to see improved links between DEFRA and the Department for Culture, Media and Sport, with its lead responsibilities for tourism and the historic environment. These should include effective joint policy formulation and joint support for the research necessary to support policy development.

15. With an annual budget of £250 million, DEFRA's research and development programme is one of the most significant in Government. As it reviews its science base under its new Chief Scientist, we therefore hope it will carefully examine the fit between its research programme and its new Departmental vision. In the past, MAFF's scientific programme tended to focus on agricultural, food and coastal defence issues. Any environmental research tended to address issues relating solely to nature conservation, rather than adopting a more holistic approach to the environment.

16. English Heritage would like to see DEFRA undertake more social and economic research into tourism, the historic environment and landscape character, and the role they play in rural development. This should help address the poor understanding of the complex relationships between farming, the environment and the rural economy which was apparent in the Government's initial failure to anticipate the economic consequences of its response to the Foot and Mouth outbreak.

17. We would like to see research on the social and economic value of the historic environment feed through into more robust departmental indicators for landscape quality. Currently, the Department's Key Performance Indicators and Public Spending Agreement Indicators that relate to environmental conservation are almost exclusively biodiversity targets. Apart from basic indicators relating to field boundary survival, there are none which track the condition of other historic landscape features, historic farm buildings or general quality in the landscape—all areas for which DEFRA has some departmental responsibility. Similarly, the long-term Countryside Survey monitoring programme concerns itself with nature conservation and natural resource issues, but neglects the historic environment and more aesthetic considerations. This monitoring initiative and related indicators were developed by MAFF and DETR and inherited by DEFRA. We believe DEFRA should now review them and remedy their deficiencies.

The role and effectiveness of the Environmental Protection Group and the Wildlife and Countryside Directorate following their transfer from DTLR

18. English Heritage has comparatively limited involvement with DEFRA's Environmental Protection Directorate. We have, however, recently developed a productive relationship with its Waste Strategy section, having been invited to participate in the mitigation of the impacts of aggregate extraction through the Aggregates Levy Sustainability Fund. We greatly welcome this recognition of the historic environment as part of the bigger environmental picture, and the willingness to create links to an agency not sponsored by DEFRA.

19. We are nevertheless disappointed that in its lead role for sustainable development, DEFRA has tended to neglect the contribution of the historic (as distinct from the natural) environment to the debate on sustainability. We hope that in the future we will be able to establish better dialogue and mutual understanding of the issues.

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The Department's "rural affairs" agenda and cross-departmental links

20. English Heritage believes that DEFRA is making very positive steps to address the "rural affairs" agenda, although initial developments in this area were inevitably hampered by the pressing demands of the Foot and Mouth Disease recovery programme.

21. The creation of a directorate dedicated to Land Use and Rural Affairs has been a particularly important achievement. This directorate already appears to have effectively brought together the roles it inherited from MAFF and DETR and, in many respects, it can be considered to be at the centre of DEFRA's new departmental vision. The new directorate has already undertaken a great deal of basic groundwork on which future achievements can be founded. It displays a real commitment to partnership across government and with the NGO sector. It has inherited the consultative machinery that already surrounded the England Rural Development Programme and the Rural White Paper commitment to Rural Sounding Boards and has established an effective and coherent framework for consulting a wide range of partners. It also appears to have established an effective relationship with the Government Regional Offices and with other partner organisations with a regional presence. Successes include the England Rural Development Programme, delivered through the Rural Development Service and the Government Offices, and the Market Towns Initiative, delivered through the Countryside Agency and the Regional Development Agencies. We believe that new ERDP initiatives, such as Rural Enterprise Scheme and the Vocational Training Scheme, also have great potential to stimulate rural regeneration, provided that further rounds of CAP reform alleviate their current under-funding.

22. The re-casting of the Farming and Rural Conservation Agency as the Rural Development Service and its re-absorption within DEFRA is another potentially important step in carrying through the Department's rural affairs agenda. It will, however, need adequate funding and considerable staff development if it is to move beyond its current agriculture-centred focus.

*English Heritage**June 2002***Examination of Witnesses**

MR JEFF WEST, Director, Conservation Management, and MR STEPHEN TROW, Head of Countryside Policy, English Heritage, examined.

Chairman

169. Mr West, you are the Director of Conservation Management at English Heritage, and Mr Trow, you are the Head of Countryside Policy. We do not often see English Heritage, but we thought we would have a little bit of a change of scenery and have a slightly different perspective on this, so that is why you are here. And what we are anxious to find out is whether DEFRA really has established a clear identity and a clear sense of purpose and knows what it is about and whether it is able to deliver it. You are quite complimentary about the establishment of the sort of new persona of DEFRA, but you enter a sort of quibble, as it were, or qualm, when you talk about the conservation of the historic environment, and you think that really that does not seem, that has sort of fallen through the hole, or has not really been given the sort of importance it merits. Would you just like to tell me what your concerns are, in that regard?

(*Mr West*) I think the main point we want to make here is, first, that MAFF was already taking a much more positive point of view, from our point of view, even before DEFRA was set up, and that, since it has been set up, it has been able to build on that, and we have found a lot of very useful doors have been opening, in parts of Whitehall that had previously been closed to us. It is terribly important that they do open, of course, because the historic environment exists every bit as much in the countryside as it does in the towns, and the sorts of policies that DEFRA are responsible for can be absolutely critical in

affecting the future of the historic environment in England. We were very pleased, incidentally, that DEFRA was involved in and associated itself with the Government's statement on the future of the historic environment, that was published last December, "A Force for our Future", and I think there are some very encouraging early indications that DEFRA is going to take this seriously. But there is a long way to go, on that side.

170. But there are some intentions, are there not, there, because, if we take the planning area, we are told that the fundamental Spending Review is going to contain serious liberalisation of the planning rules in the countryside, that was the voices on the grapevine; and we have also been told, earlier on, that DEFRA had practically no input at all into the Government's review of planning, which has just been commented on by one of our fellow Committees. So, in the sense of getting the rural activity and economy going, people always say, "These planning rules are a real pain, they can't do anything, they're rigid, very difficult to convert, change of use is difficult, business rates chip in, and we're absolutely frozen." But, from the point of view of wanting to make sure that the historic environment is maintained it does require planning rules to be used sensibly. When you have objectives which may be in conflict within the Department, how are they resolved?

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MR JEFF WEST AND MR STEPHEN TROW

[Continued

[Chairman Cont]

(*Mr West*) It is certainly true that, in order to manage change in the historic environment intelligently, you do need a sensitive and effective planning system, and, indeed, to achieve DEFRA's own objectives on the rural agenda and on the environmental agenda, they too will need an effective and sensitive planning system. Sensitive and intelligent does not mean necessarily lots of controls, it means an intelligent system that actually attempts to reconcile all the different competing interests, which are obviously involved in managing change. Nobody, least of all English Heritage, imagines that change can or should be stopped, we are not in the business of fossilising the countryside, any more than we are in the business of fossilising individual historic buildings, we are interested in the business of identifying what is significant about the historic environment and making sure that what is significant, the things people value about it, is sustained effectively for the future. Which is, incidentally, one reason why the historic environment is a key part of delivering sustainable development, or sustainability, the ideas in the whole concept of sustainable development, in which DEFRA is obviously in the lead, are very much the ideas that we wish to see applied in managing change to the historic environment, namely, the long-term view actually taking into account the need to sustain for the future the things that people actually value.

Mr Borrow

171. As the Chairman said, you are quite complimentary on the changes that were being made when DEFRA was established. I wonder to what extent you feel that the establishment of DEFRA was important, in terms of changing the culture that existed in the old MAFF and the parts of DETR that came across when it was established?

(*Mr Trow*) Yes, I think we felt that the problems with MAFF were that it was very fixated on the farming industry, and that the environmental and rural development aspects of its work, they were there but they were very much a sort of "bolt-on". We have heard about silos a lot today, and essentially they were in very deep, very well-protected silos within MAFF. I think the creation of DEFRA has gone a long way towards breaking down those silos, certainly in terms of the senior management structure, it is very clear that there is a lot of team working and joint vision going on at the senior level; it does not mean that there is not an element of silo still left within the new Department, but we think certainly the mechanisms for breaking that down are already in train. And, of course, it is very early days, in terms of DEFRA as a new Department, they have not had very long, particularly with foot and mouth on the agenda last year, to implement this work. So we see encouraging first signs.

172. You refer to the comments I made before, when you sat at the back of the hall, about silo thinking, which I think was a phrase that was used by the RSPB last week, but if I could just read a short quote from evidence they gave last week, and see if you want to react to that, because they did make a comment that, "Despite the progressive rhetoric of the Ministerial and Management Board, there is

worrying evidence that the inertia and narrow world view towards agriculture shown by the former MAFF is still pervasive at a lower level within the Department." I think you have touched slightly on that, that you feel that is still there, but I get the impression that you feel some progress is being made?

(*Mr Trow*) I think it is important, that we should say that most of our relationship with DEFRA tends to be into the Rural Development Service and the Land Use and Rural Affairs Land Use Directorate. Within those areas, I think, we really are seeing quite a lot of culture change, increasingly. We have less well-developed links to the Agriculture and Farming Directorate, and perhaps that is an indication of the fact that those silos still exist, to a certain extent; and we have not got such well-developed links to the Environment Protection Directorate, they are increasingly improving. So it may well be that there is a different culture within different Directorates at DEFRA, I do not think necessarily we are the best people to comment on all of the Directorates.

173. On the Directorates that you are actually dealing with where you feel there is some movement, is that movement coming from within the officers level that you are actually dealing with, or is there a clear lead coming from above to change the culture?

(*Mr Trow*) I think it is a mixture of both, I think there is evidence of a clear lead coming from above. I think, like any organisation, different officers are reacting differently and the pace of change possibly is variable. I think some of the moves that were made in the reorganisation have been very positive in stimulating a change of view. The reabsorption of the Farming and Rural Conservation Agency back into the Department, as the Rural Development Service, I think, has brought in a lot of fairly creative thinking individuals that are acting as a catalyst within the Department; so, certainly within that Department, I see it happening at a number of levels.

Diana Organ

174. Talking about silos and things, it makes you wonder whether English Heritage are going to make them a listed building; we have been talking about silos all morning, and you feel that somehow they actually are physical structures, not sort of ways of people operating. You talked about how you tend to deal mostly with the Rural Development Service and the Rural Affairs Directorate, but do not have at present very good links with the Environment Protection Directorate. I wonder if you could tell me, if you are looking at something, a building or a structure that you have an interest in, and you are concerned about what is going to happen to it and how that would link in with DEFRA's work, is it easier for you to go to just one official, or do you have to do the runaround and talk to four or five, or do you find that it is not very organised to interface with you?

(*Mr Trow*) Generally speaking, I find there is quite a lot of clarity in the new structure, the structure that was established, I think, by November 2001; and, indeed, DEFRA have gone out of their way to provide aids for the outside world to begin to understand their structure, clear organograms and

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MR JEFF WEST AND MR STEPHEN TROW

[Continued

[Diana Organ Cont]

aids in that way; so I find that we are fairly easily directed towards the right person. In some topics, there seem to be several fingers in a particular pie, and it is not necessarily always easy to look laterally and find out who the right people are.

175. You are actually making it sound much easier than possibly members of the public find, when they are trying to talk to somebody in DEFRA; obviously, they have given you information that "them out there" do not have. You talked about having some aids, it is quite easy, and you think that they have actually thought about this, but in some areas they have not. I wonder if you could just give me some pointers as to where you have difficulty and why that might be so?

(*Mr Trow*) A particular case where we were perhaps less pleased with outcomes was the recent discussions around the environmental impact assessment of uncultivated land and semi-natural areas,¹ where I think, there, we felt that the broader commitment and wider thinking about sustainability that is going on in the Department perhaps had not permeated into that particular area of discussion.

Mr Breed

176. It is very nice to see English Heritage here. I represent a Cornish constituency; you will know there are a considerable number of people down there that do not recognise English Heritage and do their best to destroy all your signs, for which I apologise. To what extent did you used to relate to MAFF and DETR, did you used to have quite a lot of discussions and did you interface with them to any reasonable extent?

(*Mr West*) I think it would be fair to say, we interfaced better with the old DETR than we did with MAFF, but I think it is true across Whitehall, in recent years, that the degree of interdepartmental consultation and, dare I say, joined-up thinking, even, across Whitehall, has actually been improving steadily over recent years, and our relations with MAFF, as I think I said at the beginning, were improving considerably, even before DEFRA was created. I do not know whether Steve wants to add anything to that.

(*Mr Trow*) Certainly, to reiterate the point that there was a change already, not least as a result of foot and mouth. To a certain extent, we see the creation of DEFRA as the culmination of one process as well as the beginning of another.

177. So you had more involvement with DETR than you did with MAFF?

(*Mr Trow*) Certainly; because of the planning issues, we were . . .

178. Bearing in mind that, and the last year, or so, of DEFRA, and everything else, and putting any Department together and all the sort of problems that it has got, overall, what is your impression of the way in which the Department has managed to keep its people, attract the right quality, keep all the people it wants, or do you get the impression that,

over the last year, because of a number of difficulties, the mergers, and everything else, there has been a sort of drain away, on staff, that you are beginning to find not the people that you used to deal with in DETR, and such? What is your overall impression of the strengths of the Department, in staff terms, now, as opposed to what you used to deal with in DETR?

(*Mr Trow*) In terms of the areas of the Department we deal with, I think there has been a remarkable amount of continuity, in terms of staff, to be quite honest. Certainly, the main changes at the senior, Board level are the main changes that we have been aware of, and we have certainly been very impressed by the calibre and the thinking of the staff that have come in there. At a lower level, there have been staff changes but they have been more rotations between different parts of the Department than rotations out of the Department, as far as we are aware.

179. So, as far as your dealings are concerned anyway, you have been able to maintain good contact with the ones that you want to, and there has been no particular problem there, and whilst lower down there may have been some problems, in terms of retaining staff, it has not had any significant effect on your dealings with DEFRA, in any sense?

(*Mr Trow*) No; we have tended to be able to find who we needed to talk to.

Paddy Tipping

180. You made some comments in your evidence about the historic environment and how well DEFRA are equipped to deal with that, and I think you say that the number of landscape architects has reduced, there are very few archeologists in the Department; that does kind of highlight difficulties in work, for example, around historic parkland, or the creation of heathland, or the Fens. Is there a debate taking place with the Department about this?

(*Mr Trow*) Yes, it is a mixed picture. We have been pleased to see, in fact, the number of archeologists within the Department enhanced, and that was as a result of direct lobbying and persuasion on our part. We would have liked to see that process go further, and there is every indication it may have done were it not for some of the financial problems relating to foot and mouth disease. We are disappointed perhaps that landscape architects, as a discipline, are declining within the Department. The Department has a major role to play in the preservation of a whole series of aspects of the historic environment, including historic parkland, through the agri-environment schemes, and other rural development schemes. So it is an issue on which we continue to press the Department. They are well aware of our views, and we feel it is a gradually opening door, I think.

181. It has got a low priority, but it is increasing?

(*Mr Trow*) I think it has got a low priority; perhaps what is missing within the Department, in terms of the historic environment, is a strategic appreciation of how it fits into their work, rather than an operational appreciation. At officer level, they are well seized of the fact it is something they do, it is an important part of their work and, indeed, a statutory requirement on them, in terms of the Agriculture

¹ *Note by Witness:* The Environmental Impact Assessment (Uncultivated Land and Semi-natural Areas) (England) Regulations 2001.

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MR JEFF WEST AND MR STEPHEN TROW

[Continued

[Paddy Tipping Cont]

Act.² I think, at a higher level, there is no strategic view on what they should be doing about the historic environment and what their objectives and their targets might be. And I think one thing we would welcome from DEFRA is some sort of statement of their role in that respect.

182. So it is much more across the board thinking, linking this together?

(*Mr Trow*) Yes. It is also fair to say that this influence has largely been restricted to the Land Use and Rural Affairs Directorate, and we feel perhaps has not been recognised in the Environmental Protection Directorate.

Mr Mitchell

183. You urged the Department to wider consultation and more effective relationships across the range of Government, particularly on planning and tourism matters. Is the relationship presently unsatisfactory?

(*Mr West*) It could certainly be better. We have always been in a very interesting position in our role supporting the historic environment, because the things we are interested in, and interested to see promoted within Government, spread right across the responsibilities of a large number of Government Departments. That has always been the case (and, in practice, however the Whitehall cake is cut, it is bound to continue to be the case), there can be no one Department that has overall, complete responsibility for all the various policies that can impact very directly on the historic environment. So the need to join up thinking and to improve interdepartmental co-ordination and to get obviously the things we are concerned with up the overall Whitehall agenda is, for us, always critical. So I would not say that DEFRA have been particularly poor on that front, and I certainly have seen a general improvement across Whitehall, as I said, over the last three or four years; but there is still a lot further to go. We were disappointed, for example, after our evidence went into the Committee, with the publication of DEFRA's Sustainable Development Strategy, that although there was a clear opportunity to say something really quite interesting about the historic environment, DEFRA, as I said, had signed up to "A Force for our Future", the Government statement on the historic environment, there is very little reference to it in here at all. It is not a huge setback but it is a missed opportunity, and I think that is characteristic of where we are with the Department at the present.

184. I wonder, would you be better yourselves as an agency of DEFRA than an agency of Culture, Media and Sport?

(*Mr West*) I think, probably not, for exactly the same reason. I think all the agencies which have to take this across the Whitehall view, in a sense, have to work, and it is true of DEFRA's agencies, it is true of English Nature and the Countryside Agency and the Environment Agency, as well as us, we all have to work with a whole lot of Departments, not just a single sponsoring Department. We are in the process of our Quinquennial Review, at the moment, the Stage One Report was published earlier this year, and it did actually address this issue, and said clearly that, at the moment, although clearly we needed to continue to work and improve our relationships with a whole range of Government Departments, including DEFRA, client sponsorship was not and should not be an issue at the moment, that we were rightly sponsored by DCMS, but this is something that would need to be kept under review in the future, and I am sure that is something we are very happy with and are very comfortable with.

Paddy Tipping

185. You described "Foundations for our Future" as a lost opportunity, a missed opportunity; what input did you have into the creation of that document?

(*Mr West*) Very little.

(*Mr Trow*) I think, like our colleagues in the National Trust, we did not feel involved in the production of that; whether that is because we missed the relevant opportunity, we certainly were not aware of it, it may well be a reflection of where it originated in DEFRA, perhaps.

186. And what have you done since the publication of the report, because you have picked it up and you have opened it and you have seen glaring holes in it, what have you done now?

(*Mr West*) The first thing we are doing, in a sense, is appear before this Committee, it is very recent. But we are certainly following that up with the Department, and indeed with our sponsor Department, because, again, it has been recognised in the Quinquennial Review, as I am sure, rightly, that DCMS have actually got to, as it were, fight the corner for the historic environment within Whitehall, and not just leave it to us to fight from slightly outside. So I hope very much that DCMS will be following up the same issues. DCMS, I should say, is very active at the moment in considering its own Sustainable Development Strategy and with the whole issue of sustainable development, and we have been very closely involved with that, I have been involved personally with that, and we are very confident that we shall get something really quite positive out of DCMS on sustainable development, and I know they are talking to colleagues across Whitehall about that.

187. So are you telling us that progress about the historic environment is being made across Whitehall, but it is slow and it is attritional; how would you put sustainability as a kind of agency that is a little bit removed from Whitehall, what would your prescription be to put sustainability more at the heart of Government?

² *Note by Witness:* The Secretary of State has a duty under Section 17 of the 1986 Agriculture Act to achieve "a reasonable balance" between "a) the promotion and maintenance of a stable and efficient agricultural industry; b) the economic and social interests of rural areas; the conservation and enhancement of the natural beauty and amenity of the countryside (including its flora and fauna and geological and physiographical features) and of any features of archaeological interest there; and d) the promotion of the enjoyment of the countryside by the public."

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MR JEFF WEST AND MR STEPHEN TROW

[Continued

[Paddy Tipping Cont]

(*Mr West*) I think it has to be at the heart of Government, for all the obvious reasons; the long-term view is essential, the need to address social and environmental concerns which are so critical to quality of life, as well as purely economic ones, and to reconcile the obvious conflicts that may emerge, has to be central to the whole of decision-making. I think a witness earlier today, I think I heard them say that it was important that the lead on this, the priority within Government on these issues, really had to come from Downing Street, both from No.10 and from No.11. It is beginning to happen, but, I think, until and unless the whole idea of sustainability and sustainable development is seen as important as, for example, addressing the competitiveness agenda, it will always be down the agendas and the priorities of individual Departments, and it really does have to be at least as important as competitiveness, not to the exclusion of that, but they have to run side by side.

Diana Organ

188. An interesting comment you made there about the fact that DCMS itself is making great steps forward on its part to play in sustainability, and yet DEFRA is saying that they are the ones that are leading across Government. How much do you think there is interaction between this unit in DCMS that says, "We're leading the way on sustainability," and DEFRA; is it coming from DEFRA, or are they all acting, going back to the silos, into the silo mentality?

(*Mr West*) I am sorry; if I gave the impression that they were acting in silos then I should retract that, I certainly did not mean to give that impression. All Government Departments are being asked and expected to look at their own policies from the point of view of sustainability and sustainable development, and all of them are being asked to produce their own strategies, that is common across Whitehall. DCMS are playing their part in that, they are looking at us, they are looking at all the other things that they are concerned with. Most relevantly to DEFRA, of course, they are looking at the whole question of sustainable tourism, in which we have an interest, but it is an aspect of sustainability which very much affects DEFRA's rural agenda as well. So all that is being looked at, as it should be, within DCMS, but, as I understand it, I know for a fact, they are talking to colleagues across Whitehall about that.

189. And just to go back, because I was interested in your comment that you made about "Foundations for our Future", were you asked to take part in that?

(*Mr West*) As Steve said, if we were, we missed it. We were not aware that we were being asked.

Chairman

190. You are to be congratulated as the only witnesses up to now, in this inquiry, who have not come in waving the Curry Report as a Book of Revelations. The Curry Report does, of course, lay

out a sort of project for the achievement of "public goods" in agriculture policy, and since then the Fischler recommendations for the mid-term review of the CAP are following down a similar line, of linking the payments to the achievement of certain environmental protection, and other things. Surely, this is rather a good opportunity for you to start to introduce into this debate your concept of your particular public good; what sort of public good? If I wanted to go back to my farmers in the Yorkshire Dales and I wanted to explain to them the sort of public goods which we wanted preserved, and I invited you to come along, how would you describe to them, in the way they farm, the sorts of things that you would want them to do and you would want them to preserve, and for which they would receive some sort of acknowledgement?

(*Mr Trow*) I think the overarching concept has to be the beauty of landscape quality, and under that the whole issue of diversity. I think there is a great danger of the homogenisation of the landscape generally. We see the historic environment as playing a vital role in underpinning that diversity. In terms of particulars, in terms of archeological sites, for example, farming is probably now the single greatest cause of loss of archeological sites of any agent; and the agri-environment schemes that we are engaged with, with DEFRA, are an ideal way of assisting farmers to take sites out of cultivation, for example, and manage them appropriately. We are equally interested in issues pertaining to the traditional rural building stock. As you can imagine, with Lord Haskins' suggestions about the numbers of farm units that may disappear over the next 20 years, there is a major question about what the future of this important vernacular building stock is and how it can be most usefully used both by farmers and by the wider rural community in the future; and some quite important unanswered questions about how landscape and quality of landscape actually act as a motor for tourism, and for other forms of economic development in the rural environment. So I think the argument is a circular one. I think we want to see farmers rewarded for land management, of course, both for archeology and the built environment, and we feel that this will actually bring rewards in turn through improved rural development and improved tourism, back to those communities.

Chairman: I hope that you will make quite strong representations in that regard, because otherwise we are going to end up with a whole series of badly-defined environmental schemes which are extremely intensive in resources to manage and deliver and rather difficult to calculate the public good, so the more we can actually start having public goods we can see and feel and know they are there then the better it will all be for all of us, in my view. But I hope it has not been too painful, escaping from the protective wing of the Department for Culture, Media and Sport, and whatever else it does; but thank you very much for coming to this Committee today, it has been brief but very helpful.

WEDNESDAY 10 JULY 2002

Members present:

Mr David Curry, in the Chair

Mr David Borrow
Mr Colin Breed
Mr David Drew
Mr Michael Jack
Mr David Lepper

Mr Austin Mitchell
Mrs Gillian Shephard
Mr Keith Simpson
David Taylor
Mr Mark Todd

Memorandum submitted by the Department for Environment, Food and Rural Affairs (G 28)

SUMMARY

1. DEFRA, the Department for Environment, Food and Rural Affairs, was created at a time of intense activity on the control of the 2001 Foot and Mouth outbreak and consequent work to help the economy in rural areas. In addition, global negotiations on climate change and sustainable development (in the run-up to this year's World Summit on Sustainable Development) were reaching critical phases. DEFRA faces many challenges in its work with policy issues that impact on the whole of the economy, the lives of everyone and whose delivery relies on a wide range of organisations in and out of government. We are committed to:

- finding resource-efficient ways of generating wealth and hence reducing pollution and waste;
- helping the farming and fishing industries through economic transition;
- working with others to deliver services and create opportunity in rural areas; and
- reducing risks to people from environmental impacts such as disease, climate change, floods and toxic waste.

2. We have set out our programme for the next year in *Working for the Essentials of Life*¹ this expands on the Department's vision, aim and objectives and summarises what we will do now, in the form of 106 commitments, towards achieving our vision in the long term. It also lists over 50 achievements which are set out more fully in the *Departmental Report*² which was laid before Parliament on 23 May 2002. Our aim is sustainable development, and we are committed to both pursuing this in our own work³ and also promoting it across government, in society generally and internationally. Similarly, we are promoting rural issues across government, for example by playing a role in partnership with HM Treasury on encouraging a rural dimension in the plans of other departments during the current Spending Review.

3. Steady progress continues to be made on long-term and difficult issues, such as reform of the Common Agricultural and Fisheries policies, on seeking agreement at international level on climate change and preparations for the World Summit on Sustainable Development in Johannesburg later this year. Domestically, we have ratified the Kyoto protocol on climate change and are pursuing a range of measures to help the UK achieve these targets. We held the first waste summit and are vigorously pursuing a programme to meet targets for reducing waste and increasing recycling. In responding to the inquiries established after the 2001 Foot and Mouth Outbreak we have announced a range of measures to modernise farming, to reduce the prospects of further damaging outbreaks of disease and to strengthen the evidence on which policy is made.

4. No one would have expected us to prejudice continuity of business to effect the merger and change how the department operates. We managed the range of practical consequences of the merger as a distinct programme, "Developing DEFRA," whilst re-focusing our work and continuing to deliver on important policy areas. The enormous demands of managing the Foot and Mouth disease outbreak involved taking staff away from routine duties to frontline work, for a period well after the creation of the new Department. For example, a backlog of correspondence occurred which accentuated a longer-term and serious organisational problem. This has been resolved, both by deploying staff and effort by Ministers, so addressing both the short-term backlog and the organisational weakness. The merger programme has largely met the objectives set out for it, despite the very real challenges faced in creating a new organisation with neither a long planning period nor significant "merger dividends." We have recently been working with the Prime Minister's Office of Public Service Reform to define the future of that programme.

¹ Working for the Essentials of Life is available at www.defra.gov.uk/corporate/prospectus/index.htm.

² DEFRA's Departmental Report 2002 is available at www.defra.gov.uk/corporate/deprep/default.htm.

³ We will publish our own sustainable development strategy, *Foundations for our Future*, in June 2002.

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THE DEPARTMENT'S VISION AND PROGRESS TOWARDS ACHIEVING IT

What our vision is and how we will use it to define our work

5. DEFRA's vision⁴ is long-term and aspirational, intended to inspire and explain to people what we seek to achieve and to set a clear political direction for the Department. Within a hierarchy of planning, it is translated into the Departmental aim and 7 objectives⁵. The vision, aim and objectives are enduring. Periodically, in response to opportunity, resources and normal business planning processes, the department will set strategic priorities that contribute to achieving the vision in the medium-term. Working for the Essentials of Life is an interim statement of our strategic priorities that we will develop further following the allocation of overall budgets for DEFRA for 2003–6 at the conclusion of the Government's 2002 Spending Review. The Department uses its objectives as a framework within which resources can be allocated to work (through business plans) and for which targets can be set and performance measured.

What we have achieved so far towards our vision

6. The following are some of the highlights from the last year of positive actions taken by the Department towards the long-term aspirations within DEFRA's vision. These are described in more detail in DEFRA's Departmental Report which was laid before Parliament 23 May 2002.

7. . . . *a World in which climate change and environmental degradation are recognised and addressed by all nations (relates to DEFRA objective 1)*

- The UK played a key role in negotiating the legal texts for implementation of the Kyoto Protocol on climate change to reduce greenhouse gas emissions by 12.5 per cent below 1990 levels in 2008–2012 at Marrakech in November 2001. The Protocol was ratified by the UK at the end of May.
- Part of the World's economy-wide greenhouse gas emissions trading scheme, the UK emissions trading registry—an on-line auction that allows participating companies to reduce their annual greenhouse gas emissions by more than four million tonnes of carbon dioxide—went live on 2 April 2002, fulfilling a manifesto commitment.
- In April DEFRA-funded scenarios for climate change, intended to provide a sound scientific basis for climate impact assessments, were published. These scenarios show specific likely impacts up to 2080 and will be used in land use and economic planning.
- The UK became the first country in the world to publish a Fuel Poverty Strategy which guarantees pensioners, the disabled and other vulnerable groups will not suffer ill health due to a cold home.

8. . . . ; *where low carbon emissions and efficient use of resources are at the heart of our whole way of life (relates to DEFRA objective 6)*

- A Performance and Innovation Unit (PIU) review of waste was launched by Margaret Beckett at the first waste summit in November 2001, marking the start of a radical overhaul of the way we deal with waste.
- A consultation paper on the management of radioactive waste was published to decide how best to manage nuclear waste over many thousands of years.
- After consultation, bids have now been invited for distribution of £140 million for local authority waste minimisation and recycling.
- Michael Meacher announced on 19 March that the Government will extend competition in the water industry to large users.

9. . . . *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 (relates to DEFRA objective 2)*⁶

- We continue to implement policies set out in the Rural White Paper, delivering the vision of a living, working, protected and vibrant countryside. Alun Michael launched the Rural Affairs Forum, so providing rural interests with direct access to Ministers and key decision-making officials.
- To remind people that the countryside is well and truly open for business, the "Your Countryside, You're Welcome" campaign was launched on 28 January in cooperation with the Department for Culture, Media and Sport (DCMS), the English Tourism Council and the Countryside Agency as well as nearly 50 other organisations.
- The Countryside Access Recovery Fund was launched on 5 February by Alun Michael to help not-for-profit organisations promote access to and understanding of the countryside;

⁴ Available on www.defra.gov.uk/corporate/aims/vision.htm.

⁵ Available on www.defra.gov.uk/corporate/aims/aim.htm.

⁶ More examples of rural policy achievements across Government are cited in paragraph 35.

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[Continued

- In a statement to the Commons on 21 March, Alun Michael announced a six month period of consultation and the drafting of a new Bill to control hunting with hounds.

10. *A country where the food, fishing and farming industries are not dependent on output-related subsidies, but work closely together and with government to produce safe, nutritious food which contributes positively to consumer choice and the health of the whole nation (relates to DEFRA objectives 3 and 5)*

- Margaret Beckett and the Prime Minister announced measures on 26 March to take forward some of the recommendations of the Policy Commission on Food and Farming, including ways to help producers improve marketing and become more competitive, a new food chain centre and work with the Food Standards Agency and Department of Health on nutrition. Following discussion with stakeholders at regional and sectoral level and a national contact group chaired by Lord Whitty we will publish a strategy for sustainable food and farming in the autumn;
- Reforms to the EU sheepmeat regime in November 2001 potentially allow us to support more sustainable stocking;
- The World Trade Organisation meeting in Doha in November 2001 agreed that negotiations on further global cuts in agriculture subsidies should conclude in 2005. Critical negotiations on EU enlargement are being supported by DEFRA officials providing support to EU candidate countries through twinning;
- Work on an Organic Farming and Food Action Plan to help farmers respond to the growing demand for high quality organic food was started by Elliot Morley and will be launched by July 2002;
- At the December 2001 Fisheries Council the UK secured an outcome on fisheries quotas which was welcomed as striking a balance between conservation and incomes, and contributing to the long-term goal of a reformed and sustainable Common Fisheries Policy as set out in our position paper to the European Commission published in September 2001. We welcomed the European Commission's subsequent reform package, published 28 May, although there remains important detail yet to be negotiated.

11. *A place where we manage the land in a way which recognises its many functions, from production through to recreation (relates to DEFRA objectives 1, 3 and 4)*

- Elliot Morley has begun a major review of all agri-environmental schemes which will be the main vehicle for following up some of the recommendations of the Policy Commission including developing a "Broad and Shallow Pillar 2" environmental scheme;
- An extension of arable options within the Countryside Stewardship Scheme was launched on 11 February to provide assistance for farmers to create new habitats for wildlife;
- Alun Michael announced 24 successful partnership bids for the £76 million EU LEADER + Programme, which will support small-scale innovative projects to meet locally-identified rural development needs;

DEFRA announced a 12.8 per cent increase in resources for National Parks in England for 2002–03.

- Elliot Morley announced £21 million of grant aid for a £28 million coastal defence scheme in Scarborough, to help protect homes, businesses and parts of the town's fundamental infrastructure;
- An improved priority scoring system for funding flood and coastal defence schemes has been introduced following consultation. The new system takes into account economics, social issues and environmental protection and enhancement.

12. *Where we seek to promote biodiversity on land and in our seas (relates to DEFRA objective 1)*

- Margaret Beckett launched the first Marine Stewardship Report—Safeguarding Our Seas: A Strategy for the Conservation and Sustainable Development of our Marine Environment—which sets out a framework for action to save the marine environment;
- Funding of £175,000 will go to the Great Ape Survival Project (GrASP), part of £1 million paid to global biodiversity conservation programmes by DEFRA;
- Over 200,000 "Souvenir Alert" leaflets have been distributed since November 2001, as part of a joint public information campaign with the World Wildlife Fund (WWF) aimed at tourists who may bring back souvenirs made from endangered species;
- We published a 10 year review of Special Protection Areas and established a scientific working group to monitor future needs;
- DEFRA agreed to pay £17.3 million for the early surrender of peat cutting consents at three internationally important wildlife sites. No further commercial cutting will take place at Thorne Moor and Wedholme Flow, and works will be phased out over three years at Hatfield Moor.

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13. *Where animal welfare and protection against animal disease is at the core of the way in which we farm and live (relates to DEFRA objective 7)*

- DEFRA had successfully eradicated the 2001 Foot and Mouth Disease epidemic (last case 30 September 2001) and achieved international recognition of FMD-free status, although there is no room for complacency.
- Lord Whitty launched an illegal food imports action plan on 28 March, to reduce risks of exotic animal and plant disease entering the UK and threatening public health, livestock, agriculture and horticulture;
- Elliot Morley has issued for consultation a draft interim Foot and Mouth Disease contingency plan which sets out the operational response to any future outbreak of the disease;
- We have gained provisional recognition by the European Commission for the Cattle Tracing System database to simplify procedures for cattle passports;
- We have set 1 January 2003 as the date for a ban on fur farming to come into force, implementing the Fur Farming (Prohibition) Act 2000. In Europe we negotiated a ban on close confinement sow stalls and agreed a new Council of Europe declaration on the welfare of turkeys;
- We launched a consultation to harmonise and simplify laws relating to animal welfare.

14. *Through the practice of sustainable development, economic, environmental and social, we will achieve our vision (relates to DEFRA's aim)*

- Michael Meacher published the second Government review of progress towards sustainable development over the country as a whole. This includes latest analysis of the 15 headline indicators of sustainable development, 10 of which were showing progress in the right direction;
- DEFRA leads on the development, co-ordination and presentation of UK policy in preparation for WSSD in Johannesburg. It is working to raise awareness of the Summit and engage civil society in preparations. The Prime Minister's five sectoral initiatives—financial services, water, tourism, forestry and energy—on which the Government is working closely with business and NGOs form an important element in preparations;
- DEFRA's own sustainable development strategy, *Foundations for our Future* will be published shortly.

A DEPARTMENT FOCUSED ON ACHIEVING ITS OBJECTIVES

15. DEFRA was created on 8 June 2001 as part of a wider set of changes to the structure of central government. DEFRA is composed of:

- the Environmental Protection Group and Wildlife and Countryside Directorates of the former Department of the Environment, Transport and the Regions;
- a small number of staff concerned with animal welfare from the Home Office; and
- all of the former Ministry of Agriculture, Fisheries and Food.

16. There are a number of policy areas where, by bringing together similar work areas, we have been able to improve policy-making. For example, it is no longer appropriate to consider farming in isolation from the rest of the food chain, or from the environment and rural economy. DEFRA retains long-standing commitments from MAFF to modernise agriculture, ensure its sustainability and reform the EU Common Agricultural Policy. But in redefining farming's role in rural England, DEFRA is able to take a broader perspective, taking into account other rural economic activities in areas such as services, manufacturing and leisure. DEFRA will lead delivery of the Government's commitments to all people in rural England as set out in the Rural White Paper, *Our Countryside, The Future*.

17. DEFRA combines major responsibilities for water, land management, sewerage and flood defence, inland waterways and protection and management of seas, fisheries and other marine resources previously dispersed across MAFF and DETR. It has responsibility for overall policy on waste, including toxic substances, radioactive materials and animal waste. Where once there was a division between the key parts of government concerned with genetically modified crops, DEFRA now has a unified policy and a single unit on GM issues. Climate change affects the whole of society but it will have particular impacts on land-based industries and DEFRA can now consider these issues together. DEFRA combines a range of responsibilities for animal welfare, previously in Home Office and MAFF.

18. DEFRA has responsibility for promoting sustainable development across government, in society and internationally. This means addressing economic, social and environmental issues together and delivering tangible improvements in everyone's quality of life.

- The business sectors DEFRA is concerned with (such as farming, fisheries, water and waste) protect and manage key natural resources and make a substantial contribution to the UK's overall GDP.

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- DEFRA leads across government on environmental protection, particularly of water, air, the global atmosphere, land and biodiversity; and is sponsor to the main environment and countryside arms of government, the Environment Agency, English Nature and the Countryside Agency.
- DEFRA's main objectives for rural areas are to provide economic prosperity, fairness of opportunity and access to services for the 25 per cent of England's population who live in rural areas.

19. DEFRA is currently engaged in a major upgrade of its science capacity, with an important series of reviews under way following the appointment of a new Chief Scientific Adviser, Prof Howard Dalton. Our aim is to strengthen our evidence base, and to improve our capacity to build forward-looking policy which is firmly based on scientific and economic analysis. A strong capacity is essential across the whole range of DEFRA's policies. Particular priorities include climate change and reducing the risks of disease. We are developing the evidence base for rural policy, to ensure that our policies secure sustainable economic growth and that we can identify and develop policy solutions to the distinctive needs for social inclusion in rural areas. Major reviews of both the internal organisation of science in the Department, and of DEFRA's three science Agencies are in hand. Our new Science and Innovation Strategy will build on this work, and ensure that we have an integrated and effective set of arrangements to deliver our future evidence base.

A structure fit for purpose

20. The Committee asks "whether farming, food, environmental and conservation concerns, and rural affairs are each given proper weight". DEFRA has set out its vision, aim and objectives and these set the scope of our work and long-term goals. Selecting priorities between these inherently difficult. Which is more important, a competitive food chain, fair services to rural people or a protected atmosphere? DEFRA's strategy is about working towards clear targets for each, equally important objective. Judgements have to be made reflecting a) importance of issues in the government's overall programme, b) resource constraints and c) tactical opportunities. DEFRA increasingly expects to be judged on the outcomes and outputs we seek and deliver (targets met, lives affected, etc) and on the efficiency with which we use our inputs (staff and money allocated). For example, DEFRA's Sustainable Development Strategy includes 22 measures of performance allocated across seven themes of DEFRA's work.

21. The committee asks "whether the Department is engineered to deliver its objectives." In creating DEFRA, the Government was seeking to add to what had been achieved by its predecessor departments by capitalising on potential synergies. In "Working for the Essentials of Life" DEFRA has set out its future programme, explaining the benefits of a more rounded approach to key policy areas. Here, we describe the changes that have taken place within the Department and how we plan to take these further.

22. The Rt Hon Margaret Beckett MP was appointed the first Secretary of State for Environment, Food and Rural Affairs on the creation of DEFRA. Within the Ministerial team⁷, there is clear accountability for our major policy areas with:

- Michael Meacher MP, Minister of State for the Environment
- Alun Michael MP, Minister of State for Rural Affairs
- Lord Whitty, Parliamentary Secretary, Minister for the Food Chain and Waterways
- Elliot Morley MP, Minister for Animal Health and Welfare, Fisheries, Flood Defence and Forestry

23. At official level, a new management board structure is in place⁸ which brings in new blood, ensures the structure fits our purpose and strengthens the leadership of our core professions, specifically:

- three major Directorates General lead our work on environment protection, rural affairs and the food chain;
- professional services in science, animal health and welfare and legal are led from board-level appointments;
- a new Director General for operations and service delivery gives a focus on customer services and operations;
- three non-executive Directors bring a sharp external perspective to our work.

24. The new structure has also resulted in significant changes elsewhere in the organisation including a reorganisation of the former MAFF functions at regional level.

Other key changes include:

- a new focus on rural affairs, with a Board-level Director General and a Directorate focusing on economic and social issues and rural strategy;

⁷ Further details of Ministerial portfolios can be found on www.defra.gov.uk/corporate/ministers/index.asp.

⁸ See DEFRA press notice October 2001, "New Management Board at DEFRA".

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[Continued

- responsibility for protection of the marine environment, freshwater, floods, sewerage and coasts has been brought together in DEFRA and these groups work closely with the Fisheries Directorate on marine issues;
- a new focus on the food chain, with two major Directorates (one focusing exclusively on livestock, and the other on all the other food issues) linking primary production, food industry and consumer issues;
- flood defence has been brought together with wildlife and land use;
- a new sustainable agriculture strategy division, merging staff from former DETR, and MAFF environment and agriculture policy divisions, a new livestock strategy division and a unified GM policy unit;
- Wildlife management and biodiversity conservation have been brought together.

25. Structural change can only be one part of changing how an organisation works. In addition, we are developing working practices which will enhance our efficiency and focus on delivery, in particular:

- strengthening leadership at all levels of the organisation;
- further developing the culture of basing policy on evidence and making this open to external scrutiny;
- delivering work through cross-sectoral and cross-disciplinary teams;
- working in partnership with our agencies, other departments, other levels of government (local and international) and client organisations;
- managing our relations with a wider range of stakeholders more actively;
- investing in efficient, customer-focused and e-business delivery of services to customers (such as the establishment of the Rural Payments Agency).

Merger and long-term organisation change

26. At its creation the DEFRA Ministerial and Management teams were faced with a number of immediate and long-term issues which had to be resolved without their affecting capacity to cope with normal business. Large numbers of MAFF staff had been re-allocated to FMD duties in the first months of the outbreak with knock-on implications for other work. Environment policy staff and Ministers were committed to handling critically important negotiations on climate change, sustainable development and a major review of the Environment Agency. Immediately following the merger a range of practical issues had to be addressed, particularly:

- development of a vision, aim and objectives to reflect the role of DEFRA and a set of shared values and common working practices;
- assimilation of staff from a range of departments into a single department; and
- creation of common systems of financial and staff management, terms and conditions (especially pay) for staff, IT provision and communications services.

27. DEFRA's Management Board quickly created and drove forward a "Developing DEFRA" programme to project manage the 12 strands of the complex merger. Working to a clear set of priorities that have been reviewed by the Management Board on a quarterly basis, this programme is now largely complete. Unlike a "normal" business merger the transfer of policy and agency staff from former DETR led to few large-scale savings in resources. Central services such as IT, HR, Communications and legal services based around the former MAFF services had to provide both enhanced amounts of service and, in some cases introduce wholly new systems. A difficult merger has now largely been completed.

28. Within days of the creation of DEFRA, Margaret Beckett started an open dialogue with staff and stakeholders on the purpose and direction of DEFRA. This culminated in an agreed vision, aim, objectives and subsequently a planning framework for DEFRA which set out a long-term, ambitious and high-level direction firmly anchored around sustainable development. This was followed in March 2002 by *Working for the Essentials of Life* which included 106 commitments by DEFRA over the next year.

29. However, the principles outlined at a high level in the first year now need to be translated into specific commitments and targets, clear outcome measures and long-term programmes that will make a tangible contribution to meeting our objectives. Immediate priorities for future investment and development are:

- working towards challenging waste reduction and recycling targets for business and communities following on from the Performance and Innovation Unit's report;
- finding ways of generating economic growth while both minimising waste and pollution, especially through low carbon fuel technologies which underpin the government's commitments to protect the global atmosphere;
- strengthening the Government's overall approach to rural policy;

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[Continued

- charting a course for the continued modernisation of farming, especially building on recommendations of the Policy Commission on Food and Farming;
- ensuring that a comprehensive strategy for animal health, based on the best scientific evidence and proper contingency procedures, is in place to prevent and handle major outbreaks of animal disease.

30. DEFRA has been working with the Prime Minister's Office of Public Service Reform (OPSR) in a joint review which is shifting the emphasis on DEFRA's change programme to one that will:

- strengthen long term planning, allocate resources and improve and measure the performance of managers;
- focus policy-making and service delivery on clearly-defined outcomes and better services to customers;
- strengthen the skills and performance of staff, especially through improved working practices; and
- improve the fit between corporate services such as IT, finance and human resources and DEFRA's business needs.

IMPACTS ON THE ROLE AND INFLUENCE OF ENVIRONMENT PROTECTION GROUP AND WILDLIFE AND COUNTRYSIDE DIRECTORATE OF FORMER DETR

31. The impact of the transfer from DETR on the role and influence of the Environmental Protection Group and Wildlife and Countryside Directorate has been positive. Sustainable development has been established as the Department's headline aim and unifying theme, with a Departmental sustainable development strategy to be issued shortly and DEFRA Ministers and officials ensuring that the UK continues to play a major role internationally in preparations for the World Summit this summer.

32. In terms of environment protection, DEFRA Ministers and officials have maintained the UK's leading role in international negotiations at Marrakech, Doha and elsewhere. Domestically, initiatives such as the Waste Summit, greenhouse gas emissions trading, and the (world first) Fuel Poverty Strategy demonstrate that the role and influence of the Environmental Protection Directorate General remains as strong as ever. The Government's strategy for marine conservation and its forthcoming England Biodiversity Strategy illustrate that wildlife conservation work has continued to develop. Strong synergies between DEFRA's rural environment responsibilities and the wider rural economy are illustrated by the continued prominent role DEFRA's agencies, the Countryside Agency and English Nature, play in these issues.

33. Across government, DEFRA works closely with other departments in promoting sustainable development, such as DTI on energy, construction, trade and resource productivity, FCO and DFID on trade and international dimensions of sustainable development. Effective influence over issues such as planning and transport which are now the responsibility of Department of Transport (formerly DTLR), has been maintained by the establishment of a concordat between the two Departments, which we hope will be retained in the new Department created 29 May.

RURAL OBJECTIVES AND PROMOTING THESE ACROSS WHITEHALL

34. The inclusion of Rural Affairs in DEFRA's title shows the importance that the Government attaches to rural England and its people. DEFRA's objectives specific to rural areas are:

- to enhance opportunity and tackle social exclusion through promoting sustainable rural areas with a dynamic and inclusive economy, strong rural communities and fair access to services and
- to improve enjoyment of an attractive and well-managed countryside for all.

In the Rural White Paper⁹ the Government committed to "ensure that our policies take account of specific rural needs." 260 commitments were contained in the White Paper and nearly 100 have already been delivered (see below for key examples). The Department is working hard with other Government departments and agencies to deliver the outstanding commitments. Fundamental to the achievement of the Government's objectives for rural areas is partnership—across central government, with tiers of local and regional government and also with private sector, business and not-for-profit bodies and community groups. DEFRA can only play its part in partnership with others and for this reason on of Alun Michael's first actions was to create the Rural Affairs Forum. This has learned from the Rural Task Force established during the FMD outbreak) and bodies set up to advise predecessor departments. It is an effective forum which gives a wide range of interest groups, practitioners and people who live in rural England the chance to air problems and solutions with senior officials and Ministers.

35. The natural assets of Rural England represent significant economic and recreational benefits to the country as a whole. However, these same assets present significant challenges and some inherent disadvantages. For example:

⁹ "Our Countryside: The Future", published in November 2000.

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- An economic trauma affecting the productivity of land will often have serious knock-on effects for the wider rural economy.
- The physical beauty of the countryside attracts millions of visitors. Providing an adequate infrastructure for these visitors requires care to be taken so that the very environment which they come to enjoy is not damaged.
- The distance between rural communities and the towns and cities in which major services are concentrated leads to poorer service provision.

36. The Government's commitment to rural England through DEFRA is to enhance opportunity, and to tackle social exclusion in promoting sustainable rural areas which have a dynamic and inclusive economy, strong communities and fair access to services. It aims also to bring about improved management of the countryside. Many of the necessary levers of change are controlled by other Departments and agencies, requiring DEFRA to work closely with a wide network to achieve objectives. Margaret Beckett chairs the Ministerial sub-Committee on Rural Renewal where Secretaries of State for the key departments which affect the lives of people in rural areas report on their rural policies. In addition, DEFRA has been working with the Treasury to "proof" for rural relevance a range of measures submitted by other Departments in their spending programmes for 2003–6. DEFRA Rural interests are represented by rural directors within the Government Offices who work closely with other Government Office staff, Regional Development Agencies and local authorities. In addition to programmes undertaken by DEFRA itself (many of which are listed in *England's Rural Future*¹⁰) key achievements since June 2001 include:

- The former DTLR announced an extension in mandatory 50 per cent rate relief to include all village food shops (with rateable values £6,000 or less);
- The Post Office and DTI introduced a £2 million fund to help community-led projects to relocate and refurbish rural post offices;
- The Sure Start Unit in DfES established a £22 million fund to support small Sure Start programmes in rural areas and small pockets of deprivation;
- The Housing Corporation and former DTLR approved 1,341 homes in small rural settlements (of less than 3,000 people) in 2001–02—exceeding its target of 1,100; target for 2002–03 is 1,300; on course to double approvals from 800 in 2000–01 to 1,600 in 2003–04;
- The former DTLR published a consultation paper on whether to give local authorities discretion to charge the full rate of council tax on second homes and whether the additional revenues should be retained locally;
- The DTI announced 20 winning projects for the £3 million Development Fund for Rural Renewal, part of the Phoenix Fund, which will help businesses affected by the Foot and Mouth outbreak;
- DEFRA and the former DTLR published a consultation paper on proposals for "Quality" Parish and Town Councils, giving them an enhanced role for their communities;
- The former DTLR has developed specific rural targets for Local Public Service Agreements by a number of local authorities;
- Regional Development Agencies have provided £80 million Business Recovery Fund for small rural businesses hit by foot and mouth disease restrictions.

CONCLUDING REMARKS

37. DEFRA has made a good start. It is an important department at the heart of the Government's programme. We have established a long-term vision and have made significant progress towards achieving it. However, we are not complacent and have already begun a major change programme, building on a successfully completed merger, to strengthen the organisation's capacity to continue to deliver our policies and services.

16 June 2002

¹⁰ *England's Rural Future* set out how the Government would respond to difficulties experienced by the countryside and was published by DEFRA in December 2001.

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Examination of Witnesses

LORD WHITTY, Parliamentary Under-Secretary (Lords), MR PAUL ELLIOTT, Director of the Rural Economies and Communities Directorate, and MR JIM DIXON, Project Manager, Policy and Corporate Strategy Unit, Department for Environment, Food and Rural Affairs, examined.

Chairman

191. Good morning. Lord Whitty, you are the Parliamentary Under-Secretary in the Lords, responsible, among other things, for the food chain and the environment. Mr Paul Elliott is Director of the Rural Economies and Communities Directorate and Mr Jim Dixon is the Project Manager for the Policy and Corporate Strategy Unit. Welcome to the Committee. Lord Whitty, yesterday you and I were at the Great Yorkshire Show.

(Lord Whitty) Yes.

192. I visited the DEFRA stand. It was rather like visiting a cathedral after all the gates had been closed and the congregation had gone home. There was an enormous stand, staffed with extremely zealous and able people, but it was absolutely deserted. The reason why it was deserted was that there was nothing in that stand that any farmer visiting the Great Yorkshire Show would have found useful. It was full of placards talking about earth, fire, water, air and such blather words that have now taken over at DEFRA, and there was practically nothing that a farmer would say was applicable to him. I understand that exactly the same criticism was made about the Royal Show. Does that indicate that somehow DEFRA appears to have floated off into some kind of Nirvana of aesthetics and lost touch with the industry with which it is supposed to deal?

(Lord Whitty) At least, Chairman, you appreciate our aesthetic touch. The design of the stand perhaps cuts against its purpose. We have received a number of critical remarks about the nature of the stand as it has gone round the major shows, but not so much criticism has been made about the content from those people who have actually been in it. Although the stand is slightly hi-tech and rather open plan, there is a lot of expertise that farmers and others could tap into. We had our vets there; the rural development staff were there; the Environment Agency was there; we had people dealing with the RPA there; and people dealing with wider responsibilities of the department, such as people from the national parks, which is appropriate for the Great Yorkshire Show.

193. The only people who were not there were the customers. I went there three times.

(Lord Whitty) When I was there there were a few customers, but I agree that it was not oversubscribed at that time of the morning. That is partly a factor of the design of the stand. It is not sufficiently user-friendly; it is not sufficiently enticing to people.

194. If you had gone down to the sheep lines, there was a little stand—a DEFRA stand—all about the national scrapie plan. That is of immediate relevance to farmers as it concerns their business and their future. That was heavily subscribed. Would it not have made sense for DEFRA to drop the blather—I have used that word before—about what the new DEFRA is about? It is an agricultural show, a county show so should you not talk about matters of relevance to the local clientele?

(Lord Whitty) Of the people who go to the show, a small minority are farmers. Farmers need to tap into that information, but also vast numbers of the public turn up. I thought that there was a good turn out yesterday, despite the threatening weather and the skies opening up just as I was leaving. The public also need to know what DEFRA as a whole is doing. You describe it as “blather” but we are actually concerned with air, water and earth as well as with the techniques of farming. We need an interface with the wider public. Therefore, I do not accept the substantive criticism, but I accept some of the design and organisation criticism. Clearly, it is important that where the majority of sheep farmers are likely to go that we have something to do with the national scrapie plan. That was separate from the DEFRA stand, but the main stand needs to be reviewed in its design and content. However, there was a lot of expertise there available to farmers and to others who are engaged in environmental and land management.

195. I shall not pursue that line. I was not bothered about the design, but I wanted to understand what it was saying about the way in which DEFRA was projecting itself. It seems to me that it was not projecting itself as the department that is involved in the daily activities of people. A little while ago the Agriculture Committee produced a report on Covent Garden and its future. Since then we have kept in touch with Covent Garden in order to find out what happens. The story that we are being told is that they are constantly failing to get any sort of decisions out of DEFRA about the future of the market, or about other topics such as cooling towers or pollutants. The Environment Agency orders the market to take actions which involve expenditure, but they can never get decisions from the department. It seems that one of the consequences of the fundamental spending review is that the department freezes and there is a total inability for six months before spending decisions are announced and no one ever gets any sense out of it. Is that unfair or are they just unlucky?

(Lord Whitty) The situation at Covent Garden is difficult. What comes back to me is not so much that we are not taking decisions, but that the decision is no. There has been a limit on the amount of capital expenditure that we can engage in at Covent Garden, given the money supplied for this year and the number of other areas of DEFRA expenditure. It is true that in this financial year it has been particularly difficult to set the final budget. That is partly because of the expenses relating to the creation of the new department and partly because of the overhang of foot and mouth disease. It has also been due to the need to allocate the total budget within fairly restricted resources. Covent Garden’s capital programme is not as good as the Covent Garden Authority would wish, but we have indicated to them how much money we can put to it. In the mean time, of course, we have been engaged in quite complex

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[Chairman Cont]

discussions with the Covent Garden Authority and the City of London on effectively carrying through the remit that your Committee pointed us to on the future of Covent Garden and the future of London wholesale markets as a whole. As you will know, we have recently appointed Mr Nicholas Caffrey to conduct that review which effectively we are doing with the Corporation of London. So we are looking at the totality of the wholesale markets of London and their future. That will help us to define what the future of Covent Garden will be and how we need to develop it.

196. When a problem arises that no one can foresee and Covent Garden is ordered by the Environment Agency to take remedial action, what is the response of the department? Does it say that everything else must be put on ice, or that you must improvise measures to paddle through for the next two years? There seems to be a short-term approach to this.

(*Lord Whitty*) The Covent Garden Authority has its own financial structure and direction. It is at arm's length from the department. As with any other organisation, if there is a legal requirement to be met by the Environment Agency or anybody else, some rejigging of the budget is necessary. I accept that there has been a tight ceiling on the amount of money that is available to Covent Garden over recent years to make capital improvements. There are other complications on the future of Covent Garden, as you will know, in relation to the range of activities conducted there. It is a complex situation at Covent Garden, but I do not think that one would expect the department directly to take responsibility for what is the authority's area of judgment as to how they meet the statutory requirements or the order requirements of the Environment Agency. It has implications for the budget, which we have to look at.

197. It would love to take responsibility, but it is not allowed to because it needs your permission to do things.

(*Lord Whitty*) It needs our permission and it needs the Treasury's permission for major capital expenditure. That is true.

Mr Jack

198. I want to follow up on the Chairman's questions on Covent Garden and the Horticultural Research Institute. In this Committee's report on both of those organisations, we have addressed the legislative requirements needed to regularise and, in the case of Covent Garden, to give it flexibility to go beyond what it is doing now and yet your department in the past five years has singularly failed to secure any parliamentary time to address the legislative requirements and to regularise the public bodies of the Covent Garden Authority and the HRI. Those issues have been around for a long time. Why have you failed to do that?

(*Lord Whitty*) The future of Covent Garden has to be assessed in relation to the development of wholesale food supply in London as a whole, which over the five years has changed quite dramatically. The best way to do that is to look at it in conjunction with the other wholesale markets that are owned by the Corporation of London. Therefore, we have

spent some time understanding those markets. Not all of that understanding is shared. As you will know, Covent Garden wish to extend its ability to trade at Covent Garden to areas other than fruit, vegetables and flowers. In doing so the corporation's markets see that as competition.

199. The question I asked was about why, in the case of HRI and Covent Garden, you failed to acquire time in the legislative programme.

(*Lord Whitty*) The answer is that we do not know what legislation will be required for Covent Garden until we have completed this inquiry with the corporation. I am not sure to what you are alluding in reference to HRI, but we do not need any new primary legislation in relation to HRI, but we need to sort out its financial basis. A quinquennial review is about to take place on HRI and we shall base our decision on that.

200. With respect, they want a Bill to sort out their status with reference to the employment of their staff. That was dealt with in our previous report.

(*Lord Whitty*) That is also taken account of in the quinquennial review. We do not regard that as the essential element of the future of HRI. There are financial problems with HRI, but I do not believe that the lack of legislation is preventing us from sorting those out. In relation to Covent Garden, if one were ever to change the status of it a complex piece of legislation would be required and it would probably be a hybrid piece of legislation. I am not able to answer for the totality of the Government's legislative programme, but I suspect that there will be difficulties in squeezing that in until we are absolutely clear about the direction in which it will develop.

Mr Simpson

201. Minister, do you think that the department has an image problem?

(*Lord Whitty*) We have now been in existence for a year. We had a difficult inheritance and we have a range of areas that is not entirely, in the public's mind, pulled together sufficiently. We have been effective in pulling together in terms of policy, establishing our role within Whitehall and with the various clients with whom we deal, but if you ask me whether DEFRA, in public consciousness terms, has yet established itself, I believe that we have some way to go. That is certainly an area that is taking the attention of the Secretary of State and the department.

202. Following on from what the Chairman said, I have been to a number of shows and at the Royal Show you had exactly what the Chairman said, but at another show the main focal point of the image of DEFRA was this vast complex span. I do not know how much it cost. I can well appreciate that the department has a wide remit and wants to emphasise diversity and rural affairs, but in that stand I had to search to find anything to do with farming. It was hidden away around the side. It struck me that if a Ministry of Defence stand did not mention the Armed Forces, people would regard that as not typically focused. Do you think that that is a fair impression?

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[Continued

[Mr Simpson Cont]

(Lord Whitty) No. I think it is a complete caricature. For example, as soon as you go in on the right there is a service relating to the RDAs and another one relating to the vets. The first two items that you would come across would relate to farming. In relation to our broader remit, the Environment Agency's stand focused on issues of pollution, waste management and nitrates, which are primarily farmers' concerns. However, it is important to say that we are not the ministry for farmers; we are the ministry for rural affairs and the environment. An important part of rural life is farming, but we are not the ministry for farming in the way that the Ministry of Defence is the ministry for the Armed Forces. The creation of DEFRA attempted to get away from that. It may be that we are making some difficult presentational decisions in how we get away from that, but we want to get away from that. The criticism that we are not sufficiently farmer-focused seems to me a wrong one and one that leads to a misunderstanding of the changes to the government machinery that we intend to achieve.

203. I think we may disagree on that. If the Ministry of Defence was called the ministry for the Armed Forces I could understand that. The Ministry of Defence has a broader remit. The impression that I had was that when Ministers were at the Royal Show they were not interested in the farming element. You can correct me, but I felt that they went out of their way not to go near any animals.

(Lord Whitty) No. If you had been at the Exeter Show you would have seen me in very close proximity, and probably too close a proximity, when I presented all the prizes to the livestock at Exeter. So that is untrue. It is true that yesterday, due to House of Lords' business, my intention to visit the cattle lines had to be curtailed. Normally, I would have gone down to see the livestock, as I did at all the other shows—Cornwall, Bath and West and so on.

204. In the culture change that has taken place in DEFRA, you are saying that you do not want it to be seen as the ministry for farming. Where does farming fit into it? Do you think that farming has a core element, not only in terms of food production, but also in terms of managing the countryside, diversity and that kind of thing that is so important in terms of your aims?

(Lord Whitty) Absolutely. It seems to me that the problem of the past is that quite often the relationship between the agricultural sector, strictly the primary producer part of the agricultural sector, and the ministry of agriculture was focused on the subsidies production and on the regulation production and not on placing agriculture in the wider context of the landscape management and the rural economy as a whole, horizontally, nor vertically, for example, in the food chain. Although MAFF had "food" in its title it was not responsible for the industry and it tended to deal with agriculture in a different way from the way in which it dealt with the rest of the food chain. Some of that was inevitable because of the European regulations and the way that the CAP worked, and subsidies for farming before that, but in practice there was a bit of a ring-fence around agriculture, both in relation to the rest of the neighbours in the rural economy, their environmental impact on the rural economy and

their relationship with the rest of the food chain. The Curry Commission and, as I understand it, Commissioner Fischler's proposals today indicate that the future for farming must be to see itself in a broader context.

205. This Committee was very disappointed when the Permanent Secretary came to give evidence on a not very good annual report and he could not answer all our questions. We found that agriculture—we were studying the future of agriculture—was very much a small part of the report. I come back to the point that all Members of this Committee appreciate that farming not only has to change, but that old-fashioned farming is probably dead and buried. There is an image problem. To do all the things that you want to do, it seems that farming has to be a core element, or perhaps we are wrong. Do you think that the countryside, the environment and everything else can be developed and so perhaps reduce farming to being more like a national park with most of our food coming from overseas?

(Lord Whitty) I do not believe that you could derive that conclusion from anything that I or any spokesperson at DEFRA has said. We want to see a thriving farming sector. It may need to change, but we need to see a thriving farming sector with money going back into farming and with it making its contribution to the wider countryside and rural environment. We are saying that to do that, agriculture has to see itself in a wider context and its relationship to Government in a wider context. The relationship, particularly, between the sponsoring department and the industry needs to change in order to help to give it that wider focus. From day one that was part of our difficulty in the sense that MAFF—excluding the Armed Forces and the defence industry—was the only remaining department that was responsible for a single line of industry. It had a certain Soviet-life overtone to it, in that the Government decided the level of subsidy, decided to a large extent what shape the industry would be and to some extent via the European Union decided its prices and its output. That kind of relationship is not appropriate to the modern age and there have been painful changes needed to the relationship between the department and the farming sector. The more progressive elements in the farming sector recognise that.

Mr Lepper

206. When we looked at the department's annual report a few weeks ago, most of us felt that it was strong on aspirations. There is nothing at all wrong with that. Central to those aspirations was sustainable development. Recently, as a department you have published a sustainable development strategy. Could you say something to us about how in a year's time you feel that the department and the rest of us will be able to measure the success of that strategy? What will be the indicators that will tell us whether that strategy has succeeded or is succeeding?

(Lord Whitty) Whether it "is succeeding" or "has succeeded" would probably take longer than a year. Whether it is succeeding can probably be measured in two broad ways. One, we are the department for sustainable development across Government as a

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[Continued

[Mr Lepper Cont]

whole. We are the driver for sustainable development—environmental, social and economic. We are the body that is charged with ensuring that the whole of Whitehall and the government agencies operate on a sustainable development basis, and take sustainability as a benchmark for their policies. The degree to which we will have achieved that in a year's time will become apparent, in so far as it is not already. On our own policy areas, the change in direction of farming may well be a symbolic policy area where we can best measure sustainability being inculcated into the policy. We have to follow through to the Curry Commission and we have the mid-term review of the Common Agricultural Policy, the outcome of which is subject to considerably difficult negotiations. Nevertheless, by this time next year we shall be clear on the direction of European, Government and industry policies towards the future of farming, which will be to put it on a more sustainable basis, a less production dominated basis and one that ensures that farming contributes to the other aims of the department on landscape, rural economy and the environment. I think we shall be able to measure those things in a year's time.

207. Other Members may want to follow up on what you say about farming. I believe that I am the only Member of the Committee who comes from an almost wholly urban constituency. I was surprised to find that I have a rural post office, on the University of Sussex campus, which is protected. However, I represent an urban constituency. I would be interested in how DEFRA sees itself promoting sustainable development over the next year and into the future in an area such as mine where we have people living in city centre households.

(Lord Whitty) Much of the direct delivery in relation to the environment, will rest with other Government departments and with local authorities, but part of our objective will be to ensure that sustainability is built into their approach to planning decisions, to our development of the social fabric of those inner cities and to the way in which we provide their services. On transport, for example, there is the question of whether we can move to a form of transport that is accessible to the kind of communities that you are talking about, and that does not create congestion and other environmental problems. Most of the delivery is down to other agencies rather than to ourselves. That is why the first measure of how far sustainability has entered Government as a whole is a measure of our success or otherwise.

208. One theme that we have heard consistently over recent weeks, and indeed since the department was created, by outside agencies who come before us, is a concern that DEFRA at the moment does not have sufficient impact on the work of other departments of Government. You have mentioned transport policy and planning policy. You have rightly said that delivery on those policies is the responsibility of another department. However, from what we have heard we have acquired a feeling that some of those links that should exist between DEFRA and other departments to ensure that environmental concerns—concerns about sustainable development—are informing the policies of the other departments, are not as strong as they

should be. For instance, when the CPRE appeared before us last week, Mr Hamblin said that the Cabinet Office website, which lists cost-cutting issues, sustainable development and the Sustainable Development Unit is absent from that list. Could you comment on that?

(Lord Whitty) I regret to say that I am not responsible for the website of the Cabinet Office. In policy terms, we have achieved a certain degree of success. Certainly sustainability through the various interdepartmental activities has become much more central to their assessment during the course of this current spending round. We are to make an announcement. I have to be careful as I am aware of what the announcement will contain, nevertheless I hope that it will reflect the work that we have done with the Treasury in ensuring that the assessment of everybody contains a sustainability dimension. I hope that we shall see that when the announcement is made next week. Clearly, much of the delivery relies on that. In relation to your previous question, there is in one of our documents, *Foundations for our Future*, a list of indications of progress on sustainability, much of which depends on other departments and local government meeting that. We are the driver for it and we have to take responsibility for trying to ensure that the rest of Whitehall and the government bodies as a whole pursue that. Although we may not achieve as much as we would like with the Cabinet Office in adopting those policy levels, we are discussing the matters closely with the Cabinet Office, with central Government generally and with the Treasury.

209. And with the Office of the Deputy Prime Minister?

(Lord Whitty) Yes, indeed. In terms of the process and structure, when the department was first set up, and the DETR was dealing with planning and transport, we developed a close relationship there. Previously we had all been in the same department and previously I had had responsibility for transport myself. We needed a new concordat and we established that contact. We are now in close contact with the two successor departments and the Permanent Secretaries meet regularly to establish a new basis for engagement between the two departments. Clearly, planning in the rural context and in the environmental context are very important to us.

210. Those discussions are at ministerial level?

(Lord Whitty) We have discussions at ministerial level on planning and on transport continuously. The machinery of Government involves a regular Permanent Secretary contact which will lead to a new concordat between the two departments.

Mr Lepper: We await the Chancellor's statement in a few days' time to see one measure of success.

Colin Breed

211. Sustainability, by its own definition and nature, looks a long way into the future. There is a feeling that there needs to be a greater recognition of striking the balance between the needs of today's generation and safeguarding the interests of future generations. How can that balance be struck between

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[Continued

[Colin Breed Cont]

those competing environmental, economic and social needs of today and those of what we perceive to be the needs of future generations?

(*Lord Whitty*) That is a big question. One of the jobs of the department is to ensure that our decisions and the decisions of other departments have a longer time focus than is often the case in Government. So you have a time potential, a time conflict in short-termism or even in medium-termism and what happens in the long term. It relates to using resources. I believe that it differs policy by policy because in many areas what one does in the short term alters the long term. Therefore, one has to ensure that the short-term decisions are in the right direction; for example, on achieving the Kyoto targets. We want to see where we are in 2012, but we have to take decisions now that move us in that direction. In so far as there is conflict on the three pillars of sustainability—economic, environmental and social—that is the responsibility of all policy areas. There is sometimes not as great a conflict as is suggested between environmental and economic objectives. In the long term, the wrong environmental decisions are also the wrong economic decisions. Sometimes the decisions taken for environmental reasons primarily turn out in the not very long term to be economically beneficial. There is not continuous conflict. There is occasional conflict and policy departments have to be responsible for managing that. Our job is to give the bigger framework.

212. To what extent does DEFRA devise investment plans that would impose greater spending today in order to achieve the long-term objectives of sustainability?

(*Lord Whitty*) In any direct sense the only capital programmes with which we are concerned are those that fall on our budgets and on our agencies, which is a relatively small part of the totality. We are engaged, for example, in relation to the DTLR, in ensuring that transport projects have a strong long-term environmental dimension to them. Therefore, again we have an influence beyond the area of capital spending for which we are responsible which frankly is pretty limited.

213. Do you think that investment spending plans for sustainability for future generations is something that should be increased and, if so, what would you propose to do about that?

(*Lord Whitty*) Increasing the totality of capital spending is a matter that I had better not comment on, especially as it is a few days before the spending review comes out. The way in which particular projects are planned, within a given quantum, needs more of a focus on longer term objectives than sometimes state and private projects supported by the state have done in the past. The transport system is one such area.

Mr Taylor

214. A moment ago you said in relation to the environment, on which I want to focus, that a lot of the responsibility will lie with other departments. I am paraphrasing what you said. In earlier evidence to this inquiry the CPRE observed that “the

environment is becoming divorced from other Government policy decisions”. Friends of the Earth at an earlier inquiry said that “environment officials and Ministers have been marginalised, and distanced from the big decisions”. Finally, the RSPB said in earlier evidence that DEFRA could become a “policy ghetto for green issues”. Do you feel divorced and marginalised in a Smith Square-esque ghetto on the environment?

(*Lord Whitty*) No, not at all. They used to make the same play in relation to the DETR and to the Department of the Environment in the past. It is the job of government-oriented NGOs to push for greater emphasis for an environmental dimension.

215. Name one or two early successes on the environment.

(*Lord Whitty*) One success that has not been fully recognised is the degree to which the department has pushed forward on the Kyoto agenda and the agenda leading up to Johannesburg. One of the Secretary of State’s early triumphs was to rescue the Bonn talks on the policies of Kyoto, followed by Marrakesh. By the time we reached Johannesburg we would have made an across-government effort on putting sustainability on the government agenda in a big way. That is a substantial success by the Government. If one looks at other more specific areas, more domestic areas, and if one looks at decisions on transport, one will see that there are decisions that a few years ago would not have gone the way that the CPRE and others had suspected. I used to be responsible for road projects, whether welcome or not, and they have had a much bigger environmental dimension in the past year or so than certainly was the case in the past. One sees the influence of environment ministers, both under the previous structure and carried through into the current structure, reflected in significant government projects. We are there and clearly we are influencing other people’s strategies. Therefore, I would reject what the CPRE is telling you. I do not think that we ghetto-ise at all. I think there was a danger of MAFF on many occasions being ghetto-ised, but I do not think that the current department is ghetto-ised. I think we are a bigger player and a more central player to Government as a whole.

216. In some key respects the performance indicators may be arguable, but what about domestic recycling? Is not our record one of the worst among the European developed nations?

(*Lord Whitty*) It has been, yes.

217. Is it heading in the wrong direction?

(*Lord Whitty*) No. It is heading in the right direction, but not as fast as we would want.

218. What is that code for?

(*Lord Whitty*) It is code for the fact that we need to do more and we need to get local authorities to do more and to get public opinion and behaviour more focused on recycling. Yes, a lot more needs to be done in that context. There is no slippage; we are moving forward.

219. How many more incinerators, heaps of scrapped fridges and burnt out unrecycled cars do we need to trigger DEFRA into more energetic action on that front?

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(*Lord Whitty*) We have to consider what we are trying to do and some of the unfortunate by-products. The aim of the fridges directive—I do not want to go over all that ground again as the Committee is probably sick of it as well—was a clear environmental objective.

Mr Jack

220. It is not a directive; it is a regulation.

(*Lord Whitty*) It is a regulation whose objective was a clear environmental benefit. There were problems of interpretation and problems of delivery which we are in the process of overcoming. The fact that we went through a difficult patch on fridges does not alter the fact that we were committed to ensuring that the detrimental environmental impact of fridges disappears. Likewise, there is the case of abandoned cars. We had some reservations about the form of the regulations and in the case of fridges there was some lack of clarity, but the objective must be clear and we are pursuing it. That is environmentally positive. In the short term we have a bit of clearing up to do.

Mr Taylor

221. You do not feel politically excluded in your new role in relation to the environment?

(*Lord Whitty*) No, certainly not. In relation to my personal role, in agriculture I work very closely with the environmental side and as Mr Curry said, most of my job is with food and farming, but the environmental dimension of that is constant. The same is true of other government ministers—transport and energy—in other government departments.

Mr Jack

222. Can you list the three main sustainability policies and challenges for DEFRA and likewise the three main environmental challenges? Can you tell me whether you think that the department is sufficiently resourced and equipped to deliver those within a reasonable timescale?

(*Lord Whitty*) On broad sustainability, our aim is to put agriculture and land management on a sustainable basis in light of the Curry report and changes in agriculture. That has been one of our biggest tasks. On sustainability generally we have to look at those rural areas and rural communities that are quite isolated at present. We need to ensure that they have a sustainable economic future, that there are jobs and housing and so forth in those rural communities. If that is too broad a statement, perhaps I can squeeze waste into that as well as it runs across all industries and all parts of the economy. It is not just municipal waste, but the whole waste strategy must be about sustainability targets as a whole. That is put under sustainability in general or under the environment in general. In terms of the specific environmental dimension, clearly the international dimension I have already emphasised as a big point, including the delivery of Kyoto. That is the first point. The second point is probably the whole issue of the relationship between energy use, its overlap with Kyoto, but getting an energy policy that

is more renewable and less carbon intensive. Thirdly, and perhaps of more immediate concern to your constituents and to others is the fact that we have to deal with the problems of increased flooding and other areas of potential disaster that the department has to provide for. It has to ensure that we do it in a way that goes with the grain of the environment while protecting property and people. Those are three points and I suspect that if I were to think about it for another five minutes they would not necessarily be the top three.

223. The second part of the question was whether you are equipped with the resources to deal with that. I ask that because in the context of another inquiry in which I am involved on behalf of this Committee, namely, the disposal of hazardous waste. As we were leaving the landfill site at Warrington, those in the private sector commented about how relatively well paid they were compared with the officials in the Environment Agency who are essential to delivering a number of the environmental policies and objectives of your department. It made me wonder whether your department was properly resourced to achieve progress on that very broad and indeed crucial canvass that you have just painted. Do you worry that you may not be resourced adequately?

(*Lord Whitty*) We would always like more resources, particularly in the areas that have direct interface with those who are taking decisions outside government. The areas of enforcement, as you imply, and the organisation of those areas need addressing. In relation to the advice and help in many areas for which we are responsible we could do with more resources. It is partly an organisational issue. Without going back over what I was saying about farming, one of the Curry report recommendations is how we deliver regulations on farming and that relates to the problems that farmers have in relation to umpteen different regulations all concerned with one-dimensional aspects of their work at a given time. If we can deliver the regulatory, advisory and supportive role in a cohesive way the problem may not be one of resources, but of how we organise them better. I am engaged in that on the agriculture side and between agriculture and the Environment Agency. That is one of our organisational priorities over the next few years. That would not necessarily mean that at the end of that period that we have more people, but if we have fewer they would be better directed. As to relative wages and so on, I fear that public servants are often in that position and it is probably not a particular DEFRA problem. Although, as you know, we had specific salary and wages problems when the department was set up which have now been addressed.

Chairman

224. It must be like old times, coming from your background.

(*Lord Whitty*) Yes.

225. Following on from that question, the old MAFF was battered and a new department was created. It was emphasised that the new department was more than the sum of the constituent parts. There was a mission statement, the annual report,

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that tried to convey that to us. Do you believe that the officials who work in the new department are all equipped to discharge the new responsibilities?

(*Lord Whitty*) There is a high degree of motivation to do so. The management of the department is very much engaged in trying to ensure that they do so. We are very focused. We have a training development project for delivering DEFRA which is focused in this phase on the management role. It is important that senior management up to the top level change their focus and engage in quite an intensive period of training. That involves all senior civil servants and senior management. That was seen as a priority. If that is not right, the rest of the staff will not change their direction. Clearly, there are people within all parts of the department who are doing exactly the same thing that they were doing two years ago and some 15 years ago. They need the training, the IT and other support that we are beginning to bring in. It is quite a long process.

226. How extensive is the training programme?

(*Lord Whitty*) For the management/leadership level it is very intensive and virtually all the top management have now gone through, or are in the process of going through that.

227. How far further down the line does that stretch? Are there some officials who are not retrainable? When there are mergers in the commercial world one often finds that there are major shifts in personnel and manpower. I wonder whether in DEFRA you have come to the conclusion that everyone is capable of doing the new job, or whether there has to be a major retraining programme and that some people may just not be able to do the job.

(*Lord Whitty*) I am sure that is broadly true, but it is not a DEFRA-specific problem.

228. No.

(*Lord Whitty*) We have made major changes in structure and in personnel at senior management level. The changes are not so dramatic at the junior levels. There will be some who will take more kindly to and be more dynamic about the new process than others. That is always bound to be the case.

229. Let me ask a related question. When you look at the environmental issues, they are clearly defined. Agriculture and fisheries are fairly well defined. When one gets into an area like rural affairs, everything becomes much more nebulous. You are largely dependent on other departments delivering the rural affairs agenda. It has a specific context which is the rural affairs programme. Are you confident that the disposition of officials in DEFRA down the line reflects the priorities that you want or is there still a lot of what one may call moving the geometry to try to ensure that the manpower is marshalled behind the priorities?

(*Lord Whitty*) I think that there are some changes to be made. It is probably not a matter of taking the big piece and moving around in a kind of continental drift, but more a matter of co-ordinating between different parts of the department and refocusing the department. I think there are probably some other structural changes that will have to be made. We are constantly engaged in looking at those areas, both in the department and in its agencies.

230. This question relates to the evidence given by English Heritage. The historical environment is obviously a very important part of the broader environment and the impact that the foot and mouth disease had on tourism emphasised how interdependent all the elements are. Their assessment was that DEFRA was not equipped to take on that dimension. I know that the department is strapped for cash because it has always been strapped for cash and that may well run across all departments. There are problems in trying to grasp this wider role and in ensuring that you are not spread too thinly to be able to deliver effectively.

(*Lord Whitty*) I share some of that anxiety in the sense that the rural affairs dimension lacks direct budget and direct levers. Therefore historically, whether in the DETR or in MAFF, it has been less intensively staffed than those areas where there is direct government legislation or direct government subsidy and so in staffing terms it probably looks weaker. Part of the issue is whether there is any shift of balance to provide more support staff in rural areas, in the rural affairs structure, but more importantly those who carry out some of the functions need to be less silo-ed and blinkered themselves. If you are looking after forestry or an aspect of waste management, you are looking at the rural environment as a whole and not simply carrying out your duties under the specific regulations for which your post has historically been designated. That is part of the culture change that we are trying to achieve. It may be that the numbers under the heading of rural affairs do not rise significantly, but the people who traditionally are in agricultural posts or environmental posts begin to take on rural affairs roles. That is beginning to happen already and it needs to happen more.

Mr Borrow

231. Following on from the issue of rural affairs, many parish councils in my area welcome the rural White Paper and some of the ideas in it. However, they have expressed concerns that there is a slowness of pace in implementation. Do you share that view?

(*Lord Whitty*) It is a concern that I have inherited. I do not think that it is valid. Some of the decisions require both resource allocation and decisions across Whitehall, but we have made great progress, for example, on the market towns initiative and on the villages initiative. We have also made quite substantial progress in terms of the countryside dimension in relation to the AONB structure and resourcing. We have encouraged other departments to deliver their part of the rural White Paper; for example, on the transport side in terms of rural buses and grants to parish councils direct. There is the question of how effectively that has been delivered on the ground. Although we have put more resources into rural transport, not all of that has been seen as of great benefit to the majority of rural dwellers. We need to rethink how we deliver that. Much effort and quite a lot of money has already been delivered. In relation to parish councils, one of the disappointing things is that the relatively small grants for flexible

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transport, which is available to parish councils, has been taken up by relatively few parish councils. So there is a problem at that end as well as at our end.

232. One of the phrases that is in vogue is “rural proofing”. There seems to be an assumption that your department is responsible for rural proofing, and not just for the range of responsibilities of your own department, but also of the policies and workings across Whitehall. The rural White Paper is largely delivered outside your department. Do you want to make a comment on that? You have received some criticism on the failure adequately to “rural proof” many policy areas within and outside your department.

(*Lord Whitty*) The context of rural proofing was crystallised in the White Paper, so it has not been running for very long. We have asked all departments to look at rural proofing their own areas of policy and we have designated the Countryside Agency as an independent monitor of how far that rural proofing has gone. They have been quite critical of government departments, including DEFRA of not sufficiently rural proofing all their policies. The pressure is on to do precisely that. I do not know whether Mr Elliott would like to comment on the progress of rural proofing.

(*Mr Elliott*) Yes, we have established a range of contacts in each department to make sure that not only are particular policy proposals rural-proofed but the message gets spread more generally. I have participated personally in a seminar at the DTI with senior policy makers where a lot said that this had opened up new perspectives for them. So I think we are making progress in that sort of area. Clearly the Countryside Agency’s last report shows that there is still some way to go and by its nature our efforts in trying to influence other government departments is a largely behind the scenes activity which will have to be judged on results and outcomes. We are making progress and I hope very much, and I am pretty sure, that the next report from the Countryside Agency will have some good results to show.

233. On the process of rural-proofing itself, I can remember years ago as a local councillor, when it was quite fashionable to do an equal opportunities indication of every policy, all the policy documents would come to committee and there was a little paragraph at the bottom saying “the equal opportunities implications are . . .” I always got the impression that the report had been written and somebody at the end had said, “What are the equal opportunities implications of this policy?” whereas what should have happened is that the report should have been written by the Houses of Parliament or whoever with that policy in mind in the first place. To what extent in terms of rural-proofing you are confident that reports, both in your department and other departments, start off with rural-proofing in mind rather than something that is then added on at the end to see if the policy complies with it rather than the policy being prepared with that in mind in the first place?

(*Lord Whitty*) I think you are absolutely right, that that is what should happen and you are probably also right that what actually happens in some cases with rural-proofing as a new concept is that at the end of the policy development period, which probably

started before rural-proofing was on the agenda, they then rather hurriedly double-check whether they can give a positive rural-proofing dimension to the policy. What we are in the business of and where our contacts which Mr Elliott is referring to are so important is that in our development of policies now rural-proofing should be mainstreamed right from the beginning. So we are in the business of trying to get sustainability mainstreamed across Whitehall but we are also convinced there is the business of getting rural-proofing mainstreamed across Whitehall. Many of the policies that have emerged on which the Countryside Agency have commented started before this concept was being pushed and before DEFRA was created and are only now coming to fruition. It is a bit of a messy situation but I think in a year or two’s time it will be different.

234. In terms of whether it is working you would regard the comments of the Countryside Agency as crucial to the view as to whether or not your Department is operating properly in this area?

(*Lord Whitty*) Yes, I think the views of the Countryside Agency are important. They are independent. Sometimes I find it slightly strange that the Countryside Agency is an agency of our Department because they are so independent, but that is a really very positive role in this respect because we need that degree of independence to check our actions as well as those of other government departments.

Chairman

235. Do you not think that occasionally the Countryside Agency produces some wonderfully interesting documents which should you wish to qualify for *Mastermind* they would no doubt be extremely useful but, quite frankly, at the end of the day they are not much use to anybody? Is it useful to know how many miles you are from a shop or how many miles you are from a post office or how many miles you are from this that or the other? It does seem to produce extraordinarily picturesque maps but at the end of the day when I go to the countryside it is mainly because I want to be as far away from anything as possible. I am desperately anxious that DEFRA should not bring them any closer to me. Does this not illustrate the difference between action and activity?

(*Lord Whitty*) It is important that we and the Countryside Agency get beyond the production of those documents stage and we deliver. That is certainly fair and we are absolutely focused on that now. The particular examples of statistics that you chose I think are rather important to a lot of country dwellers, particularly those who do not have much transport or access to a car or whatever, of which there are a very large number resident in rural areas. I think those particular statistics are rather important.

236. But there are lots and lots of different statistics. I am very happy to accept that point. We have talked about sustainable development, we have just talked about rural-proofing. You have been talking about mainstreaming it through government. Do you not think it might be easier to mainstream some of these things through government if more of

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the traditional structure of cabinet committees survived with Secretaries of State of sitting on them and there were rather less of this incredible accretion of task forces, action groups and goodness knows what, all of which are supposed to be cross-cutting and joined-up government but at the end of the day perhaps the Secretaries of State do not spend quite as much time with this clearly focused as they might do in a more traditional structure?

(*Lord Whitty*) Whatever your views are in general, I do not think it is sustainable, if I can use that term, in the particular because we have, particularly post DEFRA, two very strong and effective cross-departmental committees, the DARR Committee, which is dealing with rural affairs, which is chaired by Margaret Beckett and largely consists of Secretaries of State and Ministers of State, which is pursuing the rural agenda, including rural-proofing and all the other issues that we have been talking about, and the committee on policy, which as you know is a Cabinet sub-committee, looking at environmental policy in general, which the Secretary of State and the Deputy Prime Minister are strongly engaged in and which looks at things like the international dimension of this, and also the NG Committee which is looking at how government policies take on board the environmental Directives. So I think we have very good Cabinet committees and inter-departmental ministerial committees in this area. In some areas you need task forces and I would not like to stray in areas more generally but in this area I do not think that criticism is valid.

237. I would be fascinated to know the frequency of their meeting.

(*Lord Whitty*) We can let you have that. Under the previous structure that was maybe a valid criticism but I do not think it is under this one. We will get that to you.

Mr Jack

238. I was going to follow up with the same question the Chairman asked and ask how often does the Rural Affairs Sub-Committee meet? It might also, without trespassing on confidential matters, be helpful to the Committee to know what it has been doing, in other words, what are the great matters that have gone before it. If we could have that, it would be helpful. I want to turn now to focus on agriculture and horticulture and just for the record I asked you, Minister, about HRI and I have been to my office and got hold of the two reports which this Committee has produced. In our seventh report on this subject under HRI status—this was during the reporting in evidence session with the Chairman and Chief Executive of HRI—we wrote in the report: “Primary legislation is required to ‘establish HRI as a statutory corporation with functions and powers to enable it to carry out its remit’ . . .” That seems pretty basic. We follow that particular matter up with Baroness Hayman when she was in charge. In fact, I refreshed my memory. I had an exchange with her and in the course of that exchange the Baroness was kind enough to talk about the legislative strategy which the old MAFF had looked at, including the use possibly of a Private Member’s Bill or possibly even the use of a Ten-Minute Rule Bill to regularise this

important but small piece of legislation. That first report was on 5 July 2000. It is a matter that has been around for a long time and I have to say as a member of the previous Government we were probably derelict in not doing that as much as the current Government is derelict in not doing it. Given it is so fundamental to the carrying out of HRI’s functions, why has no action been taken to deal with this issue in the light of two select committee reports which have both shone light into the area?

(*Lord Whitty*) I am not able to call to mind, even if I have seen it, the Government’s direct response to the first of those reports and certainly the view since I have been in DEFRA—and I do have responsibility for horticulture—has been that one option would indeed be to put HRI as public corporation but it may not be the only option. Clearly the performance of HRI scientifically is unchallengeable but the performance of HRI organisationally and financially is an on-going problem and one which the current quinquennial review is addressing. I am therefore awaiting the outcome of that quinquennial review before I would want to take any policy decisions on the future of HRI. The complexity, which does not quite apply to Covent Garden because it does not involve the City of London in any sense, is deep and would have to take its place within government priorities for legislation, which is why Baroness Hayman referred to the possibility of it being done by a Private Member’s Bill should we wish to go down that road. Since I have been Minister we have not taken the decision to go down that road; we are awaiting the advice from the quinquennial review team.

239. I do not want to dwell on this point but I would remind you in the same paragraph from which I quoted, MAFF gave evidence to the Committee that a draft Bill was in existence, so you have thought about it but you have decided to do nothing. The reason I mention that is I want to move you into the field of horticulture because it tends to be the “Cinderella” of agriculture and yet in those parts of the United Kingdom where it is important, it is a major employer, it is very big business, it is highly sophisticated, it is unsubsidised. Where does it figure in DEFRA’s priorities? What would you say are your top three tasks, objectives, hopes for the industry? Where does it rate against agriculture?

(*Lord Whitty*) I do not disagree with much of what you say. I think horticulture is an industry which we should take a little bit more notice of for the reasons that you outline. It is not only an important part of agriculture in the big sense but it is also an important part of the rural economy in employment, with relatively sophisticated operations, and also in man sectors it goes further down the food chain and they are closer to their customers. Horticulture is a big sector and parts of it are a growing sector. It has probably received less attention precisely because it is unsubsidised. The area, of course, where you cannot claim it has received less attention is the one you have just been touching on, where historically the R&D budget financed by the Government has been higher for horticulture than it has been for other areas. Relating to GDP contribution that remains the case. So the Government has been supportive to horticulture in that respect. I think there are

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problems about the competitiveness of the industry and to a limited extent its organisation, but they are by no means as fundamental as parts of agriculture proper. I therefore think that horticulture could be a success probably.

240. You have got a new Department and I am a tomato grower, a lettuce producer, a fruit man and I am saying to you, "Minister, what is new DEFRA going to do for our industry that hasn't been done before? Where is the gain from DEFRA in having you looking after our industry? What are you going to do for us?"

(Lord Whitty) With respect, that is exactly the wrong question that I have been telling farmers and growers who have been in the old relationship they should get away from, so I do not want to bring horticulture into asking me that question. What the Government owes to horticulture is to recognise its important position mainly in the rural economy and to ensure that the context, the framework in which it operates does not operate to its disadvantage. There are issues relating to regulation and issues relating to taxation which I think we need to look at in relation to horticulture. We have made a temporary arrangement, for example in relation to the Climate Change Levy, which has protected horticulture to some extent and we need to recognise the rather special nature of the way horticulture operates, but we are not going to tell horticulture that there is a whole new tranche of subsidies for you or a whole new area of government intervention which is going to move you further away from the market rather than the rather good relationship with the markets that you have. Because it is a competitive industry and parts of it are subject to quite severe competition from the rest of Europe, horticulture has probably suffered as much, if not more, than other parts of agriculture with the decline of the euro against the pound recently. That is a particularly difficult economic situation but not one I can address directly except by improving the framework in which they operate.

241. I would find it helpful if subsequently, Lord Whitty you might like to flesh out on a piece of paper with more specificity some of the areas you mentioned. You have been kind enough to identify areas where you feel more should be done by your Department and I would be quite interested to know how that agenda is going to be taken forward. I was very interested in your comment where you alluded to the overall economic performance of horticulture because one of the criticisms that has been put to us in the context of this particular inquiry has been for example the CLA told us there was no sign in your new Department's vision of the recognition of the importance that profitable farming plays in a thriving countryside. Would you care to respond to that challenge? Should you revise your vision to give greater prominence to the question of profitable agriculture in the same way that you allude to the need for horticulture to be economically successful?

(Lord Whitty) I would have thought that all our pronouncements on the sustainability of agriculture address that. Every time I address a farming audience which might be sceptical in the same way that your question implies, I say that economic sustainability means profitability means money back into farming.

That dimension of sustainability subsumes the need to get farming in the long-term back to a profitable situation.

242. If that is what you have been saying to farmers, then perhaps the National Farmers' Union remain to be persuaded. They told us they were deeply concerned about DEFRA's failure to give proper weight to the future of farming. They coupled that with comments about the slow response to the Policy Commission. I will come on to that as a separate subject because I think it has enmeshed itself in the announcement of the mid-term review and I would like to take those two items together. Have you had any feedback from the NFU about this particular subject because that is what they have told us? You think you have convinced them that farming is a high priority for DEFRA but they are telling us it is not.

(Lord Whitty) Let me say it is, but it is profitable farming which is operating within a new context and one which some members of the NFU do not fully accept. The NFU operates like most trade associations and trade unions in a way which has both a sophisticated dimension and a crude dimension. The crude dimension is quite often the one that gets in the papers which is effectively saying we need to be profitable, we are not profitable now and therefore government give us more money. As I was saying earlier, that is not the kind of relationship we can have let alone want to have with the agriculture sector. A lot of questions from farmers, including from representatives of farmers, is along those lines. The more sophisticated version of that does chime better with what the government is thinking which is we need more money back into farming, we need a larger share of the value of the food chain going back to primary producers one way and another, we need to ensure that the structure of farming is closer to the market and closer to what the ultimate consumer is prepared to pay for, all of which, as you will know, are strong themes of the Curry Report as is profitability a strong theme of the Curry Report, and we have clearly endorsed that objective.

243. You have been carrying out a further consultation. I know you have travelled the country to take the views of farmers about the Commission. Just so we can get some idea in terms of your future activities, when do you expect DEFRA will give some kind of definitive statement on Curry and will that definitive statement contain a work programme so that we can identify with those bits of the Commission's findings that you wish to be associated with as a Department, how you are going to take that forward or will that agenda be identified by some kind of resource manpower implications? This inquiry is concerned about your future and your activities and it would be nice to be able to say, "This is what DEFRA say about Curry and this is how they are going to achieve it." Will your response be as comprehensive as that?

(Lord Whitty) I intend it to be. The process to which you refer is not so much a process of new-found consultation because the Commission themselves went in for a pretty hefty consultation process. We have said that we support the broad strategy of Curry with one or two qualifications. We

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will try to engage the sectors at regional and national level in the delivery of the Curry consultation process rather than to re-open all of the issues but, nevertheless, some of them need to be defined a bit more and in particular we need, before we reach that definitive statement, to take on board, frankly, the amount the money we are going to get out of the SR 2002 and what is the likely outcome or at least the general direction of the European proposals on the mid-term review. We need those two things out of the way before we can produce a definitive report. The timescale of the definitive strategy will be in the autumn and it will, I hope and believe, contain assessable and measurable items of how far we can progress down that road taking on board Curry's recommendations.

244. Does not the Commission imply two things. Firstly, with Herr Fischler's proposals it is quite clear that the politics of the German elections are going to slow up any meaningful discussion about these particular matters. His proposals contain quite a substantially different model of modulation plus degressivity from the proposals in Curry but they travel a parallel route. Does that effectively mean that what your report in the autumn is going to do is it will pick out the bits you can associate yourself with now and leave the central part of Curry on ice until some time in the future when the Community comes to a decision about the Fischler mid-term review?

(*Lord Whitty*) I do not think it is quite as either/or as that. Of course, the difficulties in negotiations are substantial and elections are always a bit of an inconvenience in this process, but Commissioner Fischler and the Danish Presidency are aiming to get political agreement by the end of year on this package. Okay, we can be slightly sceptical about that but we are certainly working with them to try to make sure we do get to that by the end of the year. There will be details which will have to be sorted out beyond that but we will by the time we produce our strategy be pretty clear how far Fischler's initial proposals are likely to get.

Chairman

245. I just want to clarify this. Even assuming that, let's say, in the Spending Review you get whatever amount of money you are going to get, you could not really announce in the autumn, could you, a Curry package with a ten per cent level of modulation for example, without knowing what the outcome of the Fischler negotiations would be because, as Michael says, they are pushing in the same direction but with different mechanisms. You could not ask farmers to deliver a ten per cent modulation if then they are going to be faced with the conversion of their support into a fixed sum which then becomes degressive with a cut-off point to it. The timings just do not work, do they? It is not an approach, it is saying in terms of the coincidence of the two negotiations, you could not deliver Curry until the Fischler thing has been cleared and that has got to be the first consideration?

(*Lord Whitty*) There are issues of timing and issues of precisely how that dimension of the Curry package and the Fischler package actually work. Both Curry and Fischler are looking at a period, roughly

speaking, two years hence before this new process operates. There is a question of whether it is a compulsory modulation, as proposed by Fischler, or a unilateral modulation, as recommended by Curry, and to some extent as we have already taken the decision to go down that road. The likelihood of the Fischler proposal coming out will partly determine the timing as to some extent, no doubt, will the Spending Review. Whether or not we go down the compulsory modulation or unilateral modulation route is a second order question. Providing we go down the unilateral road, we will produce greater flexibility for how we use the modulated money than is currently the situation. If we do that we do not necessarily need the compulsory modulation as proposed by Fischler. Either way we would be moving money through some sort of modulation propose away from the first pillar to the second pillar. The precise terms of that may not be yet clear in the middle of the autumn but at least the general direction will be clear.

Mr Jack

246. What are you going to do to enable us all to understand more clearly both the effects of Curry and Fischler in terms of what I would describe as the winners and losers' game because in different parts of agriculture and different parts of the United Kingdom some people are going to have to give up something and other people are potentially, in the case of pillar two projects, going to be the gainers and all so far we have had are what I call broad brush, global assessments on the impact on UK farming as a whole. It would be very interesting to know in more detail how these proposals are going to affect different parts of the country and, going beyond the current subsidised sector of agriculture, which will be, by definition, the losers because they will give up something and which people in subsidised or non-subsidised rural development will be the winners. Are you going to provide us as a Department with some meaningful analysis so that we can get to grips with the implications for the UK of the Fischler proposals particularly?

(*Lord Whitty*) We will obviously provide a degree of greater analysis than has been possible so far, but the problem about doing it in the way you describe is that there are swings and roundabouts for individuals as well as whole groups. Farmers who currently are receiving substantial subsidies for production, whether it is sheep or grain, if they adapt their methods as appropriate, they might be losers on that front but gainers on another front so you are not necessarily saying there are whole groups or geographical areas of sectors of agriculture which will be winners or losers. It depends how good and effective particular farmers and particular quarters of land management are.

247. Are you going to be producing any kind of discussion because a document crossed my desk—and I forget immediately who sent it I think it was Harper Adams Agricultural College—which tried to assess the impact on a series of case studies and, quite rightly, they picked up on the point you just picked up on that farmers may adjust their cropping mix to take into account a new set of circumstances. These

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are major changes. Are you going to be doing anything in terms of the request you made for officials to guide you about the line to take when you go to the Council? To negotiate this you are going to have a picture as to these various matrices of movement and impact. Is that something you are going to prepare and is DEFRA planning to make it public so we can get a better understanding of both the modulation impact out of Curry and indeed the similar proposals out of Fischler?

(*Lord Whitty*) Clearly part of the Ministers' briefing as they go into these negotiations will be the differential economic impacts and differential environmental impacts of different potential mixes of the Fischler package. This will be a moving programme during the negotiations, so I suspect that is not document which will be very meaningful to anybody who is not directly involved in the process. Certainly there are economic assessments going on as from today when we got the detail of Fischler as to how that would impact on different sectors of agriculture, and there will be different views from different sectors. There may be different views from different parts of the United Kingdom as to what the balance of advantage is. In broad brush terms then that will be communicated. If you are asking will every dot and comma of the shifts in negotiations be reflected back in a public document, that would be quite damaging to us in negotiation terms and probably impossible to do. At the end of the process there should be something that indicates, "Okay, that is the package we expect to see and that is the impact we expect to see on British farming."

Chairman

248. It will be important for policy because there are some large dairy farms which will find themselves within that 300,000 euro ceiling which at the moment would not be counted towards it. The policies themselves might need changing.

(*Lord Whitty*) I have indicated some hesitations about that particular aspect should that choose to be the position in two minutes' time.

Mr Borrow

249. During the evidence that the Committee have got on this report we seem to have received two batches of ideas. We have had comment from the CLA and from the farmers saying the new DEFRA is ignoring farming and Michael Jack referred to that. We have had a number of other organisations that have made a comment and if I read a quote from CPRE, which is typical of many we have received, it says, "This will be a particular challenge given the cultural 'inertia' that appeared endemic in the former MAFF and the dominance of staff, in terms of numbers and resources, focused on the agricultural sector." There seems to be from many organisations the perception that DEFRA has not really changed from the old MAFF with another brand name focused on agriculture, yet from some of the farming lobby perception the new DEFRA is very new and is ignoring farming. What do you think is the correct perception for the Committee to arrive at at this point in time?

(*Lord Whitty*) I think the correct perception is that if they both feel that at this point in the process then clearly we are taking a fairly balanced approach to this. The fact that none of them see quite where we are getting to means that the process is relatively new. I read the whole of the CPRE evidence to you and glanced at it and it did start out by saying there was a clear sense of direction from the top but their concern was that this not reflected through the organisation as a whole, which I think is fair. I think it is also true that a lot of farming elements do not relate easily to a department which is no longer a department for farming. I think the more progressive amongst the farmers recognise that was not possible to maintain in any case and it is situation to which they are going to have to adapt. As to the internal culture, there are structural and superstructural lags no doubt but we have given for the ministerial and management board level a pretty clear sense of direction. We want that broader department. We want those who are very heavily involved and focused on agriculture to take a broader view. We also want those in other parts of the Department to recognise the importance of farming in delivering our broader objectives.

Mr Mitchell

250. People are getting fed up with the Common Agricultural Policy because every party at every election promises fundamental reforms of the Common Agricultural Policy and nothing ever happens. I just wonder what DEFRA's position is. Does it have a fall-back position or an alternative approach which can be urged on Europe because each time we get even a moderate reform from the Commission, like Agenda 2000, it is promptly vetoed by Chirac at the Berlin Summit and then this morning on Radio 4 I wakened up to Commissioner Fischler proposing a quite sensible reform package and then somebody with a French accent coming on saying, "It is a load of rubbish and it will not work," and we are clearly back in cancellation mode again. Here we are mutely hanging on with no alternatives of our own, sitting there awaiting the outcome of these struggles in which sense and reform have always lost out in the past.

(*Lord Whitty*) I think there are two, possibly three, changes in the situation which are going to make a complete French veto of these propositions very difficult. The first is that the looming prospect of enlargement is going to put a serious strain on the Common Agricultural Policy as is. The budget cannot sustain simply transferring the Common Agricultural Policy to Poland and other countries in its present form. At roughly the same time they are going to have to try to reach agreement on CAP reform, they are going to have to take a decision on enlargement. You cannot have compatible decisions—you can but not on such a big issue as that at a European level. The second is within the WTO although there are elements in Europe using the United States' Farm Bill, which is pretty much a disaster for those who want a more liberalised world trade, as an excuse for saying liberalised agricultural trade is never going to happen. I do not believe that to be the case and the Americans will be committed to liberalising trade and you have got to have a WTO

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trade negotiation pretty much advanced during the course of this year and that will involve a removal of production-related subsidies. Part of what Fischler is about is to take the kind of subsidies which the EU give at the moment, which will be out of compliance with the WTO, into an area of general support for rural areas, which would not be out of compliance with the WTO, quite apart from the need to reduce the total burden. Those two are huge issues which we are coming up against the rocks on. The third is that, despite President Chirac's position in the French elections and so on, across Europe and across political parties in Europe there is a view that the electorate will not sustain much longer the direct subsidy of farmers and that in the long term, if we are to continue to support the farming industry in land management, it has to be on a much broader basis than has been the position in the past and not a subsidy for production. That probably applies more in the Northern European states than the Southern European states but even in states like Italy and Portugal there is some recognition of that direction as well. That will not click in as soon as the other two but it is an important perspective on the views of the other Member States as well as the UK. Therefore I think the situation is qualitatively different. I would accept, however, the issue is how fast but I do not think the issue is any longer what is the direction. The direction will be along the lines that Fischler is proposing although some of the details will be argued about. Hopefully, from the British point of view, certainly from the DEFRA point of view, a significant amount of that will be achieved through the mid-term review. If it is not in the mid-term review it will be in 2006 and it will be more complicated to do it then because of enlargement. That is the direction; it is only the question of pace with which that is produced. So there has been a sea change over the last 20 years. It is the nicest thing I have ever heard Mr Fischler say about the European Commission.

251. That is right—and I hope it is—but it does mean that our negotiating position is essentially Fischler's. We do not have an alternative or a fall-back position. We are not proposing to up the ante by putting forward a strong alternative or mobilising, for instance, consumers across the Community against this monstrosity.

(Lord Whitty) If you are saying do we have a complete plan B if this completely stalled—and my last answer said it will not be stalled; it may slow down compared to what we would like but it will not stall—part of plan B in any case is the Curry Commission. Even within the present mechanisms (very marginally adjusted) of the Common Agricultural Policy we can do a lot and that is what Curry was telling us we could do, and therefore we do in that sense have a plan B. But plan B is in the same direction as plan A.

252. Let me move on to the other monstrosity, the Common Fisheries Policy and DEFRA gives us platitudes on that. It says "a reformed Common Fisheries Policy giving a sustainable future for our fishing is a key concern", which is right on, passionate stuff but what progress has been made with building up alliances with other states to reform

the CFP in the way we like it to go, which is often very different to where Spain would like it to go or even Denmark would like it to go?

(Lord Whitty) I think the proposals on the CFP review were to a large extent in the direction in which we would wish to move and they were of course blown out of the water by the Spanish Presidency. Before they got to that point there was a majority, probably not quite a QMV but a majority of Member States supporting that view and it was only the Spanish Presidency that stopped something like that being adopted. We have had recent discussions with the Danish Presidency and although there are respects in which the Danish fishing interests are not quite the same, in general the Danish Presidency want to try and resolve this one and I think therefore we are still on course, if not exactly on time, in producing a fairly fundamental reform of the fisheries regime as well. It is, as you are only too well aware, one of the substantial disaster areas of the management of the EU and we put a high priority on getting it cleared up, regrettably too late for many British fisherman and some fish stocks. It is something we do give big attention to.

253. The worry would be again while we have got devout wishes we do not have a clear alternative set of proposals and just as fishing now seems to be relegated to a minor part of DEFRA's interests and preoccupations so when it comes to the British Government's preoccupations it is an even smaller and less important thing and one on which the Government is always inclined to make concessions to gain ground in other areas. Whether it is asylum speakers or an argument over regulations, fishing is always the card that is sacrificed.

(Lord Whitty) I do not really accept that. It was not a negotiation during the Spanish Presidency; the Spanish Presidency effectively just blocked it. It was not there was a tradeoff or anything else. Most of the difficulties on the fisheries front have been within the Fisheries Council itself; they have not been traded off against other things. I think to some extent the proposed changes to put fisheries and agriculture together will release us from that solely fishing interests' determined approach to fisheries, but it is also true that if we do not get agreement on fisheries then it is very difficult to see what the direction of the British fisheries communities will then be because they are being seriously squeezed at the moment and unless we adopt a general approach to stocks both the environmental and economic effects will not be good. When you say it is a small part of DEFRA's responsibility, in some areas it is a very big part of DEFRA's responsibility and a very big part of the devolved administrations' responsibilities as well. Both the communities and the management of marine resources feature quite large on our agenda.

254. That is true certainly but the worry is it is being abdicated to the devolved department in Scotland which is playing a much more active role in defending fishing and supporting fishing. There was £25 million provided for decommissioning there compared to £6 million for the fishing industry here, which is only half as big as the Scottish industry, and indicates a different sense of proportion and a more strenuous pursuit of the interests of fishing in Scotland than by DEFRA?

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(Lord Whitty) The fisheries industry in Scotland does loom larger on the political horizon than in England, that is undoubtedly true, but that does not mean proportionately we do not take consideration of the interests of fishery communities and their future. I have seen figures which suggest—and I cannot quote them directly to you—that the balance of the sums of money given in Scotland and England are closer than the 25:6 would suggest because of the nature and age and size of boats in Scotland compared to England. I would not like to go much further on that but I will provide you with some information that I hope sustains that argument. It is certainly true that fisheries is a bigger political issue in Scotland than it is in England, that I would accept. What I do not accept is that DEFRA have lost sight of it.

Mrs Shephard

255. Could we turn to the question of food. The British Retail Consortium said: “The importance DEFRA placed on the promotion of a competitive and integrated supply chain which is responsive to the needs of consumers is welcome.” Talking of platitudes, I wonder what you think that means?

(Lord Whitty) It probably means more or less what it says, that the food industry, at least most of the food chain is in a competitive situation, both in terms of internal structure and internationally.

256. I am sorry, I just do not understand that statement.

(Lord Whitty) It means that we want to see it succeed as a competitive industry and that insofar as there is a government role in this we will help it to succeed in a competitive sense. I imagine that was why they welcomed it.

257. How are you going to do that?

(Lord Whitty) There are a number of respects in which we need to ensure that, for example, regulations adopted in Europe do not differentially hit the British food sector. There are some areas of concern in that regard. We provide as far as possible that the structure of the food industry is a competitive one and that the export opportunities are given support from the various Government agencies relating to exports. Really the non agricultural part of the food industry is a very big employer and a very big investor and a very big contributor to the GDP but the relationship between us and most of the food industry is not any different from the relationship, say, of the DTI with the engineering industry. We want to see a free market thriving industry which is internationally competitive and provides what consumers want. That is really all that means and it is the relationship the industry want with us.

258. It seemed to us, certainly, when we were taking evidence from other organisations, and in particular the retailers, that your new organisation, which is to do with the supply chain, would help educate consumers. Is that your vision?

(Lord Whitty) It is part of it, yes. Part of the Curry Commission Report is that we should look at the food chain as a whole and look at inefficiencies and lack of transparency in the food chain would both

help us eliminate economic problems in it and also ensure that the various stages of the chain could see what the reality of costs and quality was, and that particularly involves the consumer. Curry was concerned, very clearly, with quality indications to the consumer. Sometimes there was confusion from the various assurance schemes and the various labelling schemes and it made certain recommendations to try and tidy that up to the benefit of British produce.

259. When we talked to the retailers they were quite enthusiastic about consumer surveys that they had done. They were rather modest about the size of the surveys, in other words rather modest about whether or not we could take them seriously, but they tried to tell us that their consumers were overwhelmingly concerned with supply chain issues rather than price. Would that be your impression?

(Lord Whitty) I think what the consumers are interested in is value for money, they are not interested necessarily in going to the lowest common denominator and the lowest price.

260. What evidence do you have for that statement?

(Lord Whitty) I think the National Consumers Council and others would identify what they want is quality for quality and they want the cheapest and they are not necessarily all going to go to the lowest common denominator. Therefore the issues of quality and provenance and the conditions in which it is produced are important in some senses to consumers and in certain segments of consumers they are very important.

261. How important is provenance actually to the average consumer?

(Lord Whitty) I am not sure there is an average consumer. I think part of the problem is there are segments of consumers, if you take, for example, the growth of organic demand, there is clearly a segment of consumers which wants to see—

262. Six per cent of consumers

(Lord Whitty) No, more than that.

263. That was the figure we were given in this Committee.

(Lord Whitty) It is a different figure from the one I have seen, it is less than 20 per cent.

264. Quite a bit less.

(Lord Whitty) That is a segment of consumers which has led to a change in the supply chain and the way in which the retailers promote their goods, quite a significant one. There are other relatively small segments, but they all add up, which are concerned with provenance in the sense of where has it come from. Do they want British meat? A very large proportion of the consumers will say “yes”, they will then put in a slight qualification of price but they would be prepared to pay some premium for British meat and want to see British meat on the shelves, for example. There is another sector which is concerned about the conditions in which the animals are kept and want to see some free range eggs, for example. All of these things mount up to some dimension of quality concerns beyond price which a lot of consumers have. It is true, also, that most consumers know about nutrition to varying degrees. One of the

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sad reflections, if you like, on our population is that the FSA survey shows 80 per cent of people know, broadly speaking, what they should be eating and only 20 per cent do.

Chairman: Is that not wonderfully reassuring.

Mrs Shephard

265. I think so. In a sense the Minister is making my point. The point I am trying to make—and we got very unsatisfactory answers from the retail consortium to be honest and from the individual retailers who were clearly making their pitch for their caring qualities—and what I am interested in is quantifying how much interest there is in provenance as opposed to price? How much interest is there really? What percentage are we talking about of people who are interested in rearing conditions and all those sorts of things as opposed to price? Certainly the retailers did not give me satisfactory answers and I wondered, given your answers are quite vague but optimistic, you seem to have some notion, is there any satisfactory quantification?

(Lord Whitty) There is not an overall satisfactory quantification. There are a lot of surveys by the retailers themselves, by the manufacturers as well, mainly by the retailers though, by the FSA and by the National Consumers Council, all of which point in the direction of saying there is some significant element which goes beyond price in making a decision. I think part of the problem, in fact, is that one day we do and one day we do not. It is not as if there are 20 per cent of the population who are looking for high quality good provenance goods but when we are rushing at a lunchtime meal we take one decision, we go for the cheapest and most convenient, and when we are organising a dinner party on a Saturday night we take an entirely different view. I do not think there is a totally segmented area of the population. There is one area that we do have to pay particular attention to, which in a sense is segmented, which was referred to in the Curry Report and more particularly by the Consumers Council, which is the very low paid groups which (a) probably do have to go by and large for price and (b) probably live in areas where a range of choice is not accessible anyway. I do think there is a social dimension to this but in general people behave differently at different times. Therefore it is not easy, like “who are you going to vote for”, you behave differently from one day to the next.

266. I think that is a realistic answer. It would be nice if we had more of them, not only from Ministers but from all those who talk about the future direction of food production and interests and fortunes of food consumers in this country. Of course we want consumers to demand the best and to demand British produce but nobody has yet been able to give me any evidence which has satisfied me that they do. I have another question which is this. The British Retail Consortium calls for further definition of DEFRA’s role as food retail sponsor to promote clear mutual understanding between food retail in Government and whatever. What is DEFRA’s role as a food retail sponsor?

(Lord Whitty) We are the first line Government Department for concerns about Government policy as a whole for the retailers to come to. In that sense, again, we are no different than the Treasury sponsoring the insurance industry or DTI sponsoring the engineering industry. We are their first port of call in Government. The nature of our sponsorship will vary a bit across the sectors but depending on the degree of regulation, the degree of international trade and so on. Essentially it is no different but it is one which has been—because of the specific ministry—closer, even though the food end of the chain generally deny it, than has often been the case between the broad bulk of manufacturing and retail with the DTI but that is one of mutual understanding rather than any particular quality indications.

267. There appears to be a conflict between your role as a food retailer sponsor and your role as a sponsor of food producers, if you like. We were given one of the most striking statistics on this Committee that really impressed all of us and it was this: five years ago only four to five per cent of all chicken consumed in this country was imported and now it is 40 per cent. How do you resolve that conflict between your role as a food retailer sponsor, and that is clearly the desire of the retailers, and the chicken producers? Is there a conflict? What do you do about it? Does it matter? Especially given the assertions, and you have only mildly joined in on them, that people are very, very concerned about provenance.

(Lord Whitty) I think that there is a conflict within the food chain and one that if part of Government policy is to ensure that we have production facilities for most areas of domestic agriculture retained then it is one that we think should be addressed by the food chain as a whole, which is why we are backing and trying to generalise the Code of Practice that the OFT introduced for the large supermarkets, to make that more general, and looking at toughening it up if necessary. That is why we are also looking at the inefficiencies within the food chain. At the end of the day there are some economic realities here. If, on the one hand, British farmers are not getting a price which allows them to survive and, on the other, the retailers are able to get chicken to the same standard coming in from abroad, which is a separate point, then we know what is going to happen. There are two answers to that. Our answer is we try and improve the quality of British production and encourage British producers to go into the value added markets. We will not be able to compete if we treat chicken as a commodity without adding various forms of value to it and the farmers will not either. There is a degree to which we have to focus. If I take the analogy of engineering again, by and large we have had to focus in those surviving areas of engineering on the high value added products. I think there is a lesson there in relation to farming and food production as well. At the near commodity market we will not in the long run compete in Britain, nor indeed in Europe as a whole, so we have to go a bit upmarket. That is not an immediate answer but that is the sense of direction we have to give to the primary producers. In getting there we also need—I think I would not mind using the term “equitable”—a more equitable relationship between the primary producers and the big

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processors and the big retailers and, indeed, the big caterers. We tend to target the supermarkets but actually 40 per cent of our food comes through catering and institutional food which tends to be of a higher import content and probably lower quality. It is there that there has been a big squeeze on our primary producers. This is partly what the Curry Commission was referring to and why we have set up the Food Chain Centre and why we have looked at better collaboration between farmers and other elements in the chain because you have to change the economic balance within the chain a bit as well as trying to get rid of the inefficiencies within the chain. There are some quite difficult points here which Government would like to give a steer to but at the end of the day the industry is going to have to sort it out. We will give a bit of help to farmers and a bit of help on the transparency of it and a bit of help in ensuring we are dealing with quality but at the end of the day this is an industry problem that Government can do relatively little to determine and influence.

268. I am interested that you come to that conclusion at the end because if that is the case and that is your view and this is the situation with the poultry sector, which after all is not a subsidised sector, what is the point? As far as I can see almost everybody we have taken evidence from has been mouthing these platitudes about people being interested in provenance and the quality and all of this stuff but they are not, that is it, and you have not been able to answer the question in any way.

(Lord Whitty) If we go back to that, that is not incompatible at all. If they are looking for a decent bit of chicken, they are looking for—

269. They are not asking how has it been reared and has it travelled 5,000 miles.

(Lord Whitty) Some of them are.

270. They self-evidently are not.

(Lord Whitty) Some of them are and some of them are occasionally.

271. Where is the proof? If five years ago we imported four per cent and now we import 40 per cent surely that drives a coach and horses through what you are saying.

(Lord Whitty) No, it does not because there is still a decision to be taken every day when you go into the supermarket: are you going to go for the top of the range chicken or are you going to go for the cheapest bit? If you are looking at the cheap range then you are going to take the cheapest of the cheap. If you are looking at the quality range you are probably going to take the cheapest of the quality. In some cases that will be British and in some cases it will not. People take different decisions, different people take different decisions and the same people take different decisions on different days.

Mrs Shephard: The statistics speak for themselves.

Chairman

272. I am going to take a couple of decisions in a minute. Two last questions, Lord Whitty. What are your priorities on research?

(Lord Whitty) DEFRA is the second biggest Government spender on research and there is a real question as to what the balance of that should be. I

think some past decisions are questionable in that respect. One of our priorities, which is generally agreed, would be to do more horizon scanning research and try and look at where technology and industry and production are going to be in ten or 20 years' time and how we ought to get the industry in a regulative structure to that position. We do need to shift more into that long-term research. We also, regrettably but necessarily, will probably have to ensure a very adequate level of research to avoid disasters, or at least to make us better able to cope with disasters, and obviously the most acute of that is animal health. There are other areas of environmental problems where more research is needed in terms of being able to deal with the problems of potential disaster. Neither of those are obviously financed from the private sector and, therefore, there is a big Government role in that area. I think because of the nature of the agriculture sector and the horticulture sector and its largely fragmented role there is still a role, probably a reducing one over time, for trying to support that industry in keeping up with world technology because I think any individual firm is unlikely to be able to finance it and we do not yet have the collective mechanisms for the private sector financing it. I think that will be a diminishing role over time. If you are talking about scientific areas then I think there are some important centres of excellence issues we need to keep up: climate change, horticulture and botanical research, because we are responsible for centres of excellence in those areas, and there are other areas where the changing technology means that we are going to have to perhaps fund more research in those areas and less in the traditional production areas in future. Some of those are social. We have very little research based on the rural communities, the rural economy.

273. The 250 million figure is slightly misleading because about half of that is monitoring, is it not?

(Lord Whitty) Yes, it is monitoring. There are two sorts of monitoring. Some of it is monitoring directly in relation to regulatory powers and some of it is monitoring our disease status or our flood status or whatever in our management of disasters role, if you like, or avoidance of disasters preferably. Some of that scientific effort is directly for those purposes. It is still a big proper research budget and it is still one that we need to look at carefully as to how we change the balance and also probably how we deliver it.

274. But it is important that your research expenditure should be directed towards the delivery of your broad policy aims, is it not?

(Lord Whitty) Indeed.

275. That it should be joined up, to use a well-known phrase.

(Lord Whitty) It is also important that one of our policy aims is to maintain an excellence of science in these areas, some of which is funded directly by us, some of which goes through the universities and private sector.

276. A final question. If you look at your annual report there is an absolute constellation of quangos and bodies, many of whom have been around for quite a long time. Do you not think that now and again there should be a systematic policy of culling and reorganising, deciding whether they are still

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serving any purpose whatsoever, that there should be a ministerial order that says every year at least ten per cent should be abolished? How often do you review to see whether they are still doing what they are supposed to do, whether they are constituted to do what they are supposed to do, whether they are engineered to do what they are supposed to do and whether what they do is satisfactory?

(*Lord Whitty*) Well, at the moment, of course, most of them are agencies so we review them every five years and most of the NDPBs as well. Of course, that does tend to look at them as individual entities rather than, if you like, look at the constellations. I think there is something in the view that certainly we should look at all the scientific agencies and quality agencies together, which we are doing now, and likewise probably we should look at all the countryside and related areas together as to how we deliver our objectives. That does not necessarily mean that the objective is to reduce the number, it is to reduce the overlap and focus the effectiveness of them. There may be some conclusions that at present the present status is not necessarily the most appropriate. In some ways MAFF is slightly behind the rest of Government in the way that it deals with some of its agencies.

Chairman: Mr Jack wants a final sting in the tail, as it were.

Mr Jack

277. You have developed, if I may say, Minister, a delightfully conversational way of answering many of our questions which indicates what you would personally like to see. You said in response a second

ago to the Chairman's question "Well, yes, I think we should look at these agencies". Are these "we should" that you have given us in many of your quite candid answers to us going to be crystallised into something—now the Department is, if you like, coming out of the implications of foot and mouth and can see with a year or so under its belt more clearly where it is going—with the sharpness that we might be seeking to turn these aspirations into plans? You have produced, for example, recently two documents full of some wonderful phrases, high minded aspirations. What we are searching for are the specifics. Is there going to be volume three with the "this is what we are going to do" answers in?

(*Lord Whitty*) I trust there will be several volumes in the areas of policy, not too lengthy volumes but which will say exactly that, what we are intending to deliver and what we have delivered. I think it is important that we do focus on delivering those. Very much the developing DEFRA programmes, management performance priorities within DEFRA and Minister's priority is to turn this into delivery. In so far as you related that to the previous question then in relation to assessing the science agencies, we are engaged already in that process.

Chairman: Lord Whitty, gentlemen, thank you very much indeed, we have had a couple of hours, longer than that really. You have padded up with great effectiveness, and I come from the county of Boycott. You have been extremely helpful to us and we are most grateful to all three of you.

**Supplementary memorandum submitted by Lord Whitty, Minister for Food, Farming and Waterways,
Department for Environment, Food and Rural Affairs (G 28b)**

When I gave evidence to your Committee on 10 July in connection with your inquiry—The Role of DEFRA—you asked me to provide two pieces of supplementary information. You wanted to know the cost of the DEFRA stand/display at this year's county shows and how many times the Ministerial Sub-committee on Rural renewal (DA(RR)) has met and discussed in the past year.

The DEFRA stands being used at this year's agricultural shows were designed and built by two companies, Sabre International Exhibitions and Sasex. In both cases the stands are not new, each having been used at events during 2001. The contracts for this work were awarded following an established process of competitive tendering. While the costs involved are a matter of commercial confidentiality they are in line with commercial rates that Government departments would expect to pay for stands of this sort.

I regret that I am not permitted to be as helpful to the Committee as I offered to be in responding to questions 236–7. My officials have rightly reminded me that, in accordance with the practice of previous Governments the frequency of meetings and the detailed agenda of Cabinet Committees are confidential.

26 July 2002

APPENDICES TO THE MINUTES OF EVIDENCE

APPENDIX 1

Memorandum submitted by the British Retail Consortium (G1)

INTRODUCTION

The British Retail Consortium (BRC) represents the whole range of retailers including large multiples, department stores and independent shops, selling a wide selection of products through centre of town, out of town, rural and virtual stores.

In December 2001, the retail sector employed some 2.8 million people¹ and retail sales were £221 billion 2001². Grocery retailing is equally significant in macro economic terms and was valued in 2001 at £99.8 billion³.

The spectrum of government departments, non-departmental public bodies and directorate generals of the European Commission the policies of which impact on the retail sector is considerable. BRC therefore welcomed the change in structure which amalgamated environment, food and farming policy as in principle, this promises better opportunities for “joined up” Government and in time a better understanding of the impact of proposals on the retail sector.

We also welcomed the importance placed on the promotion of a competitive and integrated food supply chain which is responsive to the needs of consumers. UK grocery retailing relies heavily on the domestic supply base and, where possible prefers, to source from within the UK. However our primary focus must be to meet the needs of the British consumer and the importance of the global supply base must be recognised in this respect. While retailers are willing to work together and with other food chain partners on non-competitive food chain issues, food retailers are instinctively competitive. To survive in the market they must provide real value for money to the consumer and to respond faithfully to his or her changing demands as a primary and overriding objective.

It is difficult to comment definitively on DEFRA’s performance after only 12 months of operation, particularly given the unforeseen consequences of the Foot and Mouth Disease outbreak which has been dominant over the past year.

We can however offer the following comments and hope that they will be useful in the Committee’s Inquiry.

Is the vision set out by the Secretary of State appropriate and what progress has been made towards that vision?

The BRC supports the aims and objectives of the new Department and on balance believes it has a sound appreciation of the importance of preserving economic viability while pursuing environmental sustainability goals.

ENVIRONMENT

In May 1999 Government published its strategy for a UK sustainable development programme entitled “A better Quality of Life, a Strategy for Sustainable Development in the UK”. This called for concerted action by business sectors, encouraging trade associations to develop sectoral sustainability strategies. The retail sector was one of the first to publish a strategy, joining the Sustainability Pioneers Group with likeminded trade associations committed to developing sectoral sustainability strategies. BRC is currently investigating the extension of its retail sustainability strategy to cover food as part of its response to the Curry Report.⁴

However, retailers feel that there have been times where the important partnership between industry and Government has not been fully exploited. Closer involvement with the retail sector could have provided important early warning signs during negotiations on the Ozone Depleting Substances Regulations that would have highlighted problems with implementation. Had industry concerns been acknowledged the resulting fridge mountain may have been avoided. The DTI retail sponsor function played no role in helping to make the retail case which leads us to question Government’s ability to think across departments and again to suggest that a greater examination and definition of the sponsorship role takes place.⁵

¹ Labour Market Trends, National Statistics.

² SDM28 Retail Sales, National Statistics.

³ IGD.

⁴ Towards Retail Sustainability—Protecting our Environment for the future—BRC.

⁵ The pioneers group is a joint initiative from the Sustainable Development Commission (SDC), DTI and DEFRA providing a forum for the exchange of best practice amongst around 20 organisations.

FOOD CHAIN ISSUES

Much of food retail's relationship with DEFRA has been dominated by the outbreak of the foot and mouth disease in the UK. FMD created significant operational problems for the food retail sector, not least in distributing food to Northern Ireland. If we have one criticism to make of the Department it is that it tended to view the crisis solely as an animal health issue and not one which also had the potential to undermine consumer confidence in food safety and to disrupt the supply of food to the consumer.

The BRC also welcomes the increasing Government recognition of food retail as equal partner in an integrated food chain. We welcome the recent enhancements to the Food Industry Division and in particular the creation of a special responsibility for food retailing. While we are optimistic that the division will help ensure that the concerns of food retail are heard across Government, we note that at current staffing levels this will be an ambitious task. As an interim suggestion, we would welcome the introduction of a more formal programme of secondments between Government and food retailing to ensure that officials are given the opportunity to witness first hand the practical impact of policy making. The BRC would be happy to co-ordinate such a programme. Certainly, in crisis situations, it is important that DEFRA look for the experts in issues to help them, even if they come from industry. It is also important that the communication channels for issues are clear. During FMD for example it was difficult to get through to key staff. For food retail it is important to have queries dealt with so we are in a position to reassure customers.

As regards the role of DEFRA as the food retail sponsor, we believe that this area would benefit further definition to promote a clear mutual understanding between food retailing and Government.

RURAL ISSUES

BRC has had little contact with the Department during the development of the rural agenda. This is regrettable given the potential for retail-led regeneration in rural areas. We look forward to developing a closer relationship with the department in this area in the coming year. We believe that the option of moving responsibility for rural development from DEFRA to the Department for Local Government and the Regions may have some merits. It could then be considered alongside the strategy for the regeneration of urban areas.

Is the Department engineered to deliver its objectives?

ENVIRONMENT

We have mixed views about effectiveness of the DEFRA structure. In principle the amalgamation of farming, food and environmental policy should create opportunities for joined up Government. However in reality, on the environment side we feel that in recent negotiations the department has displayed a lack of understanding of the practical impact of proposals on retail. Industry has already expressed concerns over the possible implications of both the Landfill and Waste Electronic Equipment Directives. While the transition of European policy has been well tracked by officials, the lack of understanding of industry impact and practical measures required for implementation has once again been disappointing.

FOOD CHAIN

For food retailers the biggest challenge of recent and future times is to respond positively to the recommendations of the Curry report. The Committee should be aware however of overlaps in policy responsibility between Government bodies which will have a bearing on our response. For example the Food Standards Agency is currently working on consumer expectations of farm assurance schemes which we will need to take into account. We raise this, as in the past, we feel that early cross Government working between DEFRA and FSA could have improved the way issues have been dealt with. For example, earlier involvement of the Food Standards Agency during the FMD outbreak might have created a greater awareness among officials that FMD had the potential to undermine consumer confidence in food safety and was not simply an animal health issue. Nutrition is another example of an area where DOH, DEFRA and FSA have a stake. In handling all these issues it is important that the sector not only sees joined up Government, but also clarity of response.

Finally on the question of structure we would underline the importance of policy decisions driven in England being co-ordinated as far as possible with the devolved administrations of Scotland, Wales and Northern Ireland. Part of the success UK retailing can be attributed to its centralised/national approach to business which has afforded new efficiencies and economies of scale. These economies can be undermined if opportunities for synergy between territories are overlooked.

May 2002

APPENDIX 2

Memorandum submitted by English Nature (G2)

1. EXECUTIVE SUMMARY

1.1 The DEFRA vision is good, but service delivery has been patchy in some areas and organisationally it remains too process driven. It must become more outcome focused. Its programmes, activities and staff/financial resources need to be re-aligned to deliver the vision, aim and objectives.

1.2 DEFRA needs to develop its culture to become a service orientated organisation, less risk averse, more outward looking and innovative in its policy making and ways of working. It should be more open to using and trusting its agencies and NDPBs in contributing to policy development and delivering its objectives.

1.3 DEFRA has made some welcome efforts to be more open and inclusive but it must extend its range of partnerships to achieve sustainable agriculture rather than maintain its traditional focus on established partners such as the NFU, CLA and the agri-food business.

2. INTRODUCTION

2.1 English Nature is the statutory body that champions the conservation and enhancement of the wildlife and natural features of England. We do this by:

- advising—Government, other agencies, local authorities, interest groups, business, communities, individuals;
- regulating—activities affecting the special nature conservation sites in England;
- enabling—others to manage land for nature conservation, through grants, projects and information; and
- advocating—nature conservation for all and biodiversity as a key test of sustainable development.

2.2 In fulfilling our statutory duties we:

- establish and manage National Nature Reserves;
- notify and safeguard Sites of Special Scientific Interest (SSSIs);
- advocate to Government departments and others effective policies for nature conservation;
- disseminate guidance and advice about nature conservation; and
- promote research relevant to nature conservation.

2.3 Through the Joint Nature Conservation Committee, English Nature works with sister organisations in Scotland, Wales and Northern Ireland to advise Government on UK and international conservation issues.

2.4 We welcome this opportunity to comment on the role of DEFRA. Our response is framed around the questions posed by the Committee.

3. WHETHER THE VISION FOR THE DEPARTMENT IS APPROPRIATE

3.1 The vision set out in “Working for the Essentials of Life” is sound and the supporting aim and objectives are clear, transparent and fit for purpose. We were consulted in developing the vision and we strongly endorse it. Placing sustainable development as the overarching theme of the vision, aim and objectives is the right basis for planning all of DEFRA’s work and should ensure that the Department’s broad range of economic, social and environmental responsibilities are fully integrated.

3.2 Some notable examples of progress towards achieving the vision include:

- international leadership on recent climate change and world trade negotiations, and in the preparations for the World Summit on Sustainable Development in Johannesburg;
- robust and effective engagement with the EU Commission to develop proposals for reform of the Common Fisheries Policy;
- integration of sustainable development reports as part of all Departments’ SR2002 bids to Treasury, although we believe these reports should be published in future and used to inform the Government’s Annual Report on Sustainable Development;

- preparation of a draft DEFRA Sustainable Development Strategy (March 2002) to start the process of embedding sustainable development within the Department; and
- strong support from the Department, close personal involvement of the Environment Minister and provision of additional funds to enable English Nature to achieve a negotiated cessation of peat extraction from three internationally important SSSIs.

3.3 There are clear links between DEFRA's vision, aim and objectives and Public Service Agreement (PSA) targets, but policy making within the Department does not yet appear to be fully integrated and we believe it has some way to go in aligning its programmes, activities and staff/financial resources in a prioritised way to deliver its aim and objectives.

3.4 The sheer weight of consultations during the Department's first year caused some concern and confusion, adding to the impression that new policy initiatives are not joined up. However, we warmly welcome the efforts made by DEFRA to consult more openly with stakeholders and partners, particularly in developing its vision, aim and objectives, through the Agri-Environment Review (see case study 1), the Science in DEFRA initiative (see case study 2) and in its consultation on the draft DEFRA Sustainable Development Strategy which was facilitated by Green Alliance. This signals a very positive change from the former MAFF culture.

3.5 We would like to see more evidence that DEFRA is developing practical approaches to implement the vision, becoming more outcome focused, less risk averse and more fleet of foot. There has to be greater willingness to implement change in a shorter time frame thus maintaining the momentum behind Ministers and senior officials working so hard to secure changes at EU level.

3.6 The culture change sought has not yet pervaded all parts of the Department. This has been typified by the sluggish response to the opportunities for change presented by the report of Commission on Farming and Food (the Curry report) and the National Sheep Envelope (case study 3).

3.7 Inertia led to a six month delay in developing a coherent policy response to the Curry report proposals. DEFRA must not "cherry pick" from the Curry report and should ensure integration with other programmes that might be affected by too sharp a focus on its proposals, for example tackling diffuse pollution, water and flood management. We hope that the proposals emerging from the consultation on "Sustainable Food and Farming—Working Together" will signal an integrated approach with a clear action plan and desired timetable for delivery set against the resources likely to be available under SR2002.

3.8 In contrast, we believe the "Safeguarding the Seas" marine strategy (May 2002) produced by the Water and Land Directorate was a good example of objective, evidence based policy making, developed through an open process which engaged other Departments, NDPBs, voluntary conservation organisations and industry. It builds on the aim and objectives with:

- clear, evidence based (albeit somewhat optimistic in our view) analysis;
- long term, hard targets;
- policy proposals that are tied in to spending decisions; and
- an ecosystem based approach set in a context of sustainability.

3.9 Overall, we would like to see wider adoption of an ecosystem based approach to policy making, and more evidence of horizontal integration between Directorates (particularly Water and Land, Livestock Products, Land Management and Rural Development, and Wildlife, Countryside and Flood Management) at Grades 5–7 internally and with their counterparts in other Government Departments.

3.10 We believe DEFRA needs to continue to develop a broader range of partnerships to secure delivery of its policy objectives. In some parts of the Department there still appears to be a preference to work with the traditional partners such as the NFU, CLA and agri-food businesses, and a reluctance to establish new relationships with a broader range of stakeholders who can contribute to the development of sustainable agriculture. At a recent seminar held by the Department on the environmental impacts of the sugar regime English Nature was the only non-farming organisation involved (see case study 4).

3.11 An example of where the Department is doing better is the current joint working with the Environment Agency and English Nature to develop policy mechanisms and practical approaches to address diffuse pollution from agriculture.

3.12 Over next the 12 months we would expect to see DEFRA:

- aligning its resources behind the vision, aim and objectives (apparently this was done for the DEFRA SR2002 sustainable development report to Treasury, but the result was not published or made available for external scrutiny);
- developing deeper and broader intellectual and practical partnerships with its agencies, NDPBs and other partners to help deliver its vision, aim and objectives;
- implementing a performance management system for all Directorates and Divisions and reporting annually on progress against the aim and objectives, PSA targets and the business strategy set out in "Working for the Essentials of Life".

4. WHETHER FARMING, FOOD, ENVIRONMENTAL AND CONSERVATION CONCERNS, AND RURAL AFFAIRS ARE EACH GIVEN PROPER WEIGHT BY THE DEPARTMENT AND WHETHER THE DEPARTMENT IS ENGINEERED TO DELIVER ITS OBJECTIVES

4.1 The Department is well led and has a strong Management Board, including non-Executive Directors. There are good, clear links between the Ministerial portfolios and the functions of the Directorates General.

4.2 A greater sense of strategic direction and determination to succeed now needs to permeate throughout the Department. This will require staff at Grades 3-7 to provide leadership, solutions and mechanisms to enable DEFRA to deliver its vision. We believe the Department needs to invest in culture change and a senior staff development programme to facilitate this transition.

4.3 English Nature has seconded three Grade 7 staff into DEFRA, but there has been no reciprocal movement the other way, despite several opportunities being offered. We believe that partnerships and shared understanding with DEFRA, and the competency of its staff would benefit from more secondments into its agencies and NDPBs.

4.4 We see little evidence of staff resource shift within DEFRA to achieve its vision. When the Department was created there were around 9,000 staff focused on agriculture against 600 working in Environmental Protection and Land Use and Rural Affairs. This has not substantially changed. The Food, Farming and Fisheries Directorate General has 18 Grade 5 led Divisions working on agriculture and five on fisheries, but only two on food and drink. In contrast, one Grade 5 and six staff administer the England Rural Development Plan. With the future prospect of modulation and anticipated changes at the EU level as a result of the mid-term review of Agenda 2000 and further CAP reform in 2006, the balance of staff resources within DEFRA must be addressed soon.

4.5 The DEFRA culture still favours the status quo in its approach to agriculture, and continued susceptibility to the politics of the farming lobby has diluted the Government's commitment to change. This is evidenced not only by the slow response to the Curry Report, but also the current proposals for the Environmentally Sensitive Areas review where the preference is to do no more than roll over existing Tier 1 agreements for another 10 years despite the advice of English Nature and the Environment Agency, and National Audit Office recommendations to the contrary. Another example is the late implementation of the EU EIA Directive on agricultural land (see case study 5).

5. WHAT HAS BEEN THE IMPACT ON THE ROLE AND INFLUENCE OF THE ENVIRONMENTAL PROTECTION GROUP AND THE WILDLIFE AND COUNTRYSIDE DIRECTORATE OF THEIR TRANSFER FROM THE FORMER DETR?

5.1 The environment more generally, and nature conservation in particular, appears less visible in DEFRA than in DETR. European Wildlife Directorate remains out on a limb from the rest of the Department both geographically and metaphorically. Evidence of this is the failure of some DEFRA officials to recognise and understand the importance of the SSSI PSA target or the responsibilities of the Department and its agencies under EU Directives and UK nature conservation legislation. For example, the recent DEFRA consultation on the sustainable development duty of the Environment Agency made no reference to its Section 28G responsibilities under the Countryside and Rights of Way Act 2000 to conserve and enhance the special interests of SSSI, particularly as an operator in flood and coastal management. The new Department with a new culture also needs to understand its own responsibilities for delivery of the UK Biodiversity Action Plan targets in England.

5.2 We anticipate real benefits in due course from moving the Flood and Coastal Defence Division into the Wildlife, Countryside and Flood Management Directorate. This should secure better integration of flood management and floodplain/river restoration, and managed retreat on the coast as well as minimising flood risks to people and the built environment. We hope to see early evidence of a new integrated approach to policy making, scheme design and delivery in this area acknowledging that:

- wetlands can play an important role in reducing flood risk, and maximise the environmental benefits from natural flooding; and
- coastal erosion is important for the conservation of biodiversity and natural features, and can help reduce flood risk elsewhere.

5.3 DEFRA needs to take a strong position on environmental integration within the newly created Department for Transport and the Office of the Deputy Prime Minister Government, notably with regard to ports and transport infrastructure development, the future of the planning system (for example by pressing for early review of PPG9) and protected species licensing functions. It should also be more challenging in its relationship with business to engage companies, rather than just trade associations, and the CBI and the DTI in positive action to help deliver the UK Biodiversity Action Plan and the forthcoming England Biodiversity Strategy.

5.4 We would also like to see DEFRA being more assertive in its leadership role as the Government's champion for sustainable development and integrated policy appraisal across Government, for example through Cabinet Committee (ENV) and the Green Ministers Cabinet Sub-Committee ENV (G). It has made

a good start by re-energising the Green Ministers process with bilaterals to review Departments' sustainable development reports, and is in leading by example through its own draft Sustainable Development Strategy and the use of integrated policy appraisal for each DEFRA spending proposal in its SR2002 submission.

6. WHAT OBJECTIVES THE DEPARTMENT HAS SET IN PURSUING THE "RURAL AFFAIRS" AGENDA

6.1 DEFRA cannot allow itself to be typecast in Government or in the public mindset as primarily a rural affairs or food and farming Department. It needs to engage strongly with other Government Departments on major structural economic issues to promote "a better quality of life" and a wider range of public benefits for all in sustainable urban and rural areas. However, a key priority for DEFRA is to find the right language to convince the Treasury and farmers about the benefits of an early expansion to modulation.

6.2 The Department is working with English Nature, the Environment Agency and the Countryside Agency to develop a range of national, generic products to deliver integrated advice to farmers through an Internet based approach to whole farm plans. Subject to funding through SR2002, this exciting initiative would integrate IACS and ERDP scheme data, environmental regulation, Nitrate Vulnerable Zone requirements, designated sites (SSSIs and Scheduled Ancient Monuments) and vocational training relevant to individual farms/rural businesses. We would expect DEFRA to share the site related environmental data and information with its agencies and NDPBs.

6.3 We have several concerns about other aspects of DEFRA's strategy for improved farm business advice, particularly the environmental expertise of the Small Business Service/Business Link staff who are charged with its delivery, the extent to which wider environmental issues are being identified and built into action plans (outside designated sites) and quality assurance of the advice given.

English Nature

30 May 2002

Annex

Case study 1—Agri-Environment Review

The Government signalled the need for a fundamental review of agri-environment schemes in England in 1999. The formal review process started in mid-2001 and DEFRA has been very keen to make the review process as open and inclusive as possible. In addition to the normal process of written consultation DEFRA has:

- made commissioned research on assessment of schemes available to stakeholders;
- developed a clear timetable and review and consultation process to seek views at each stage of the process;
- held a number of bilateral meetings with a range of key stakeholders, NGOs, Agencies and farmers;
- established a joint Government Agency/NGO steering group to overview the review process;
- used existing DEFRA forums, such as the ERDP Consultation Group, to explain and invite involvement from a very wide range of stakeholders;
- publicly acknowledged significant inputs into the review from various stakeholders; and
- set up a regional consultation process in parallel to the national review.

While EN would not expect, or welcome, this intensity of consultation on all issues we do believe that it has shown a commitment to an open and inclusive approach to a major review of a policy area that is of considerable interest to a wide range of stakeholders.

Case study 2—DEFRA Science Directorate

The recent appointment of a new Chief Scientific Adviser provides a timely opportunity for the DEFRA to realign its research and development programme to meet its vision, aim and objectives. MAFF's Research Strategy 2001–05 did not support even its own stated aims and too high a proportion of its research budget was allocated to maintaining and increasing food production, in some cases with potential adverse environmental effects. Given the broader remit of DEFRA, there is an even greater need for a fundamental shift in emphasis of its research programme away from food production towards more sustainable farming systems.

Ensuring policies are properly informed by sound science and that the science is presented in an open and transparent way is critical to ensuring public confidence in DEFRA. We believe that the DEFRA research programme should be formulated through wider consultation and research results promulgated more thoroughly. This should include more peer reviewed publications and more use of the Internet.

We therefore welcome the increased partnership with external organisations and statutory agencies, such as English Nature, that DEFRA has pursued recently. This way of working provides much greater

opportunities for collaboration, running joint projects and using external expertise to get the best value for the funds available.

English Nature is actively engaged with the review of Science in DEFRA and with the related ongoing review of DEFRA's scientific agencies. We are also strengthening our links with DEFRA science strategists and managers.

Case study 3—National Sheep Envelope

In late 2001, Ministers and officials put huge effort into securing a change in the sheep regime at EU level to allow member states to use part of the regime to secure environmental outcomes—the National Sheep Envelope (NSE). This followed the example of flexibility allowed under the beef regime. Use of such flexibility to achieve environmental outcomes was also recommended by the Curry Commission.

The key issue behind creating the NSE was to address overgrazing in the Uplands. Such overgrazing is the main reason for the unfavourable condition of many upland SSSIs, with 73 per cent of upland heath and 67 per cent of upland calcareous grassland in SSSIs in unfavourable condition. Use of the NSE would be a significant step towards the DEFRA PSA target to achieve favourable condition of 95 per cent of SSSIs by 2010.

Progress on translating the NSE into a practical scheme to meet this objective has been slow and difficult, but English Nature is now working with DEFRA to develop environmental options for the envelope that will be phased in over a number of years, hopefully with a first tranche in 2002–03.

Case study 4—Environmental Impacts of EU Sugar Regime

DEFRA is required by the EU to submit a report in 2002 to the European Commission on the environmental impact of cultivating sugar beet and measures proposed to address these impacts. A stakeholder meeting organised by DEFRA in December 2001 was dominated by producer interests (six representatives from British Sugar and the NFU), and English Nature was the only environmental organisation invited. DEFRA appeared to be taking a minimalist approach to the review process, rather than a considered assessment of environmental impacts. English Nature offered advice on the initial consultation process and, to DEFRA's credit, subsequent meetings and consultation were more inclusive and even-handed.

Case study 5—Environmental Impact Assessment (Uncultivated Land and Semi-Natural Areas) (England) Regulations 2001

The former MAFF delayed extending the implementation of EC Directive 85/337/EC on Environmental Assessment to agricultural land for 17 years. Again it is to DEFRA's credit that it has introduced the Environmental Impact Assessment (Uncultivated land and semi-natural areas) (England) Regulations 2001 with effect from 1 February 2002. English Nature has not been granted additional resources to implement these regulations, and so we are depending on DEFRA to do so with due diligence and regard for compliance with other EU Directives, including the future requirements of the Water Framework Directive. DEFRA's approach must not be guided by farmers concerns about "gold plating", but rather by a clear understanding of the positive role that these long overdue powers will play in environmental protection (for example in relation to priority habitats and species under the UK Biodiversity Action Plan) and in promoting sustainable agriculture.

30 May 2002

APPENDIX 3

Memorandum submitted by the Council for British Archaeology (G3)

The Council for British Archaeology is an educational charity that promotes knowledge, appreciation and care of the historic environment for present and future generations on a UK-wide basis. We have a membership of over 500 heritage organisations and c10,000 subscribing individuals of all ages. Our institutional members represent national, regional and local bodies concerned with the whole historic environment encompassing the state, professional, academic, museum and voluntary sectors.

1. DEFRA'S DUTIES AND INFLUENCE OVER THE HISTORIC ENVIRONMENT IN RELATION TO GOVERNMENT POLICY

1.1 DEFRA has a deeply important and influential role to play in the conservation of the nation's historic environment. This is in part recognised by the statutory duty, which the Department inherits from MAFF under Section 17(1) of the Agriculture Act 1986 to care for landscape and the heritage in the exercise of its duties. A comparable duty, backed up by a Code of Practice applies to the Environment Agency under

Sections 6(1) and 7–9 of the Environment Act 1995. These duties towards the historic environment have the same status as those towards landscape wildlife and access.

1.2 The greater policy span and practical duties of the new department, and of the agencies which it sponsors (especially, but not only, in the work of the Sustainability Commission, Countryside Agency, the Environment Agency, English Nature, and the Joint Nature Conservation Committee) means that DEFRA has an even greater influence on the historic environment than its predecessor. By way of illustration, we would suggest that as a “lead-body” responsible for the following policy areas, DEFRA and its agencies have a major part to play in relation to conservation and access to the historic environment:

- conservation of natural resources on both land and sea (wildlife minerals, soils, water) which have inextricable links to the historic environment;
- the management and promotion of agri-environment schemes, initiatives for rural development and the promotion of sustainable agriculture;
- policy and implementation for flood and coastal defence management;
- managing water quality and supply;
- managing waterways;
- developing policy and implementing measures for managing contaminated land, conservation of soil and controlling environmental pollution;
- countryside management and recreation;
- the promotion of the principles and practice of sustainable development; and
- undertaking research across all of these issues to guide the future shape and development of government policy and practice.

1.3 It also needs to be recognised that the long-term and continuing legacy of losses to the historic environment (as so compellingly demonstrated for instance by *Monuments at Risk Survey of England 1995*, and other surveys, particularly for rural areas—see Appendix 1), has been particularly great in areas of policy and activity where DEFRA and its agencies represent the competent bodies.

1.4 The importance of DEFRA’s inherited statutory duty in relation to agriculture has been more recently underlined and widened in the Government’s stated aspirations for the protection and care of the historic environment to be recognised as relevant across all areas of government. Speaking on behalf of the Government in a House of Lords debate on the report to Government *Power of Place: the future of the historic environment*, (December 2000) Lord McIntosh stated that:

“Great progress has been made over the past 20 years in recognising the important public interest in taking firm action to protect the natural environment. We now want to make similar progress to protect the historical environment, which has significance for us all.”

1.5 This has since been reinforced in the Government’s own 2002 statement of policy, *The Historic Environment: A Force for the Future* which stated that:

“. . . given the span of issues and Departments which have an impact on the historic environment or vice versa, the Government acknowledges the need to develop a cross-Whitehall approach to promote awareness of the historic environment through all relevant Departments and maximise its contribution to the Government’s programme as a whole.”

and that

“. . . although the lead responsibility rests with DCMS and DTLR, other parts of Government have a major interest in the subject and have taken part in the preparation of this document. Not least among these is the Department for Environment Food and Rural Affairs, whose involvement reflects the importance of the historic environment for rural areas . . .”

2. GENERAL COMMENTS

2.1 The CBA recognises that DEFRA and has an extremely challenging portfolio of responsibilities, and the comments and views that we offer below on our experiences to date are selective. In this context we recognise that direct responsibility for historic environment policy (covered by English Heritage) was not transferred to DEFRA along with other aspects of the environment (covered by English Nature, JNCC, and The Countryside Agency). However, the Historic Environment IS part of the statutory duty of DEFRA in relation to agriculture, and of the Environment Agency in all its activities, and it is recognised as an important strand of policy for sustainable development within the remit of the Sustainability Commission (see Annex 2 for the CBA’s position on this issue). We therefore concentrate our comments on these key areas.

2.2 Whilst we are encouraged that within our area of interest there are some positive signs of progress—and in some areas good work being done—we remain very concerned that at the overarching strategic level DEFRA does not properly recognise its responsibility and scope of influence on historic environment issues. Specifically, the historic environment, and the need to work closely with the national heritage agencies and DCMS was not even mentioned by DEFRA in its new departmental policy *Working for the Essentials of Life*; it appears that it is not recognised as a core part of “the environment”—a point made particularly clear by

the specific inclusion of wildlife and biodiversity, but not the historic environment within the aims and high-level objectives.

2.3 While some parts of DEFRA and its agencies are conscious of a need—and themselves desire—to do more to foster the conservation of the historic environment, the absence of a stronger steer at the overarching strategic level and lack of adequate resources to cover this area properly (either within the Department and its Agencies or elsewhere) means that there is limited scope to achieve this. We recognise that a new Department cannot assimilate all aspects of a restructured remit simultaneously and fully, but nevertheless we are dismayed that existing statutory duties and policies towards the historic environment have not been clearly recognised at a strategic level.

2.4 At a time of rapid change in many areas where the Department's policy and activities directly influence the condition and care of the historic environment—most especially in relation to the changing face of agriculture and rural development policy—this becomes a serious omission that needs to be addressed.

3. DEFRA'S FIRST YEAR

3.1 Despite of the Department's and the Environment Agency's statutory duty towards the historic environment, and the government's aspirations for a joined-up approach to sustainable development, there are several indications that DEFRA is not yet fulfilling these goals. This arises partly from how departmental responsibilities towards the historic environment are not formally recognised as being shared, although in practice DEFRA's responsibilities for rural land-use and marine resources policy geographically affect far more of the historic environment than any other department. There are several problems that DEFRA have inherited in terms of approaches and practices. There are some indications of progress on some detailed matters, but as yet these do not feed through to a strategic level. There are also some indications of an active policy of ignoring historic environment issues at a strategic level. These are illustrated below.

3.2 Examples of Inherited Problems:

- in respect of the English Rural Development White Paper, English Heritage, unlike the Government's other conservation advisers, the Countryside Agency and English Nature, was not a member of the White Paper "Sounding Board"; English Heritage's work is not included in the objectives and spending proposals for protecting the countryside; and English Heritage is not even included in the list of relevant bodies for advice;
- for a variety of reasons there are several shortcomings in the structure, policy and practice of how agri-environment schemes have developed, which cumulatively mean that the current regime is skewed away from delivering as many benefits to the historic environment as should be the case. In particular, we believe much more could be achieved through clearer principles of how conservation of non-renewable assets should relate to environmental enhancement, better integration of environmental objectives, and better information and advice;
- despite its duties to promote conservation of the historic environment under the 1986 Agriculture Act, DEFRA employs c.10 times fewer archaeological advisors than ecologists. As a consequence archaeological and conservation advice for the majority of DEFRA's supported activities and programmes (such as input and advice on agri-environment schemes, woodland planting, flood and coastal defence proposals etc) has to come from local authority archaeological and historic environment services. Such services are provided by local authorities on a discretionary basis without core government support, and are arguably already overstretched;
- similarly, despite its duties and span of activities which influence the historic environment, DEFRA inherits a research programme from MAFF which has commissioned 40 times less conservation research on archaeology than on biodiversity. This means that significant policy decisions are often being made without adequate evidence or understanding of the impacts they will have upon the historic environment;
- the Government recognises that the historic environment is an issue for sustainable development in its statement *A Better Quality of Life*, and this has been further reinforced by its statement on the historic environment policy, *Force for our Future*. However, the UK Sustainability Commission has no members with particular expertise in the Historic Environment, and has not covered it in its first year's work on local government, business, farming and urban regeneration (see <http://www.sd-commission.gov.uk/pubs>). DEFRA's conception of sustainability also largely excludes a recognition of the positive contribution that the historic environment makes to quality of life, the environment, society and the economy (see Annex 2);
- in the early months of the FMD outbreak it became clear that MAFF was requiring cleansing and disinfection work, which resulted in unnecessary damage and losses to the historic environment. Demolitions of some historic farm buildings took place; in others internal fixtures and fittings and elements of historic fabric was removed; and unsuitable chemical treatments in others resulted in damage. Similarly, in the early months of the outbreak the excavation of pits for disposal of slaughtered animals and infected materials, and of lagoons for infected water and slurry took place with little or no archaeological advice, and the extent of damage to archaeological sites and monuments during the outbreak remains unknown.

3.3 Examples of detailed indications of progress (with potential wider outlook);

- following representations from the CBA, English Heritage and other historic conservation bodies during the FMD outbreak better liaison between DEFRA, English Heritage and local authorities was established and more benign approaches to cleansing and material disposal were promoted. A small number of historic environment specialists were seconded to DEFRA to help provide advice. Although it is extremely regrettable that irreversible damage to the rural historic environment resulted from MAFF's initial technical advice, the more enlightened approach that emerged in the latter half of the outbreak marked a vast improvement. This illustrates the potential within DEFRA to foster a more positive outlook and outcomes through better resourcing and liaison. It is not yet clear that the lessons of the need for a better network of specialist advice available at local level have been learned;
- we have been pleased to note some well-integrated work by the Environment Agency at local level (eg studies on water levels in the Somerset Levels). But we have seen no indication, despite making representations to DEFRA and the Royal Commission on Environmental Pollution on several consultations about the Agency's role and responsibilities, that any progress has been made to address the Agency's strategy, performance or resources for fulfilling its general duty towards the historic environment, or its adherence to the MAFF Code of Practice on Conservation Access and Recreation (see <http://www.environment-agency.gov.uk/themes/> for absence of EA's recognition of heritage obligations alongside wildlife);
- in agri-environment policy we have been pleased to note the special Countryside Stewardship scheme for Avebury and Stonehenge and DEFRA's support for digital mapping of ancient monuments to support application of policy, and the completion of a research project into the management of archaeological sites in arable landscapes. It remains to be seen whether these carry through into more substantive investment in better integration of the historic environment into agri-environment policy, research and information and advice support (for our detailed comments see CBA website <http://www.britarch.ac.uk/consERVE/agrischemes.html>).

3.4 Examples where historic environment issues appear to have been deliberately ignored:

- DEFRA have not included historic environment issues alongside biodiversity within high level strategic aims for the new Department despite the statutory duties and policy framework relating to the Department's work outlined above, and despite representations made by English Heritage, the CBA (see <http://www.britarch.ac.uk/consERVE/consult.html>) and others;
- DEFRA did not include the historic environment in their consultation about the Environment Agency's strategic objectives despite their statutory duty under the Environment Act and several previous representations made on this issue (see <http://www.britarch.ac.uk/consERVE/consult.html>; the final statement is awaited);
- during DEFRA's implementation of the EIA regulation on uncultivated land or semi-natural areas the initial consultation attracted representations (from both English Heritage and ourselves see <http://www.britarch.ac.uk/consERVE/consult.html>) that the criteria for application of EIA should include uncultivated permanent grassland with no botanical interest because it can be of landscape value and preserve high quality archaeological remains. Despite acceptance of this principle in the second round of consultation this was then ignored in the final criterion adopted (which is based on floral diversity).

4. RECOMMENDATIONS

4.1 We offer five key recommendations which we believe if implemented will help DEFRA properly meet its and its Agencies' Statutory Duties and more generally play its full part in contributing to the Government's aspirations for the historic environment, as set out in *A Force for our Future*:

- (1) A more holistic approach to sustainability and the environment—at its very heart DEFRA needs to embrace ideas of environment and sustainability which are not based solely on ecology, biodiversity or natural resources but also include and value the historic environment. It should ensure that the *Sustainability Commission* has both the expertise and the responsibility to cover policy on sustainability for the historic environment as fully as other areas of its remit, and that it takes a positive approach to developing policy in this area.
- (2) DEFRA needs to devise and adopt its own policy statement on the historic environment and require the Environment Agency to likewise—we believe that an initial pre-requisite to improving the situation would be for DEFRA to commission a policy "mapping" project to identify where DEFRA's activities and responsibilities have a substantive influence on the historic environment. This mapping exercise should involve both commissioned research and public consultation and lead to a clearer policy statement from DEFRA about how it will integrate the conservation of the historic environment more thoroughly into its portfolio of responsibilities, and what resources it needs to achieve this. Given the Environment Agency's statutory duty with respect to landscape, wildlife, heritage and access in the execution of ALL its functions, this should specifically be applied to them as well.

- (3) DEFRA and its agencies need to undertake more historic environment research in fulfilling their duties towards the historic environment—DEFRA, the Sustainability Commission and the Environment Agency should all include more coverage of technical historic environment and archaeological research that they commission to ensure that the advice, policy and land management decisions that they make are based on sound evidence in relation to their potential influence or impact (both positive and negative) on archaeology and the historic environment.
- (4) DEFRA needs to ensure that it and its Agencies have access to sufficient in-house historic environment expertise—we believe that whilst the expansion of the archaeological team within the Rural Development Service over the past year (but which still only equates to five full-time posts) is helping greatly to improve DEFRA’s approach to the historic environment in this sector, further rapid expansion is needed to cope with the current and future policy and casework demands. An even more serious deficit of expertise exists to fulfil the Environment Agency’s duties towards the historic environment (only one archaeologist at regional level). The Sustainability Commission has no relevant expertise in this area.

We urge that the Committee examine the relative strength of expertise that is internally available to DEFRA and the Environment Agency for the historic environment as compared with biodiversity in relation to their respective statutory duties under the 1986 Agriculture Act and 1995 Environment Act.

- (5) DEFRA has a role to play in supporting external networks of information and advice—alongside an expansion of its own core of expertise DEFRA has to recognise that it has a vested interest in supporting local authority archaeological services and historic environment records upon which decision-making is based. Expansion of agri-environment schemes, and in other DEFRA and Environment Agency casework means that DEFRA is, and will be increasingly, reliant on local authorities for providing local archaeological and historic environment information and advice. This demand creates a resource pressure on services, which are already overstretched and are entirely discretionary in terms of local authority provision. DEFRA needs to consider what its role should be in ensuring their long-term support to help fulfil its statutory duties and those of the Environment Agency.

June 2002

Annex 1

THE SCALE OF AGRICULTURAL ATTRITION ON THE HISTORIC ENVIRONMENT

For the historic environment, evidence indicates that intensification and increasing industrialized approach to farming, particularly in the last 50 years, has caused a dramatic decline and degradation in the quality of the rural historic environment and a very serious erosion of historic landscape character and diversity. The figures speak for themselves:

- agriculture has been responsible for 10 per cent of all cases of wholesale destruction, and 30 per cent of all piecemeal, cumulative damage to ancient monuments in the last 50 years. One of the most serious causes of damage is arable cultivation, and in 1995 32 per cent of all rural archaeological sites and 21 per cent of rural sites protected as Scheduled Ancient Monuments (and therefore adjudged to be of National Importance) were still under the plough; 65 per cent of monuments in arable areas are at medium or high risk of damage¹;
- the quality of survival of 68 per cent of recorded rural earthwork monuments already falls into “Destroyed” or “Very Poor” categories¹;
- wetland archaeological and palaeo-environmental sites have been lost at a dramatic rate. At least 50 per cent of the original extent of lowland peatland has been lost during the last 50 years and an estimated 2,930 wetland monuments have been totally destroyed, whilst another 10,450 are likely to have suffered damage, desiccation, and partial destruction in the same period. The main causes of this widespread destruction are drainage, water abstraction, conversion of pasture into arable, peat wastage, peat erosion, peat extraction, and urban and industrial development²;
- there are over 77,000 entries on the statutory list of historic buildings categorised as agricultural and subsistence buildings (representing 20 per cent of all listed buildings in England) with many more historic buildings are located in their curtilage to form groups, which individually and collectively are key contributors to local landscape character and intra- and inter-regional diversity;
- in 1992 it was estimated that about 17 per cent of all listed farm buildings were “at risk” and 24 per cent were “vulnerable”³;
- in 1997 only 60 per cent of unlisted field barns in the Yorkshire Dales National Park were intact, and the rate of decline was rapid⁴;
- a survey for the Society for the Protection of Ancient Buildings recorded the condition of 10,000 threshing barns and found that only 20 per cent were being maintained to high standards which secured their future⁵;

- the CBA is a statutory consultee for listed building applications involving partial or total demolition. In 2000 674 applications (15 per cent of all cases received) related to historic farm buildings. Of these 119 (18 per cent) were for total demolition. Several local authorities do not consult the CBA, and the figures do not include curtilage structures, so these figures are significant underestimates of the total number of historic farm buildings under threat of partial or complete demolition⁶;
- historic landscape features are in serious decline. Approx 33 per cent of hedges in England and Wales were lost between 1984 and 1993⁷ and a survey of England's drystone walls in 1994⁸ concluded that overall, the condition of walls is generally poor, with 49 per cent in serious states of dereliction, and only 13 per cent which could be considered in good condition. Over one-third (38 per cent) of walls were identified as functional but showing major signs of the onset of decay and without repair would be liable to deteriorate with increasing speed.

These losses and potential losses are all the more worrying as they are irreversible—the historic environment is a non-renewable resource and original historic features lost now cannot be recreated by “regeneration” or “enhancement” as some habitats can.

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2. English Heritage Survey of Wetland Monuments at Risk 2002.
3. English Heritage 1992 Buildings at Risk Sample Survey of c 40 per cent rural Listed Building.
4. Gaskell, P and Tanner, M (1998) Landscape conservation policy and traditional farm buildings: a case study of field barns in the Yorkshire Dales National Park, *Landscape Research* 23(3) 289–307.
5. Gaskell, P (1994) “SPAB Barns Database”, contract report to the Society for the Protection of Ancient Buildings.
6. Council for British Archaeology internal conservation database.
7. DOE. 1993. *Countryside Survey 1990: Main Report* and Barr C J, Gillespie M K and Howard D C (1994) Hedgerow Survey 1993: stock and change estimated of hedgerow length in England and Wales, 1990–93. Institute of Terrestrial Ecology.
8. Countryside Commission. 1996. *The Condition of England's Dry Stone Walls* (Survey by ADAS on behalf of Countryside Commission—Countryside Commission Publication No 482).

Annex 2

THE HISTORIC ENVIRONMENT, SUSTAINABLE DEVELOPMENT AND THE QUALITY OF LIFE. LEARNING FROM THE PAST—SHAPING THE FUTURE

The historic environment is the physical record of how people have interacted with their environment in the past, and what that tells us of how they led their lives. Physically it is non-renewable. Yet it is also dynamic. It is the product of ongoing change, stretching from the distant past that will continue into the distant future: within the span of a single lifetime unimagined future developments can become a valued part of history. Our understanding of the past also changes through archaeological and historical investigation and interpretation.

The historic environment and its study through archaeology and history contribute significantly to people's quality of life within the four key pillars of sustainable development, as defined in the current government strategy for sustainable development, *A Better Quality of Life: A Strategy for Sustainable Development in the UK*.

For “social progress which recognizes the needs of everyone” the historic environment is:

- a source of enjoyment and interest through intellectual and physical activity and leisure-time pursuits, which contribute to general mental, spiritual and physical health;
- an important medium for general education, life-long learning and personal development;
- our only source for understanding the development of human society in prehistoric and much of historical times, and a key source of perspective on multi-cultural social change; and
- a vital basis for people's awareness of historical and cultural identity, and sense of community and place.

For “effective protection of the environment” the historic environment is:

- a non-renewable record of people’s long-term social, spiritual and economic relationships and their interaction with all parts of the environment;
- a fundamental determinant of environmental character, bio-diversity and cultural diversity;
- a catalyst for protecting and improving the distinctive qualities of the places where people live and work or which they visit; and
- a key to understanding long-term environmental change.

For “prudent use of natural resources” the historic environment is:

- a reservoir of energy and natural resources already embodied in historic buildings and structures, which can be husbanded through careful maintenance and reuse;
- a non-renewable cultural resource, the conservation of which helps to promote prudent use of non-renewable natural resources such as soils and minerals;
- an important source of evidence about past use of renewable energy and recyclable natural resources such as wind and water, coppice, timber, thatch and organic waste.

For “maintenance of high and stable levels of economic growth and employment” the historic environment is:

- a major source of revenue through tourism;
- a source of added value in economic and social regeneration;
- a significant source of employment, both directly and indirectly, through tourism, cultural activity, education and conservation.

These benefits can be maximised by enhancing people’s awareness and understanding of archaeology and the historic environment and by developing a culture, within government and industry and in their dealings with others, of promoting active involvement, care and appreciation of the historic environment for the benefit of present and future generations.

APPENDIX 4

Memorandum submitted by the Council for National Parks (G6)

The Council for National Parks (CNP) is the national charity that works to protect and enhance the National Parks of England and Wales, and areas that merit National Park status, and promote understanding and quiet enjoyment of them for the benefit of all.

CNP wishes to draw the following key points to the Committee’s attention.

1. CNP is concerned that insufficient resources are being provided to DEFRA’s Countryside Division. CNP notes that the Division is very stretched in terms of meeting its responsibilities on National Park sponsorship. Additional resources will be required to enable the Division effectively to process the designation of new National Parks in the South Downs and the New Forest if work on existing National Parks is not to be jeopardised. The current review of National Park Authorities (which we understand is expected to conclude and report in July) is also likely to put additional pressure on the Division, which further strengthens the case for greater resources.

2. CNP notes that common land revision is proceeding very slowly. Staff previously designated to work on common land have been diverted (because of foot and mouth disease) and not replaced. This is another area in need of greater resources and CNP hopes that the Committee could encourage the speedier progression of this important work.

3. CNP considers that DEFRA needs to give a clear steer to the Countryside Agency, particularly with regard to the Agency’s priorities for National Parks. It is important that the Agency retains its interest in areas that were traditionally taken forward by the Countryside Commission and which it is statutorily obligated to deliver.

21 May 2002

APPENDIX 5**Memorandum submitted by the Soil Association (G7)**

We are unable to make a full assessment of the role of DEFRA and whether its vision is being achieved. However, we would like set out a few areas where the Department is doing well, should improve and is failing.

1. Good—Organic Action Plan

We are very pleased that the Department has decided to develop an organic action plan. This is being done in full co-operation with the organic stakeholders and the discussions so far are addressing all the main issues.

2. Needs improving—human health and animal health

DEFRA needs to realise much more fully the fundamental role of food and agriculture in achieving the Government's health objectives and preventing the health budget from spiralling. Food and agriculture policies are a key means of achieving a preventative approach to public health problems, and would balance the Department of Health's focus on treatment once problems occur. DEFRA should take a larger leadership role and be more courageous in investigating how different food production approaches affect the final levels of nutrients in our food. For example, there needs to be an assessment of how nutrient levels have changed since the adoption of intensive production methods, and a reassessment of how the department measures yields from farming (larger yields are often simply the result of greater water intake and do not reflect a great "food" content). Similarly, the Department needs to change its animal health policies so that again, the focus is on prevention rather than simply controlling and treating diseases. For both human and animal health, this would involve a review of similar issues (plant and animal nutrition, management practices and appropriate breeds/varieties).

3. Failing—GMOs

We are extremely disappointed and concerned with DEFRA's handling of GM food and crops. DEFRA seems to have taken a strong position in favour of the introduction of GM crops, that seems in complete contradiction with the scientific evidence, public opinion and a sound approach to risk management. The Government seems to be heavily influenced by pressure from the biotechnology industry and is apparently taking their views completely uncritically as "science". We are absolutely confident that the science is far more strongly in favour of those who oppose the introduction of GM food than those who favour it, and the Government risks making a very grave mistake.

There really should not be a question of introducing GM food and crops in the UK at this stage in the development of the technology. Many risks have already been identified, much of the science remains to be understood, there is little evidence of benefits and many reports of problems from those who have taken up the technology in North America (contrary to the impression given by the biotechnology industry) and there is a serious threat to organic farming for which there is much public support and many established benefits. Moreover, there is no particular problem that this technology can address for which there are not already far better potential solutions with none of the risk. DEFRA should be pursuing such solutions instead.

For example, though we do not favour centralised breeding methods as the ideal approach for delivering health and local adaptability, other modern breeding methods such as genomics ("marker assisted breeding") make use of today's knowledge of life sciences but do not involve any of the risks of genetic engineering as they are based on natural breeding processes. (The reason why this approach is not being pushed by the biotechnology companies is because the multiple traits cannot be patented).

We urge the EFRA committee to very seriously question DEFRA's handling of this area of policy.

May 2002

APPENDIX 6**Memorandum submitted by the Environmental Services Association (G9)****EXECUTIVE SUMMARY**

- ESA welcomed the establishment of DEFRA and the appointment of Margaret Beckett as the Secretary of State after the General Election in June 2001;
- furthermore, we welcomed the leadership displayed by the Secretary of State in convening the Waste Summit and announcing the Waste Study by the Performance and Innovation Unit;
- however, DEFRA's Aim and Objectives gave no priority to delivering the Government's National Waste Strategy, or to developing more sustainable waste and secondary resources management;

- ongoing delays—notwithstanding regular offers of assistance from ESA and our Members—in drafting the regulations implementing the Landfill Directive have resulted in ESA’s Members and the Environment Agency operating in a regulatory vacuum;
- ESA believes that this is symptomatic of the UK’s poor record in implementing EU legislation relevant to the industry we represent;
- ESA believes that some of DEFRA’s difficulties are self-inflicted and that the Environmental Protection Group in DEFRA is under-resourced at a critical time in delivering the various national and international obligations on waste and the environment.

BACKGROUND

1. ESA is the sectoral trade association representing the UK’s managers of waste and secondary resources. Our industry accounts for 0.5 per cent GDP and would, if HMG created the right framework, be investing up to £1 billion annually in infrastructure for the indefinite future to enable the UK to comply with the EU Landfill Directive and other relevant EU law.

2. ESA wants to build the industry’s future not on rising quantities of waste but on managing more waste as a resource by returning more of the materials and energy contained therein back to the productive economy. To ensure compliance with the UK’s existing legal duties, ESA’s Members are willing to invest very substantially in infrastructure. This would help to convert waste management into resource management, thereby contributing towards the UK’s Sustainable Development Strategy and a more resource efficient economy.

3. ESA was encouraged by the words of the Prime Minister at the CBI/Green Alliance conference in 2000, when he said he wished “to push green issues back up the political agenda . . . and do it in constructive partnership [with] government and business.” He also outlined the “need to use environmental resources more efficiently and to become a low-carbon, recycling economy.” ESA immediately—and publicly—supported this vision.

4. Furthermore, the PIU report, *Resource productivity: making more with less*, identified waste policy as the next biggest environmental challenge facing the UK after climate change. The generation and disposal of waste is closely linked to resource productivity. Recycling, composting and energy recovery displace the use of finite primary resources and are alternatives to landfill as a means of managing waste.

5. As DEFRA is the lead Department in delivering the Sustainable Development Strategy, it is essential that the sustainable management of waste is given due profile within the new Department. This can only be achieved by ensuring full funding (which does not necessarily mean public funding) of the National Waste Strategies to ensure their delivery and the timely and effective implementation of EU legislation governing waste management.

SPECIFIC COMMENTS

6. Historically, waste has never had a focus within the Government which properly reflects the UK’s role as a leading Member of the EU or as a Country with ambitions to be a global player in environmental services. Until the appointment of the current Secretary of State, there had been too much unhelpful posturing rather than genuinely concerted effort to deliver more sustainable management of wastes. ESA had hoped that the publication of *Waste Strategy 2000*, in May 2000 by the then DETR, would lead to the step change necessary to enable the UK to extract more of the material and energy contained in waste. However, ESA has since been exasperated by the paucity of achievement of deed relating to a strategy which was long on aspiration.

7. The creation of the DEFRA after the General Election in June 2001 appeared to provide a greater focus within the Government for environmental issues, and ESA welcomed the appointment of The Rt Hon Margaret Beckett MP as Secretary of State.

8. The new Secretary of State signalled her intentions when speaking to the Green Alliance/ERM conference in October 2001. As well as the announcement of the Waste Summit and the Performance and Innovation Unit’s study into waste strategy, ESA was particularly encouraged by the Secretary of State’s realism in identifying the need for an integrated strategy for managing waste, and her acknowledgement that the Government’s leadership is an essential component of delivering greater sustainability. The key driver for the evolution of the industry represented by ESA is, after all, regulation.

A VISION FOR DEFRA

9. ESA believed that DEFRA’s Aim and Objectives did not have the correct balance between the different functions of the new Department.

10. In September 2001, ESA responded to the consultation on DEFRA’s draft Aim and Objectives. We agreed with some of what was contained in the document, but our response expressed disappointment and a feeling of *déjà vu*. Given the imperatives of EU law and our industry’s critical role during the Foot & Mouth emergency—work which had involved intensive co-operation with both MAFF and DETR—it was a

particularly remarkable lacuna that waste management was so strongly de-emphasised. For clarification, our response to that consultation is attached at Annex 1.

11. None of DEFRA's proposed seven draft High-Level Objectives referred to waste or secondary resource management. While one of the seven Objectives did refer to promoting sustainable management of natural resources, this appeared to envisage primary rather than secondary resources. ESA's remit, 0.5 per cent of GDP, was covered by 29 words in one note to one Objective.

12. DEFRA's proposed definition of sustainable development made no reference to resource efficiency or developing the use of secondary resources, unlike the definition adopted by the Department of Trade and Industry.

13. The document contained no reference to implementing the Landfill Directive!

14. There was no reference to the Government's own National Waste Strategy!

15. ESA was not encouraged by the draft Aim and Objectives document to hope that the internal balance of power within DEFRA would cause sufficient resources to be devoted to developing waste management into resource management.

16. Its document signalled more "New Department, Old Agenda" rather than the "New Department, New Agenda" claimed in the consultation title.

17. The omission of our industry and the delivery of sustainable waste management from DEFRA's document also matters because the consultation document made it clear that DEFRA's money will follow DEFRA's Aim and Objectives. Although there was a subsequent announcement of the PIU study into waste strategy, this omission was potentially serious at a time when Government Departments were preparing their bids to the Treasury for the forthcoming negotiations on the three year Public Spending Round.

18. The UK leads the way in tackling climate change, which is the most important environmental challenge facing the planet. However, despite waste rightly being identified as the second most pressing challenge after climate change⁶, the UK recovers less of the material and energy contained in waste than comparable EU Member States. This is unacceptable for a Country with the fourth largest economy in the world and is a source of intense frustration to our industry which wants to be enabled to do much better and whose leading Members have for some time been doing better in other EU Member States.

TRANSFER OF THE ENVIRONMENTAL PROTECTION GROUP TO DEFRA

19. Little seems to have changed since the transfer of the Environment Protection Group from DETR to DEFRA. Both the Waste Policy and Waste Strategy units remain under-resourced to deliver the diverse and complex work programme surrounding the management of waste and secondary resources. This has manifested itself—to give just one example—in chronic delay in preparing the Landfill Regulations to implement the Landfill Directive, which was effective from July 2001. At the time of writing the Regulations have just been laid before Parliament and will be implemented approximately a year late.

20. Some requirements of the Directive take effect on 16 July 2002. The regulated industry represented by ESA and the Environment Agency as regulator have been operating to the requirements of the Landfill Directive for the last year in the absence of implementing regulations.

21. Ours is an unusual industry in that we fully recognise that rigorous environmental regulation is the primary driver to help us to move the emphasis of our industry from linear waste management towards closed loop resource management. To be compelled to operate in a regulatory vacuum at such a crucial time is extraordinarily perverse. While we have good relations at the most senior levels of DEFRA, at operational levels we have detected no evidence of comprehension of the commercial havoc wreaked by DEFRA's *modus operandi*. We have repeatedly tried to help. For example, we agreed in January to seek to broker suitable secondments to DEFRA: as at the date of this paper, we still await DEFRA's guidance on the procedure we should follow to ensure that the Secretary of State could demonstrate that both parties are seen to comply with appropriate standards of probity.

22. Again, ESA's Members are willing to invest in the infrastructure necessary to deliver the UK's national and international obligations. However, this investment has been stifled in the absence of the implementing regulations for the Landfill Directive: it could be reckless to invest without regulatory certainty. Regulatory uncertainty surrounding the implementation of the Landfill Directive has resulted in the closure of two of the UK's four high temperature incineration (HTI) plants, one as recently as March 2002, reducing UK HTI currently operating annual capacity from 165,000 tonnes to 105,000 tonnes. Again, this is an extraordinarily perverse outcome to inflict on an industry which is exceptionally willing to help the Government to deliver compliance with relevant legal duties.

23. Five of the leading waste management companies in the UK operate elsewhere in the EU as well as in the UK. The regulatory climate in these countries typically provides far greater certainty than does that in the UK. Therefore, they have been able to invest in new treatment technologies. For example, Germany has a far more prescriptive approach towards the management of hazardous waste: this enables their hazardous waste management industry to determine capacity requirements and to programme investment with far greater certainty.

24. It is essential that DEFRA takes the responsibility of creating the right framework in which our industry can operate and invest. We do take on trust the current Secretary of State's positive indications. It is not her fault that the National Waste Strategies remain essentially unfunded, and that regulation is still, if anything, pushing waste management down rather than up the waste hierarchy.

25. Notwithstanding the efforts of the PIU study into waste strategy, we fear that, without a stable group within DEFRA to maintain and enhance the political weight given to the management of waste and secondary resources, the current unsatisfactory state of affairs will continue. ESA is concerned that the Environmental Protection Group is under-resourced and also that staff turnover is high and that vacancies within the group are extremely difficult to fill. For example, it has been brought to our attention that there was not a single applicant for the last senior post dealing with waste within the Environmental Protection Group, and that in recent weeks two further key members have left the team. Quite apart from the fact that ESA and our Members deserve better, this state of affairs simply does not reflect the obligations to which the present Government has committed the UK within the EU.

DELIVERING THE UK'S FUTURE OBLIGATIONS

26. The UK needs DEFRA greatly to enhance the political weight attached to waste management, and again, we have repeatedly and warmly welcomed the leadership demonstrated by the Secretary of State since taking up her position. Waste and secondary resource management is a national challenge requiring responsible political leadership from all partners and political parties and we support any political leaders who rise to this challenge.

27. However, the obvious under-resourcing within DEFRA has been further demonstrated by the difficulties now being faced by local authorities in managing end-of-life refrigeration equipment following the Government's failure to anticipate fully the implications of the European Council Regulation No. 2037/2000 on substances that deplete the ozone layer. It is clear that there remains a lack of strategic focus within the Government where the management of waste and secondary resources is concerned and problems will continue to arise if DEFRA fails, in the secretive way inherited from its predecessor Department(s), to rise to the challenge.

28. The EU is overwhelmingly the waste management industry's primary legal driver to higher rates of recovery from waste, and over the next decade more EU laws will impact significantly on the UK's managers and producers of waste.

29. Notwithstanding DEFRA's recognition that it is one of the most internationally oriented of Government Departments, DEFRA has not reflected changes in EU law in terms of its engagement with an economic sector such as that represented by ESA. The industry we represent became the subject of Qualified Majority Voting under the previous Government and of Co-Decision under the present Government. This very substantially impacts on the EU balance of power but DEFRA's culture remains aloof and uncommunicative. While there are initial signs of willingness to try to change, presumably in response to signals from the Secretary of State, and while DEFRA's officials are usually courteous and make time available when this is sought, the timeliness and quality of what officials are willing to disclose falls short of the engagement of other Government Departments with other important sectors of the UK economy. For a politically sensitive industry driven by regulation such as the industry represented by ESA, this is a particularly acute source of difficulty standing between us and delivery, on HMG's behalf, of the UK's compliance with the Landfill Directive. Driven by the EU, the context in which our industry operates is changing rapidly: we believe we are some steps ahead of DEFRA in recognising the type of partnership needed to make a success of the UK's compliance.

30. Producer Responsibility is now the framework around which the majority of EU environmental legislation is now designed. Thus far this framework has delivered the Packaging and Packaging Waste Directive and the End of Life Vehicles Directive. In the future the UK will also be subject to obligations to recycle and recover Waste Electrical and Electronic Equipment (WEEE) and batteries. Furthermore, there are firm EU plans to legislate for biodegradable waste and PVC. More widely, initiatives on waste recycling, the sustainable management of resources and Integrated Product Policy are planned.

31. The European Court of Justice is in the initial stages of taking action against the UK for non-implementation of the Waste Framework Directive requirements for agricultural waste. Again, we believe this to be indicative of the UK's approach to implementing EU legislation in this area. We are where we are: ESA and NFU are now discussing possible schemes to meet the requirements of the Directive relating to agricultural waste, and although time is short there is a real opportunity for DEFRA to show joined up thinking across its different constituent parts. We would be delighted if DEFRA is seen to succeed.

32. It is these policy frameworks that will shape future legislation governing the management of waste and resources across the EU. The UK must be a success at the forefront of delivering these changes, not a delinquent perpetually up before the European Court of Justice. It is essential that the UK has a Department which can lead responsibly on these issues to ensure compliance and that the opportunities offered are not squandered.

33. Many of these aspects in the evolution of environmental policy will be the responsibility of DEFRA as the lead department in the UK. Each represents an opportunity for the UK to deliver some of the

aspirations of the UK's own Sustainable Development Strategy, such as increased resource efficiency. Furthermore, they also offer opportunities to the UK's environmental services industry, components of which are already world leaders.

May 2002

Annex 1

A New Department A New Agenda

DEFRA'S AIM AND OBJECTIVES CONSULTATION DOCUMENT

RESPONSE OF THE ENVIRONMENTAL SERVICES ASSOCIATION

1. ESA is the sectoral trade association representing the UK's managers of waste and secondary resources, a regulated industry accounting for 0.5 per cent GDP and the turnover of which must double by 2010 if the UK is to achieve what the Government says it wants to deliver.

2. ESA's Members want to build an industry less reliant on linear disposal and with greater emphasis on closed-loop management restoring to the productive economy more of the material and energy contained in waste.

3. Speaking to the CBI/Green Alliance last year, the Prime Minister said he wished "to push green issues back up the political agenda . . . and do it in constructive partnership [with] government and business." He also outlined the "need to use environmental resources more efficiently and to become a low-carbon, recycling economy." ESA immediately supported this vision.

4. In contrast, nothing in DEFRA's draft aim refers to the industry ESA represents.

5. None of DEFRA's proposed seven draft High-Level Objectives refers to waste or secondary resource management. (While one of the seven Objectives does refer to promoting sustainable management of natural resources, this appears to envisage primary rather than secondary resources). ESA's remit, 0.5 per cent of GDP, is covered by 29 words in one note to one Objective.

6. DEFRA's proposed definition of sustainable development makes no reference to resource efficiency or developing the use of secondary resources.

7. There is no reference to implementing the Landfill Directive.

8. There is no reference to the Government's own National Waste Strategy.

9. These omissions from DEFRA's proposed aim and Objectives document evidence low political priority for developing waste management into resource management.

10. The Consultation Document makes it clear that DEFRA's money will follow DEFRA's Aim and Objectives. Omission of our industry from DEFRA's document suggests that the National Waste strategies will remain essentially unfunded. Resources allocated from the New Opportunities Fund and the small share of the EPCS monies to be spent on management of waste, allocated in the 1999 spending review, cannot achieve the required improvement in recycling.

11. ESA's Members will need to invest billions of pounds in infrastructure if the National Waste strategies are to be achieved and the UK's existing international obligations honoured. If ESA's Members' hopes to deliver greater environmental sustainability and the Government's aspirations in the National Waste Strategies are to be fulfilled, the Secretary of State needs as a matter of urgency to signal that waste and secondary resource management is a genuinely high priority for her new Department. Amending DEFRA's defective draft Aim and Objectives would be a helpful start.

September 2001

APPENDIX 7

Memorandum submitted by the Countryside Alliance (G10)

INTRODUCTION

The Countryside Alliance has produced much comment and information on the role and development of the DEFRA since it was created after the last election. The most recent comments were in response to the Commission on the Future of Food and Farming chaired by Sir Don Curry, and can be seen on our web site (<http://www.countryside-alliance.org/policy/Farming.html>).

In the two years preceding the last general election, and in our policy handbook produced (The Real Rural Agenda, sent to every MP and peer), we have consistently called for the creation of a mainstream Government Department—headed at Secretary of State level—to bring all rural economy, environment, and livelihood issues under one roof, and with sufficient authority to influence the policies and priorities of the other major departments of state (not least the Treasury).

We also believed that such a department would enable the UK to present more integrated and dynamic proposals to the EU for the reform of the Common Agricultural Policy, and its succession by a coherent investment-led rural development programme.

Finally, we felt this would help to ensure that rural livelihoods did not suffer at the hands of simplistic approaches to the reform of global markets in the current round of world trade talks.

Consequently, the Alliance applauded the Government's decision to create DEFRA, and we continue to fully support its continued development in what is inevitably a complex and rapidly changing international political and social environment. While we may disagree with individual policies, priorities, and management issues, the basic premise of DEFRA is sound. It continues to offer the greatest opportunity for radical change in the countryside in a manner that secures the continued liberty and sustainable livelihood of rural people.

RESPONSES TO THE INQUIRY TERMS OF REFERENCE

Is the vision set out by the Secretary of State appropriate, and what progress has been made to meeting that vision?

This is a very articulate vision, and the Alliance feels that it is highly appropriate. It has one major failing in that it does not recognise the need for market regulation on a global scale to protect the economic and social sustainability of rural communities. Nor does it recognise the need to manage the ways in which markets operate in order to prevent environmental costs being externalised and left for future generations to pick-up. That is the source of our current carbon emission problems, and the cause of unsustainable exploitation of fragile ecosystems such as the sea, tropical forests, and UK lowland pasture systems. The vision also suggests that there are competing uses for the countryside, which is correct. But this must also emphasise the development of systems where a variety of land-uses can work together to create individually profitable, economically viable, and environmentally sustainable land-holdings. That is what should be "at the heart of our whole way of life" (to quote the DEFRA vision).

The Department has achieved very little or no progress towards these aims, but as it has only existed for a year, and the process of attitudinal change within its ranks has barely begun, that is hardly surprising. For most of its existence, it has been focused on the containment and eradication of Foot and Mouth Disease (a completely preventable inheritance from one of its predecessor institutions, MAFF). In itself, MAFF was politically moribund and institutionally demoralised. The political morbidity has gone with the appointment of, 'by and large', a heavy weight and competent ministerial team. The changes at the top of the civil service management structure bode well for the future. But little progress toward the vision will be made until wholesale institutional reform is introduced to DEFRA.

The Government has made progress with the creation of a carbon trading market, and we are definitely leading the world in the monitoring, supervision and management of green house gas emissions, but credit for that should go to the teams that came out of the old DETR.

Almost no public progression has been made in preparing the ground for the mid-term review of CAP, the forthcoming Earth Summit in Johannesburg, nor the position relative to world trade talks. These are recognised in rural communities as being of seminal importance to their livelihoods, and yet there is no process in place for consultation or inclusion of stakeholders. The creation of the Curry Commission was an excellent idea, but somewhat diluted by its introduction as part of the foot and mouth review exercise.

In summary, we believe that the aims are broadly sound, but they do need to demonstrate that viable and sustainable rural economy and community constitute the bedrock of environmental sustainability.

Are farming, food, environmental and conservation concerns, and rural affairs each given proper weight by the Department, and is the Department engineered to deliver its objectives?

We feel that much needs to be done at a strategic level to bring together these areas of responsibility. At the moment, they are still implemented separately, and this is resulting in a slow pace of change. The question itself implies an inevitable conflict between these areas. There might competition in the allocation of resources within DEFRA, but that problem would be alleviated considerably if resource allocation was based on integrated strategy. Too much time at both ministerial and senior official level seems to be taken up with the burden of reaction to external drivers, or to administering the current portfolio of schemes and interventions. This is not an environment in which serious change will flourish.

The current balance appears to us to be about right, at least at ministerial level. In terms of senior staff resources, we perceive that rural affairs is seriously under staffed, and consequently, the rural livelihood aspect of development and change comes second-best to environmental and conservation issues. The danger is that people in the countryside are seen as part of the problem rather than part of the solution. Apart from the fact that, in the almost exclusively man-made and man-maintained UK countryside, this would be a contradiction, it also creates a feeling of increased alienation in rural communities. As an example, the recent press announcements and resources allocated to wildlife crime coincided with a time when police resources

to cope with human crime prevention and detection in the countryside are inadequate. This is a comment on the level of resources allocated to rural development and rural proofing, and not a comment on the competence of the ministerial or senior civil service capability (which we believe is good).

What has been the impact on the role and influence of the Environmental Protection Group and the Wildlife and Countryside Directorate on their transfer from the former DETR?

The Alliance believes that the impact has not changed, but we hope that these groups will be more relevant to overall rural development as time progresses. Their involvement with the Prime Minister's Contact Group on Food and Farming is welcome. Perhaps they should also participate more fully in the Rural Affairs Forum for England?

What objectives has the Department set itself in pursuing the rural affairs agenda; in what areas of policy other than those dealt with directly by the Department has it sought to make the case for rural affairs, and what examples are there of success?

The publication of the first rural proofing review by the Rural Advocate, Ewen Cameron was welcome and successful. The Alliance was amongst the more cynical of organisations when this operation was set-up, even though we are very much in favour of the principle of rural proofing which formed a key recommendation of our Real Rural Agenda in June 2001. Ewen Cameron's report was excellent and went a great deal further than we thought possible at such an early stage. We have two points of serious criticism.

Firstly, Government departments, DEFRA and the Countryside Agency seem to consider that the end-point of rural proofing is a tool kit for them to use, and then simply announce that they have applied it. That is not acceptable. Rural proofing should be a tool for accountability, and the results of both internal and external rural proofing exercises should be published. In fact, we believe that rural proofing should be the backbone of the work of your Select Committee, and should be formally reviewed by you each year on the publication of the report by the Rural Advocate.

Secondly, we believe that Ewen Cameron's dual roles as both the Rural Advocate and Chair of the Countryside Agency, is untenable. The Agency itself is a major recipient of Government grants and is an implementing agency for a number of major projects. If the Rural Advocate is really to be seen as the impartial but doughty defender of rural people, then he must be divorced from the implementation of policy decisions. We would not ask the Chief Inspector of Schools to both run schools and then inspect them.

CONCLUSION

The Alliance has kept its response to this Inquiry as brief as possible, and we have tried not to duplicate views that we have expressed elsewhere. The Alliance is more than happy to provide further information, and to give oral evidence.

We are grateful for the opportunity to express our views on this issue to the Select Committee.

31 May 2002

APPENDIX 8

Memorandum submitted by Water UK (G11)

EXECUTIVE SUMMARY

We are pleased that Government brought together within a new Department, DEFRA, environment and food and agriculture interests so allowing an integrated approach to the environment and land use issues. We support the DEFRA project.

We are also pleased that it has not been altered by changes in Ministerial responsibilities this week; the Ministerial team have been very positive and helpful since the establishment of DEFRA. It needs time to deliver the benefits that an integrated approach should bring to all stakeholders.

DEFRA has been in existence for a year and its Vision, aim and objectives were finalised only about six months ago. It is too early to reach firm conclusions on how focussed DEFRA has been in pursuing its Vision. Suffice it to say that fire-fighting ongoing issues in the aftermath of Foot and Mouth and BSE/CJD and in response to the EU have tied up resources.

The need for safe and adequate supplies of drinking water and for proper sanitation rank alongside the need for food. We are disappointed that the Vision fails to give due weight to the importance of water to the quality of life.

We agree that the means of achieving the Vision is sustainable development with its four interlinked objectives:

- social progress which recognises the needs of everyone;

- effective protection of the environment;
- prudent use of natural resources; and
- maintenance of high and stable levels of economic growth and employment.

The emphasis that DEFRA has given to climate change is exemplary though the opportunity to involve the water industry—a major energy user—more has not been exploited. Co-ordination of the management of climate change as it occurs also needs consideration.

DEFRA has made less headway in avoiding environmental degradation and making efficient use of natural resources. Avoiding the possible pollution consequences, especially from diffuse sources, of food production needs action. Similarly a strategy is needed that will ensure the availability of water resources and a viable water industry structure for the long term.

The immediate task is for DEFRA to lead the debate over the next periodic review of the prices that water industry customers will have pay for capital assets and maintenance programmes in the years 2005 to 2010. These are essential infrastructure developments that are needed in accordance with the DEFRA Vision to provide adequate supplies of high quality drinking water, to provide reliable and good quality sewerage services and to enhance environmental quality.

The willingness of DEFRA Ministers and officials to discuss policy issues and attend meetings with other stakeholders has been impressive. However, intra-governmental consultations through the new structures seem to have been time-consuming making external consultations later and more time-restricted than previously.

There is not yet a proper balance between the various interests that DEFRA covers to allow sustainable development to occur. Over the past year environmental protection and water matters have taken the backseat.

In theory, DEFRA is able to offer an integrated and sustainable approach to achieve its objectives, looking beyond short-term single sector fixes to integrated multi-sectoral solutions. There are a few welcome signs of this but progress is slow. This may be due partly to a lack of resource and/or experience within parts of DEFRA to secure a proper balance of interests.

An example of this is the Water Framework Directive that affects all sectors of the community and requires an integrated approach to protection of the water environment. A coherent mechanism within DEFRA for progressing it with full involvement of all stakeholders does not seem to exist.

The role of the Wildlife and Conservation Directorate is unclear, especially in its relationships with English Nature and the Environment Agency, the statutory bodies in this field. Sufficient strategic guidance from DEFRA to these agencies is missing.

DEFRA appears to have devolved much of the responsibility for water protection to the Environment Agency but the division of responsibility is unclear. DEFRA needs to establish and chair a National Water Forum to develop common understanding and consensus between all stakeholders on water-related issues, allowing clear decisions on long term sustainable solutions to be made.

There also needs to be effective communication between Departments across the UK so that consistent messages are put across, especially in EU negotiations, and implementation practices are adequately coordinated.

The objectives that DEFRA has set for itself in respect of rural affairs are those of general applicability. They include promoting biodiversity, improving enjoyment of the countryside, ensuring the sustainable use and management of natural resources and promoting thriving rural communities and economic prosperity based on sustainable farming, water and other rural-based industries. In these, DEFRA should set out the policy framework and ensure appropriate and co-ordinated actions follow.

In summary, DEFRA has made a steady if slow start. It will need to take care to avoid myopic vision on agriculture, failing to join up water and other important strands that are essential to achieving its Vision. It will need time to deliver the benefits that an integrated approach to environmental, food and agriculture and rural affairs should bring.

1. Introduction

1.1 Water UK represents the water industry throughout the UK. Our members abstract water from groundwaters and surface waters, treat it to the high standards expected for drinking water and distribute it to domestic and business customers. They collect the used waters from customers, treat them to high standards and return the treated wastewaters back to the environment. By-products of the treatment processes can and are used—gas from wastewater treatment and sludge disposal as sources of renewable energy and sewage sludge as a soil conditioner and natural fertiliser. We therefore interact closely with rural communities, the farming and food industries and others within the wide range of interests served by DEFRA.

1.2 We therefore welcome this opportunity to comment on the role and progress of DEFRA.

2. Progress in meeting the Vision

2.1 DEFRA has been in existence for a year and its Vision, aim and objectives were finalised only about six months ago. It is too early to reach firm conclusions on how successful (or otherwise) it has been or will be in relation to these long-term aspirations. Our impressions of the progress that DEFRA is making are outlined in this submission.

2.2 We supported the formation of DEFRA on the grounds that it should enable an integrated approach to be taken to the management and use of land and the inter-related other environmental resources. We welcomed the preparation of the Vision as a guiding statement for DEFRA's longer-term objectives. The Ministerial team at DEFRA and the advisers have been very positive about the need for an integrated approach to environmental policy.

2.3 DEFRA's Vision is broad, seeking to safeguard and promote rural communities and of high quality public services to them, looking for the food, fishing and farming industries to work together to produce safe food without dependency on output-related subsidies, striving for careful land management and the promotion of biodiversity on land and in the seas, seeking animal welfare and protection against animal disease. These are all laudable aims.

Water for life

2.4 We are disappointed that the Vision does not give due weight to the importance of water to the quality of life and, specifically, to the contribution that the water industry makes through provision of high quality drinking water and provision of sewage services. Medical advice is that an adequate intake of water is important for good health; the quality and value of tap water should therefore stand alongside safe, nutritious food as essential to the health of the whole nation.

Sustainable development

2.5 DEFRA does see the practice of sustainable development with its four interlinked objectives:

- social progress which recognises the needs of everyone;
- effective protection of the environment;
- prudent use of natural resources; and
- maintenance of high and stable levels of economic growth and employment;

as the means of achieving the Vision. We concur.

Climate change

2.6 In its Vision, DEFRA recognises the importance of climate change and environmental degradation and sees low carbon emissions and the efficient use of natural resources as the heart of our way of life.

2.7 Much of the emphasis on climate change is on measures that might help curb emissions of greenhouse gases. This effort is exemplary and progress has been steadily made. We would however query the approach taken to the water industry, the third most energy intensive industry in the UK with over 13 per cent of turnover spent on energy. Since the basis for qualification is an industry subject to integrated pollution prevention and control, the water industry is not able to enter into negotiated agreements whereby energy efficiency and other means of reducing greenhouse gases would entitle it to a reduction in climate change levy.

2.8 We would also query whether sufficient attention is being given to the means for sequestering greenhouse gases. Also, we doubt if sufficient is being done to improve coordination across all sectors of the management of climate change that will inevitably occur. For example, changing weather patterns might entail different crops that lead to the need for variations in pest controls and water protection measures.

Environmental protection

2.9 In terms of avoiding environmental degradation and making efficient use of natural resources, DEFRA has made little headway. For example, we do not believe that DEFRA has a sufficiently coherent vision and strategy for water to underline its importance in a successful society. There is need for a strategy that will ensure the availability of water resources and a viable water industry structure for the long term.

2.10 The Department's responsibilities in relation to these issues cannot be delegated to others. Immediately it must lead, not follow, the debate surrounding the next periodic review of prices and the capital assets and maintenance programmes in the years 2005 to 2010 that water customers will have to pay for. It cannot, for example, rely on Ofwat to set a strategy and also determine programmes and funding to deliver it, as has happened in the past. Only government has the authority to set a course that meets the needs of

all stakeholders in the critical but controversial area of environmental enhancement and to advise the water industry's regulators accordingly.

2.11 We also need the benefits of customer-responsive food production and rural employment without the disadvantages of water pollution, an issue within the framework of the Vision but on which progress is slow.

Stakeholder involvement

2.12 The pursuit of the Vision requires full stakeholder involvement. We have been impressed by the willingness of DEFRA Ministers and officials to discuss policy issues and attend meetings with other stakeholders. DEFRA's own stakeholder programme has also been successful from a standing start. That said, we have the impression that intra-governmental consultations are more complex and taking longer than hitherto, making external consultations later and more time-restricted.

2.13 We wonder whether more could be done to promote the Vision and DEFRA's aim and objectives to a wider audience and therefore to encourage even more stakeholders to participate in their development. For example making printed versions of the DEFRA Annual report, a means for reporting achievements over the year to all stakeholders including the general public, more freely available could help.

Water UK conclusion

2.14 We conclude that these are early days. There has been some progress in a few areas where DEFRA has moved towards its Vision. There has been insufficient regard to the importance of water and DEFRA strategies relevant to it are needed. The immediate need is for DEFRA to lead the debate over the next review of prices to pay for developments by the water industry over 2005 to 2010 that are necessary to sustain its high quality services to customers and to the environment.

3. Balancing farming, food, environmental and conservation concerns

3.1 We have yet to see a proper balance between the various interests that DEFRA covers and hence in its delivery of the principles of sustainable development. This may be in part due to the distraction of having to deal with crises in the farming sector such as the aftermath of Foot and Mouth disease. Over the past year environmental protection has taken the backseat. Water, an essential component to a healthy lifestyle and sustainable environment, has received scant attention.

3.2 Water UK has consistently drawn attention to the fact that many current farming practices and the Common Agricultural Policy have major implications for the water industry, requiring it to remove pesticides before putting drinking water into supply or to find alternative resources and to blend or abandon water sources to comply with nitrate standards. These measures are expensive and not sustainable. Avoiding pollution at source is the sustainable solution and compatible with the DEFRA vision of avoiding environmental degradation.

3.3 Conversely the product of sewage treatment, sewage sludge, can make a real contribution to sustainable agriculture, reducing the dependency on inorganic fertilisers and improving soil condition, helping for example to improve soil structure and to reduce erosion.

Water UK conclusion

3.4 We conclude that as a priority there is a need for joined-up consideration of all the policy areas for which DEFRA is responsible. We hope that progress will be made in DEFRA's second year.

4. Infrastructure to deliver objectives

4.1 In theory, DEFRA is able to offer an integrated and sustainable approach to achieve its objectives, looking beyond short-term single sector fixes to integrated multi-sectoral solutions. It could plan, with the help of key stakeholders such as landowners, the farming and water industries, for solutions that are sustainable over the long term.

4.2 DEFRA is not, of course, in complete control of its workload and therefore may have to allocate staff to tasks that may not be priorities towards achieving its Vision. For example, it may need to devote resources to deal with infraction proceedings in respect of European Directives. Conversely, making an early and well researched input into the development of EU and international initiatives can both reduce the likelihood of implementation problems later and gain wider acceptance of DEFRA's objectives and their means of achievement.

4.3 There are a few welcome signs of the DEFRA being prepared to look for a more integrated approach, an example being the consultation document "Sustainable Food and Farming—working together" produced

in March. However progress has been slow. We wonder if this is due to a lack of resource and/or experience within parts of DEFRA, especially within the Environmental Protection Group, to secure a proper balance of interests that would allow integration to take place.

Balancing the water agenda

4.4 For example, there does not appear to be a coherent mechanism within DEFRA for progressing the concepts of the Water Framework Directive that affect all stakeholders, not just the water sector. The Directive requires an integrated approach to protection of the water environment that focuses on achieving acceptable and sustainable outcomes, and with full engagement of stakeholders. This is consistent with the DEFRA Vision.

4.5 Amongst other things, the Water Framework Directive provides the vehicle for dealing with diffuse pollution, much of which originates from land use and agricultural-related activities. This is a difficult issue to address, needing a string of cross-sectoral measures, including support to farmers for environmental practices such as the safe storage and handling of agrochemicals, avoiding nitrate spikes from ploughing up pastureland and keeping animals away from sensitive water resources to reduce the risk from *Cryptosporidium*. However unless it is tackled—through the collaboration of all stakeholders coordinated by DEFRA—water and land use practices that are sustainable in the long term will not be achieved. Whilst we recognise the political will and the commitment of individual civil servants exists we are not convinced this work is sufficiently resourced.

4.6 Water UK has called for Government to set up and chair a National Water Forum that would develop common understanding and consensus between all stakeholders—including farming interests—on water-related issues, allowing clear decisions on long term sustainable solutions.

4.7 In reality, DEFRA has devolved much of the responsibility for water to the Environment Agency, with drinking water quality delegated to the Drinking Water Inspectorate. The division of responsibility between DEFRA and the Environment Agency is not always clear and this is exacerbated by the Vision statements of both organisations. These appear to be parallel rather than the Environment Agency's Vision dovetailing into that of DEFRA. DEFRA should clearly set the policy framework and elaborate strategic guidance that its regulatory agencies should follow.

Coherence across the UK

4.8 It is important that DEFRA should not operate in isolation from other Departments, including its sister organisations in Scotland, Wales and Northern Ireland. There should be effective communication between Departments so that consistent messages are put across, especially in EU negotiations, and implementation practices are adequately coordinated.

Water UK conclusion

4.9 We are not convinced that the DEFRA infrastructure is sufficiently resourced to deliver a truly integrated approach to achieving its Vision. The issue of diffuse pollution will be a major test of its capability. DEFRA needs to set the policy and give clear strategic guidance on water.

5. Role and Influence of Environment Protection Group and Wildlife and Countryside Directorate

Environment Protection Group

5.1 We do not believe that the Environment Protection Group has had a significant influence on DEFRA policy since its transfer. Farming and land use issues have dominated the agenda.

5.2 We hope that the Environment Protection Group (EPG) will be able to make an impact in the future, particularly in setting out strategies and guidance to achieve important elements of the DEFRA Vision. For example, consistent with the objective of making efficient use of environmental resources, there is a need for DEFRA, through the EPG, to propose a long-term strategy for water resources management. This should look both at reducing demand and at developing new supplies, to cope with future uncertainty in demand and supply, stemming for example from climate change.

Wildlife and Conservation Directorate

5.3 The role of the Wildlife and Conservation Directorate is unclear, especially in its relationships with English Nature and the Environment Agency, the statutory bodies in this field. The fact that the main part of the Directorate is in Bristol has not helped integration into DEFRA. The lack of clarity in its role has limited the influence that it has or could have in future.

5.4 The fact that the respective roles and responsibilities of the two statutory agencies, especially in relation to habitats protection, are also unclear has not helped. In this, DEFRA has not issued sufficient strategic

guidance to the agencies, leaving considerable scope for separate interpretation of their responsibilities. Hence the Environment Agency supports specific designation of areas as sensitive on the basis of scientific justification (an approach with which we agree) whereas English Nature prefers a blanket approach.

5.5 These uncertainties make it difficult to decide on which areas, habitats and species warrant priority action and how, what and when action should be taken. A more coherent strategy, defining DEFRA's role and perhaps bringing together the conservation responsibilities of English Nature and the Environment Agency into a single management agency, should be considered.

5.6 The water industry has made good progress in collaboration with landowners and conservation groups in protecting species and habitats. DEFRA needs to provide new guidance underlining the beneficial connectivity of sustainable conditions, so that for example the conservation or creation of wetlands not only supports threatened wildlife, but also plays a major role in flood management.

Water UK conclusions

5.7 Neither the Environment Protection Group nor the Wildlife and Countryside Directorate has yet made its mark on DEFRA, though both have the potential. Most urgent is the need for the responsibilities of each, and the agencies that operate in the same fields, to be better defined.

6. Objectives for the rural agenda

6.1 The objectives that DEFRA has set for itself in respect of rural affairs are those enunciated in its statement of general objectives. The most relevant of these, consistent with the principles of sustainable development, are:

- promoting biodiversity;
- improving enjoyment of the countryside;
- ensuring the sustainable use and management of natural resources;
- promoting thriving rural communities and economic prosperity based on sustainable farming, water and other rural-based industries.

Promoting biodiversity

6.2 We expect DEFRA to strongly promote biodiversity and to encourage landowners and occupiers to make an active contribution. As a major landowner, the water industry already takes a leading role. It manages hundreds of Sites of Special Scientific Interest. Many sites covered by the Habitats Directive rely on its careful management of water abstractions for public water supply and treated wastewater discharges. It actively seeks to protect and promote UK biodiversity, for example it is the national sponsor of the otter.

Improving enjoyment of the countryside

6.3 Through environmental protection, enforced by the Environment Agency, and countryside stewardship schemes, DEFRA has a wide range of measures available to safeguard environmental quality and manage the physical environment. The adequacy of the measures in combination may need review to check their efficacy for achieving the DEFRA objective.

6.4 Often much enjoyment from the countryside comes where a water feature is included. In this, the water industry also plays an important role, ensuring that sewage is collected and treated so that watercourses are protected and also allowing public access to its reservoirs.

Ensuring the sustainable use and management of natural resources

6.5 We would hope that DEFRA will take a positive approach to the management of water resources, promoting the storage of winter rainfall in areas that may be subject to stress during other times of the year. Although DEFRA and the Environment Agency have actively encouraged water storage on farms, they have been reluctant to do so in relation to public water supplies.

Promoting thriving rural communities and economic prosperity

6.6 To achieve this objective will require major reforms in the way that rural practices are supported at present. For example, intensive farming contributes to the increase in flooding as excessive grazing results in water running off close-cropped grass too rapidly, yet is encouraged by subsidies based on number of animals.

6.7 The countryside is dynamic and care should be taken not to fossilise it through over zealous planning policies. The water industry claims much of its water for drinking water supply from rural catchments and has to have adequate infrastructure to collect and distribute it. Likewise, sewage collection and treatment

facilities are needed in rural communities. DEFRA should ensure that planning policies support such essential infrastructure.

6.8 Significant developments in rural areas are already subject to thorough prior assessment of, taking into account not only environmental impacts but also economic and social implications. A further check of their sustainability is the ability of service providers, such as water and sewerage operators, to meet their requirements. DEFRA should make sure that the views of such providers should be actively sought and taken on board before decisions are made.

Water UK conclusion

6.9 The rural affairs agenda has been set by DEFRA's Vision and actively involves the water industry. DEFRA has an important role in setting out the policy framework and ensuring appropriate actions follow.

7. Conclusions

7.1 DEFRA has the potential to deliver benefits to all stakeholders through its Vision. It has made a start. These are early days with considerable distractions from inherited problems and ongoing, short-term activities.

7.2 Joined up thinking and action within DEFRA and with other Departments across the UK will be essential if real progress towards the Vision is to be made. This presupposes balanced attention and resource allocation within DEFRA to the whole range of issues that the Vision encompasses. It is not obvious from DEFRA's annual report 2002 that this balance exists.

7.3 To date, water has not received the attention that its contribution to the Vision merits. The periodic review of prices provides an immediate opportunity for DEFRA to demonstrate its leadership in relation to water.

7.4 The concept of sustainable development provides a set of principles and an integrated approach that should help DEFRA to focus on its Vision. Under the guidance of sustainable development, DEFRA should develop strategies to ensure the long-term viability of the water industry and the services it provides, to improve water quality through prevention of pollution at source and tackling diffuse pollution, and to define more clearly the responsibilities and accountabilities of the agencies that it uses.

7.5 Stakeholder involvement is key since all parts of society have contributions to make to achieve the Vision. DEFRA is prepared to engage stakeholders but often in an ad-hoc way such as attendance at meetings and conferences. In respect of water, we would like to see a more formal mechanism, a National Water Forum.

May 2002

APPENDIX 9

Memorandum submitted by the League Against Cruel Sports (G12)

1. The League Against Cruel Sports campaigns for legislation to end cruel sports and in particular for a resolution to the hunting issue. This response is submitted by the League Against Cruel Sports.

2. The League welcomed the formation of DEFRA as signalling a new approach to managing the full spectrum of countryside issues.

3. Executive Summary:

- (i) the League welcomed the formation of DEFRA and the transfer of some responsibilities from DETR to DEFRA;
- (ii) the League feels that the hunting issue needs to be speedily resolved, to best establish a new vision for countryside policy and to promote new attitudes to conservation, preservation and prevention of cruelty and care for the environment;
- (iii) the League is concerned that institutionally DEFRA is still dominated by Agricultural, Forestry and Fishing interests. Recommendations for change to address these concerns are made;
- (iv) the League believes that DEFRA has missed a major opportunity to kick start the new Countryside Agenda, by failing to resolve the hunting issue by facilitating the passage of the existing hunting Bill in the current session of Parliament;
- (v) the League recommends that the hunting Bill be returned to Parliament in time for it to complete its passage in the current session, with the assistance of the Parliament Act should that prove to be necessary;
- (vi) the League commends the new start made by DEFRA and in particular commends the work done by the Countryside Agency to provide factual information on Countryside issues; and

- (vii) the League commends the commitment made to bring forward a new Bill in the next session of Parliament which MPs will be able to amend and see through to the Statute Book with the use of the Parliament Act should that be necessary.

THE VISION FOR DEFRA

4. The League supports the Vision set out for DEFRA but feels that the real problem faced by Government is one of an institutionalised mindset with regard to the Countryside, dominated by Agriculture, Forestry and Fishing interests.

5. Approximately 24 per cent of the population live and work in the Countryside. Less than 7 per cent of that rural population is engaged in fishing, agriculture, forestry, or any related industry.

6. Over 40 per cent of the population have expressed a desire to live in the Countryside and over 300 million day visits are made to the Countryside every year.

7. The Countryside is of concern to the vast majority of the population, who see it as an asset under threat from pollution, and from intensive production. The public are concerned that all too often the so-called guardians of the land and waters are intent on minimising public access and enjoyment while maximising public subsidy. The balance of activities on the DEFRA regulatory reform activities action plan confirm the institutionalised concentration of focus on the 7 per cent of the Countryside as opposed to the 93 per cent not engaged in Agriculture, Forestry and Fishing.

8. The flaws inherent in the institutional bias towards the 7 per cent of the Countryside issues were made clear for all to see when the Countryside was “shut down” because of the Foot and Mouth outbreak. It was weeks before the scale of the damage to the non-agricultural rural economy was realised and by then it was too late for many of the businesses affected.

The League recommends that:

9. Further changes are made within DEFRA to facilitate a more holistic approach to Countryside management:

- (viii) to establish a public access and Countryside recreation directorate; and
- (ix) to move the work currently done on rural businesses from the DETR to DEFRA, thereby ensuring that all Countryside business issues are dealt with in the one Department.

THE BALANCE BETWEEN PRIORITY GIVEN TO FARMING, FOOD, ENVIRONMENT AND CONSERVATION CONCERNS AND RURAL AFFAIRS

10. The League is concerned that because of its institutional history, DEFRA is still too heavily focused on the minority of rural businesses and of those people who live in, work in, or visit the Countryside.

11. The League appreciates that it takes time to make changes of the magnitude needed and that the Government has already made a good start by forming DEFRA and establishing a new vision for it.

12. The Government has also made a good start by making it clear that Agricultural and fisheries subsidies should be drastically reduced. A phased move to relating payments to environmental/conservation objectives, which address public concerns, should be made sooner rather than later.

The League recommends that

14. Policy and funding priorities within DEFRA are changed to facilitate a speedy move to more environmentally friendly policies:

- (i) the recommendations of the Curry Report should be phased in over the next five years, with the funding made available;
- (ii) DEFRA Divisions should be tasked with matching all grants and subsidies to Agriculture, Forestry and Fishing, to conservation and environmental management objectives. Extensification should be rewarded and intensification actively discouraged;
- (iii) there should be provisions within all environmental/conservation grant schemes for grants to be made for conservation activities that are not, agriculture or silvicultural, such as provision for sanctuaries and reserves;
- (iv) DEFRA should make it a condition of all grant aid, that public access is facilitated and that any refusal may lead to the withdrawing of grants.

IMPACT OF ENVIRONMENTAL PROTECTION GROUP AND WILDLIFE AND COUNTRYSIDE DIRECTORATE

15. The League welcomes the moving of the two divisions to DEFRA because it facilitates a more integrated approach to Countryside policy making.

16. The League is however concerned that DEFRA's work in wildlife protection is currently limited to endangered species and dangerous animals.

17. The recent Government decisions to bring forward new legislation with regard to hunting, suggest that further changes to this area of DEFRA will be required.

The League recommends

18. A further strengthening of the Wildlife Directorate to address the work and issues arising from the implementation of the new Hunting Bill.

THE RURAL AFFAIRS AGENDA

19. The League recognises that the work done by the Countryside Agency has made a significant contribution to the rural affairs debate.

20. The League welcomes the fact that the Government, through DEFRA is at long last facilitating a resolution of the hunting issue.

21. The League believes that a resolution of the hunting issue is an essential part of and a precursor to redefining public opinion with regard to land management policy and economic support for rural businesses of all types.

22. The work done on "Rural Proofing" policies and on developing indicators to research areas of rural concerns has been very important and provides a sound basis for policy development.

The League recommends that:

23. The Hunting Bill is fast tracked to ensure its passage at the earliest opportunity.

24. The Countryside Agency is asked to include within its remit, publication of reports on visitor and resident attitudes to environmental and Countryside issues, such as access, environmental concerns, social inclusion/exclusion and recreational activities.

LEAGUE COMMENT

25. The League welcomed the formation of DEFRA and the introduction of the Hunting Bill as clear moves by Government to redefine attitudes to and the management of the Countryside.

26. The League is concerned that having started the process of change with a clear vision, the Government is in danger of getting stuck in the mire, by a combination of the institutional inability to change and the political resistance to change.

27. In revolutionising public attitudes to the Countryside, the League urges the Government to have the courage of its convictions and to enable Parliament to speedily resolve the hunting issue.

28. The League believes that the decision to drop the existing Bill was a serious mistake. It has led to a two-year delay in resolving the hunting issue, which will only serve to delay attitudinal change. The delay will lead to two years of unnecessary cruelty to wildlife for sport, and to increased levels of violence, havoc and intimidation in the run up to the inevitable ban on hunting and coursing with dogs for sport.

29. The League believes that the Government should, even now, bring back the Hunting Bill. The Bill could be passed by the end of the current session of Parliament and thereafter DEFRA could move on with the rest of the rural agenda, confident in the knowledge of massive public support for a new era of cruelty free, environmentally friendly Countryside policies.

May 2002

APPENDIX 10**Memorandum submitted by the Meat and Livestock Commission (G13)**

Thank you for giving the Meat and Livestock Commission the opportunity to submit written evidence to your Committee's inquiry into the role of DEFRA. As requested, we enclose comments on the direction DEFRA is taking, rather than on the details of DEFRA activity over the past year.

Firstly, we welcome the establishment of the new Department. The amalgamation of policy decision-making on the environment into agriculture, food and rural affairs is a logical step and one which, to a greater or lesser extent, is also being adopted in Brussels.

We recognise the Government's wish to put sustainability and the interests of consumers and our rural communities at the heart of food and agriculture policy-making.

We also welcome the decision to integrate the environment, food and rural affairs into one department, to enable officials and Ministers to take a more joined-up approach to British sustainable food production.

We acknowledge that the creation of a major new Government Department takes time. Our experience is that DEFRA has made a good start, but is still "bedding down", and it may well be another six to nine months before both structural and staff changes are finalised. We are aware that there are difficult issues in terms of staff conditions which need to be resolved.

However, we would stress that the DEFRA should not lose sight of the urgent need to improve the efficiency of the food chain (and the red meat supply chain in particular), and to ensure sustainable competition at all stages of the food chain. Only by doing this will the British meat industry have a sustainable future.

MLC's Vision is that within five years the industry can be a world-class, trusted, efficient supply chain delivering a product preferred by consumers.

We believe that this can be brought about by:

- communicating what the consumer wants back down the supply chain;
- a significant improvement in the eating quality of British product, compared with the competition;
- a meat and livestock industry that meets the needs of modern consumers;
- a step change in the integrity and competitiveness of the supply chain.

It is particularly in achieving this last aim that DEFRA's policies and support can make a difference. Much remains to be done.

More widely, changes in global, EU and national policy reflect the fact that priorities for major industrialised countries are decreasingly concerned with conventional food production—this trend is reflected by shifts away from the subsidisation of primary production.

There is also a widespread perception that the CAP is currently too costly, rewards the wrong producers and requires reform. There is a willingness to subsidise primary production so long as this results in goods and services that match the changing needs of society, which include creating a livestock industry sympathetic to, and working in harmony with, the environment.

But, in developing policies which move away from conventional production subsidies towards agri-environmental schemes, DEFRA must not lose sight of the underlying market realities:

- consumers expect a wide choice of food products offered in a variety of settings (ie retail, foodservice, catering etc), ranging in cost, ease of preparation and taste;
- they demand products that suit every budget as well as appropriate hygiene standards, with as much transparency and traceability as is practical for the industry to supply; and
- consumers also expect those involved to receive a return from farming and food production that reflects the investment of effort made, and the opportunity to compete on a level playing field.

MLC will assist DEFRA in developing practical policies to encourage the British red meat industry to become sustainable, profitable and competitive. In return, we would urge the Department always to focus on consumer needs when moving towards sustainable food and farming.

We hope these comments will assist the Committee in its inquiry. Please do not hesitate to contact us if you have any queries about our submission.

31 May 2002

APPENDIX 11

Memorandum submitted by the RSPCA (G14)

1. INTRODUCTION

1.1 The RSPCA is grateful for the opportunity to respond to your inquiry into "The Role of DEFRA". The Society responded to DEFRA's consultation "A New Department, a New Agenda" last year and welcome this opportunity to raise our concerns about DEFRA's objectives.

1.2 In the Society's submission to DEFRA last year we noted the difficulties in establishing a new Government Department. However we pointed out that we felt that there are also great opportunities for the better integration of both policy and action on matters to do with the rural environment. This in turn could

have significant benefits for the welfare of the many millions of animals whose lives depend on, or are affected by that environment.

1.3 The major concern that the Society had and still has, is that there are few references to animal welfare within the aims—and where such references do occur, they are presented merely as a subsidiary part of animal health, which itself is apparently considered as being largely a matter of food safety. Neither is there any recognition of the need for an ethical framework for decision-making on matters to do with environmental protection and rural development which acknowledges the health and welfare needs of animals.

2. PUBLIC CONCERN

2.1 Animal welfare is an issue of considerable and growing public concern. The Society is sure that MPs, as well as Government Departments, will recognise the scale of this concern in the volume of correspondence they have received in recent years on a range of animal welfare issues. The RSPCA shares and reflects that concern: in only the last five years the Society has received recorded monetary support from over 700,000 people, 250,000 of whom are regular monthly contributors (RSPCA Marketing Database Audit May 2001) and consistently achieves over 90 per cent awareness for animal welfare work in the public's mind (Future Foundation Charity Awareness Monitor, Total Awareness, June 2001). We believe that the Government has a responsibility to make due provision for animal welfare in all its activities and planning.

3. FREEDOM FOOD SURVEYS ON FARM ANIMAL WELFARE

3.1 During the Foot and Mouth (FMD) Crisis, Freedom Foods (the RSPCA's farm animal welfare assurance scheme) commissioned Gallup Organisation to conduct a series of three surveys of the general public's perceptions about farm animal welfare and food products. The first wave took place from 11-20 April 2001, the second from 3-17 July 2001 and the third wave from 19 September-3 October 2001.

3.2 The results show that an overwhelming majority (85 per cent) of respondents said that they would be concerned if livestock farming in the UK disappeared, to be replaced by imports (third wave). Again when asked about what they considered to be most important to them when purchasing eggs, meat, poultry and dairy products, respondents stated that they felt the rearing method of the animal to be the most important factor (38 per cent wave 1, 34 per cent wave 2, 36 per cent wave 3). Finally when asked whether farm animal welfare was more important to them now than it was before the FMD crisis respondents consistently replied by stating that farm animal welfare was more important (55 per cent wave 1, 57 per cent wave 2, 60 per cent wave 3). Showing a clear increase over time and highlighting the need for Government to make the issue of farm animal welfare a priority if it is to represent the views of the public.

4. DEFRA'S AIMS AND OBJECTIVES

This inquiry is looking at four key areas surrounding the role of DEFRA. As you will appreciate the RSPCA will restrict its comments to those areas affecting animal welfare.

Whether the vision for the department set out by the Secretary of State is appropriate, and what progress has been made towards meeting that vision

4.1 The section referring specifically to animal welfare is in the penultimate sentence and states; “. . . the promotion of animal welfare and protection against animal disease is at the core of the way in which we farm and live.” The RSPCA welcomes the inclusion of this important statement and believes that a commitment to promote animal welfare, in balance with the other, sometimes conflicting, aims of promoting economic prosperity and environmental protection must be an essential part of the overall strategy.

4.2 However, the Society does have concerns that this statement is not given the necessary weight and certainly does not appear to be given even equal weight within the more environmentally based direction of the text. This in conjunction with the aims and objectives document produced by the department highlight the real concern that the RSPCA has that animal health and welfare are an after-thought added in—not a central thread running throughout the whole strategy of the department.

4.3 The Society would strongly suggest that promotion of animal welfare—both for domesticated and wild animals, free living and captive—should be a fundamental high-level objective within all areas of the Department's work, including not just agriculture and fisheries, but also wild animal management and care, environmental protection, and rural development.

Whether farming, food, environmental and conservation concerns, and rural affairs are each given proper weight by the department, and whether the department is engineered to deliver its objectives

4.4 It is perhaps indicative of the RSPCA's concern that animal welfare is not specified amongst the concerns listed in this question. The RSPCA is concerned that animal welfare, while mentioned in the vision and briefly in the objectives report of the department, does not have the focus and emphasis it should have.

Included in this is the issue of animal health, and recent events in farming have proven a real need for change and assurance that health (and other welfare) issues are given the priority needed to protect not just the animals but also the consumer, the farming industry and the rural economy.

4.5 Whether or not the department is able to deliver on its objectives is a difficult judgement for the Society to make and one that we feel we cannot comment on.

What has been the impact on the role and influence of the Environment Protection group and the Wildlife and Countryside Directorate of their transfer from the former DETR?

4.6 The Society does not feel able to comment extensively on this area of the Department's operation as contact with the Environment Protection Group and the Wildlife & Countryside Directorate is very limited and hence assessment of change is difficult. However, the Society has real concerns about the Department's considerations for wild animal welfare. It is the RSPCA view that such consideration is severely lacking across the wide-ranging areas of the Department's responsibility—probably more so than farm animals. Very minor mentions in the Wildlife & Countryside Act, minimal reference to adequate welfare provisions in the Dangerous Wild Animals Act, and although through the Zoo Licensing Act the Secretary of State's Zoo Standards of Modern Zoo Practice has raised the issue in theory it is in the overall commitment by the Department and those devolved with responsibility for taking wider action where there remains a severe lack of commitment. It is of great and continuing concern that welfare issues are not central to the policy and practices of the Department's handling of wildlife issues.

What objectives the department has set itself in pursuing the "rural affairs" agenda; in what areas of policy other than those dealt with directly by the department it has sought to make the case for rural areas, and what examples there are of successes?

4.7 Clearly a welfare issue that the RSPCA is concerned with that is tied in with the "rural affairs" agenda is that of hunting with dogs. The Society hopes that the Department and Government will act firmly on this issue and ensure that the so-called "sport" is banned and furthermore does not detract from other important rural affairs issues.

May 2002

APPENDIX 12

Memorandum submitted by the National Farmers' Union of England and Wales (G15)

INTRODUCTION

1. The NFU welcomes the opportunity to submit evidence to the Committee in connection with its inquiry into the role of DEFRA, one year after the new Department was established. We have used the Committee's terms of reference as the structure for our comments. We have sought to adhere to the Committee's request for an overview on the direction the Department is taking, and to keep our evidence as brief as possible. The Department's responsibilities cover such a broad field, and it has been such an eventful year on a number of policy fronts, that it is not possible to attempt a comprehensive assessment of the Department's performance across the board: we have naturally concentrated on the Department's interface with the agriculture industry and the farming community who we represent.

GENERAL BACKGROUND

2. Debate about the appropriate structure of Government machine for agriculture, the environment and rural issues has been ongoing over many years. Indeed as recently as March 2000 when the Prime Minister launched an Action Plan for Farming it was stated that he wanted to bring speculation about the future of the Ministry of Agriculture to an end and emphasised that MAFF would fulfil the task of implementing the strategy for farming and food. By the time of the publication of the Labour Party manifesto before the 2001 General Election there was a commitment to create a "Department for Rural Affairs" to lead renewal in rural areas. As DEFRA's Departmental Report 2002 rather coyly remarks "the creation of DEFRA allowed for little formal planning of the complex logistics of the merger" of former MAFF with parts of former DETR, and some Home Office staff. In short it is clear that there was little in the way of a detailed blueprint for the design and functions of the new Department before the election, and accordingly its construction and development has created an impression of some haste and improvisation.

APPROPRIATENESS OF DEFRA'S VISION AND PROGRESS TOWARDS IT

3. The new Department could hardly be said to have had a flying start in life. Indeed it has had to face serious internal problems for example relating to different structures of staffing and pay amongst its civil servants, incompatible IT systems etc. From the agricultural point of view the new Department inherited a

major crisis in the form of the worst outbreak of foot and mouth disease (FMD) recorded anywhere in the world. Although this disaster for farming had peaked in terms of daily cases before the new Department came into being, nonetheless the sheer scale of the outbreak, and the severe consequences for farming and for the wider rural economy are still very real issues some seven months after the last reported case. In these circumstances it is not perhaps surprising that the diversion of the new Department's attention and resources to tackling FMD has delayed some of the development of the new Department. The establishment of aims and objectives for the new Department has taken many months, commencing with the first thoughts of the Secretary of State in June last year, and followed by a consultation exercise in the autumn.

4. We support the Government's policy of opening up Whitehall to the commercial realities of the world which it oversees and regulates. We have therefore been disappointed that more use has not been made of the opportunity of DEFRA's creation to import into the new Department senior persons from the commercial world with expertise relevant to the Department's responsibilities. We note that this has been done to some extent, for example senior IT posts, but believe there is scope for more.

5. The Secretary of State's vision for the Department which appeared towards the end of 2001 is couched in somewhat Arcadian prose. It is worth noting the original vision statement which still appears on DEFRA's website states that "the pursuit of sustainable development . . . is vital to achieving this vision", whereas the prospectus document published by the Department in March of this year Working for the Essentials of Life adjusts this statement to the more ambitious line that "Through the practices of sustainable development . . . we will achieve our vision". This is perhaps symptomatic of the Department's decision to place all its eggs in a basket of "sustainable development" without apparently recognising the potential conflict or inconsistency of its stated commitments. For example, the Department rightly perceives the importance of global and international objectives in relation to the environment and climate change. Yet the delivery of the Department's objective of promoting a "sustainable, competitive and safe food supply chain which meets consumers' requirements" will require a much more robust sponsorship and promotion of the economic sustainability of British agriculture by DEFRA than has been apparent to date in the light of the support given to their agricultural industries by other countries amongst our competitors in Europe and the wider world. This must be accompanied by the application of significantly more resource to fund the achievement of the objective.

6. In assessing what would be required to achieve its vision through the practice of sustainable development, we question whether the Department has taken sufficient account of the fact that many of the key resources such as land are largely privately owned, and that there are existing and long-standing rights in respect of other resources such as water. These considerations should be more demonstrably integrated into the Department's approach.

7. The NFU welcomes the Department's commitment to raise the status and profile of science within DEFRA to deal with the Department's challenges. It is therefore right that the Department has set in hand a fundamental review of the organisation of science in DEFRA and has appointed a new Chief Scientific Adviser to lead this process. We welcome the important statements made by the Prime Minister in his speech to the Royal Society on May 23 2002 about the importance of making judgements on the basis of scientifically evaluated facts, and that "environmentalism is strongest when allied to hard science and empirical testing". However to turn the Prime Minister's statement into reality will require strong emphasis amongst DEFRA's science department and the Chief Scientist on proper development of both European and international policies. Already DEFRA's inability to secure review and revision of the discredited science which underlies the application of the EC Nitrate Directive to England shows that farmers face unnecessary regulatory costs as DEFRA implements existing EU legislation.

8. Given the difficulties it faced from the standing start, it is no surprise that the Department has struggled to determine its aims and objectives in life and to put the necessary structures in place to achieve them. Although it must be right to have conducted this exercise in a transparent and consultative manner, many of DEFRA's stakeholders have become increasingly impatient for the Department to get on with the job of tackling some extremely pressing difficulties within the Department's remit, most notably in the agricultural sector. The Department must now move on from infancy to a mature application of practical management of its responsibilities. This will inevitably require the provision of sufficient resource by DEFRA and equally the provision of necessary financial resources by Treasury to enable DEFRA and its related Executive Agencies and other associated bodies to better meet their responsibilities.

DOES THE DEPARTMENT GIVE "PROPER WEIGHT" TO EACH OF FARMING, FOOD, ENVIRONMENTAL AND CONSERVATION CONCERNS ?

9. We remain deeply concerned that DEFRA is failing to give proper weight to the future of farming. DEFRA is the sponsoring Government department for farming at a time when farmers are in a long established financial depression. Moreover DEFRA took over from MAFF the role as the primary Government department for the management of the FMD outbreak. DEFRA naturally, and properly, devoted substantial financial and staff resources to controlling and eliminating the FMD outbreak. We welcome DEFRA's close contact with the NFU at both national and local levels and the strenuous efforts to secure a united approach to bringing the end of the FMD outbreak. However, we remain deeply concerned that other farming priorities which require Government action have not received the attention they deserve.

10. The NFU is particularly concerned over the slow response from DEFRA, and Government as a whole, to the recommendations of the Policy Commission on the Future of Farming and Food. Some of the recommendations from the Commission's report have made significant progress but too many of the more major policy issues referred to in DEFRA consultation on "Sustainable Food and Farming, Working Together" remain the subject of slow moving consultation and decision-taking. No one can judge the value of the strategy for sustainable farming to which the Government has committed itself until these on-going processes, and crucially the question of adequate funding for them, have advanced much further.

11. We would argue that DEFRA's failure to take steps to help farmers across its wide agenda leads to it also running the danger of failing to deliver its food, environmental, conservation and rural affairs concerns. Farming remains the core of our food industry, our environment and our rural economy. We find it ironic that policy tensions on agricultural issues between former MAFF and former DETR often produced pressure within the system for solutions which more effectively balanced the needs of a competitive agriculture on the one hand with environmental and other public policy objectives on the other than we perceive happens now that the policy-making is housed under one roof.

12. The NFU continues to be very concerned over DEFRA's implementation of its regulation of farming. DEFRA quite rightly in Working for the Essential of Life undertakes not to impose unnecessary regulations and to ensure that care is taken on the economic consequences of regulation. The NFU and farming community do not see that this has yet been turned fully into operation. We remain concerned over "gold-plating", characterised by a tendency to err excessively on the side of caution apparently to be sure to escape infraction proceedings; and over DEFRA's failure to review regulation, whether existing or newly proposed, with stakeholders including the NFU. DEFRA should place even greater emphasis in ensuring that its negotiators, whether in world or EU discussions, fully understand the implications of policy development on farmers and the importance of pressing for new regulations to have the least adverse impact on farming.

13. Notwithstanding the huge pressures placed on Ministers and officials in the Department by the FMD crisis, in our view the Department continues to be under-resourced in terms of its ministerial complement. In our view DTLR received a more favourable complement of seven ministers from its creation after the election last year than did DEFRA which received an allocation of only five ministers to take on the responsibilities inherited from MAFF, DETR, and the Home Office. This more generous complement has been continued in the restructured arrangements for transport, and for local government and the regions, announced on May 29. We believe that there is a strong case for DEFRA to be strengthened by the appointment of a food chain minister at Minister of State level in the Commons, and that this would be of material assistance in progressing towards the Department's objectives for a sustainable farming industry.

14. The NFU has welcomed the establishment of the Rural Payments Agency, and the opportunity that has been taken to have a single cohesive unit for payments under the EU CAP and other schemes. However it is a matter of regret that morale in the RPA appears to be very low. For most farmers their only direct interface with DEFRA is through the RPA, and the difficulties and prolonged delays experienced in payments by the Agency have inevitably tarnished the new Department's image with many of these customers. Delays in payments under ERDP schemes are well-documented. It is most important that the RPA swiftly overcomes IT problems, clears backlogs in payments, and establishes a more positive relationship with customers. We appreciate that management of the RPA is aware of the need for this, but the sooner they can achieve it the better.

15. The NFU has examined the performance of DEFRA at the regional level. We detect a number of problems here. In general the Department's policy strategists are perceived to have worked hard to establish the new Department at regional level, in relation to the Government Offices of the various regions. It has however been pointed out that in some cases senior regional officials of DEFRA appear to spend a fair proportion of their time on matters which are not directly related to DEFRA. Whilst we see the importance of good working relations and other Government Departments at regional level, the very broad remit of DEFRA's responsibilities means that regional officials are hard put to do justice in any depth to the Department's remit, let alone that covered by other Departments.

16. It is perceived that there is some notable confusion in the minds of officials themselves about their exact role and how their responsibilities within DEFRA relate to the rest of the Department and to other departments in the Government Offices of the regions. It has also been noted that in some cases there appears to have been some tension between regional DEFRA and regional Government Offices regarding lines of responsibility and functions. These conditions have inevitably led to a somewhat cautious attitude by officials who can appear very conscious of demarcation lines, and frustration for customers arises when a 'pass the parcel' attitude is encountered. Stakeholders and customers who had been promised that the new arrangements would provide a more integrated, joined up approach, have too often had to share officials' confusion, and there is a danger of disillusionment with the young Department setting in.

17. In summary we believe that DEFRA has made a well-intentioned but often under-resourced start to many of its responsibilities, and that much work must be done to convince stakeholders and customers of the Department's understanding of their problems and of its commitment and ability to provide a service at a level which will see them efficiently and effectively addressed.

IMPACT OF THE ROLE AND INFLUENCE OF THE ENVIRONMENT PROTECTION GROUP AND THE WILDLIFE AND COUNTRYSIDE DIRECTORATE OF THEIR TRANSFER FROM FORMER DETR

18. These groups brought with them to DEFRA some issues which have a high profile, for example the implementation of the new right of access to open country under the CRoW Act 2000, the introduction of Environmental Impact Analysis regulations, and the Water Framework Directive. We perceive that in addition ministers have tended to put most emphasis on the environmental aspects of agriculture, perhaps to indicate a desire for an integrated approach to the new Department's responsibility in the name of sustainable development. The real test of a balanced approach within the Department will come on such issues as cross-compliance of environmental payments to farmers, and the extent to which the needs of agriculture as a primary user industry will be recognised in the bringing forward of the Water Bill.

THE DEPARTMENT'S OBJECTIVES IN PURSUING THE "RURAL AFFAIRS AGENDA"

19. DEFRA's Objective no 2 is "To enhance opportunity and tackle social exclusion through promoting sustainable rural areas with a dynamic and inclusive economy, strong rural communities and fair access to services". Although some of the powers and mechanisms for achieving that objective fall within the DEFRA remit, the fact remains that much of it is delivered through the policies and programmes of other departments of state—for example DTI, and what was DTLR but now further separated (from the original DETR empire) into the Department of Transport, and the Office of the Deputy Prime Minister covering such matters as local government, housing and planning. We are not convinced that DEFRA has been able to establish the "clout" for rural issues that we believe a Department with formal responsibility for Rural Affairs should have. What influence, for example, has DEFRA had over policy for the future of rural post offices?

20. The Countryside Agency's recent report on progress with "rural proofing" did not give DEFRA a good assessment on embedding rural proofing in policy making procedures, or on promoting proofing checklists, or on setting and monitoring rural targets or on enhancing rural awareness through staff training. DEFRA should be leading the way—not falling behind other departments which are notorious for their insensitivity to the rural dimension. We welcome the expression of ministerial regret for this position in the Lords debate on rural policy on April 30, and in principle we welcome the development of a new classification of "urban" and "rural" based more on land use, settlement patterns and economic activity. However do not find the minister's statement in the debate very reassuring that "we shall then have a suite of definitions on which we can draw as appropriate but as understood for various different purposes". It is of concern that the new classification is apparently at least 18 months away, and even then it may not be so helpful in more clearly defining "rural" for policy purposes given that this is a long-standing and already well-researched issue.

21. DEFRA has the potential to take a positive lead on rural affairs. For a variety of historic, cultural, resource, managerial and not least political reasons it runs the risk of failing and becoming inward-looking. For the sake of farming and our unique countryside this must not be allowed to happen.

May 2002

APPENDIX 13

Memorandum submitted by the Local Government Association (G16)

Our attention has been drawn to this new Inquiry and the Association has the following comments related to your terms of reference:

- It is undoubtedly too early (one year into the life of the new Department) to be able to say conclusively whether DEFRA, and its vision, are making a difference. We are aware that new working arrangements are still bedding in and that there has been a big staff turnover in some areas. We recognise the ambition of the Department and our comments—where they are critical—are intended to assist in achieving their objectives.
- The Department covers a huge span of subjects and the vision is inevitably wide-ranging and ambitious. It recognises the key issues that need to be addressed but, as with any vision statement, it is the reality in practice that is ultimately important.
- Our understanding of the new Department is that, in addition to its own departmental responsibilities (for farming, food processing, environmental and countryside issues), DEFRA is responsible for two policy areas which cut across the whole of Government:
 - sustainable development; and
 - rural affairs.
- The Association has yet to see any significant evidence of DEFRA influencing the plans and policy proposals of other government departments on either of these two important cross-cutting issues. Your Inquiry will, no doubt, wish to explore the influence that the new department has been able to exert across government.

- From the soundings we have been able to take on the matter, there would appear to be a perception within local government that the new Department is still weighted towards environmental issues and regulation. Rural affairs seems to have a Cinderella role and “sustainable development” appears to focus on environmental sustainability, rather than on an over-arching approach to integrate social, economic and environmental thinking into all decision-making across government.
- We are not convinced that there are strong links between DEFRA and other government departments which have important roles in common policy areas—especially DTI (eg for energy and waste policy) and the former DTLR (for environmental and urban affairs). The town and country differentiation (as in DTLR/DEFRA) still appears to fly in the face of statements made in the urban and rural white papers. Your inquiry may wish to probe the strength of these important connections.
- A number of local authorities have had some difficulty in dealing with the Department on their local Public Service Agreements, when they have sought to include targets on recycling waste. This is an area to which the Government appears to give priority but the LGA’s impression is that the Department’s capacity to negotiate with local authorities on waste recycling targets has been limited by a lack of resources being applied to this priority.
- Also on waste policy matters, it was unfortunate that the new Department should find itself, within its first year of operation, embroiled in a crisis surrounding the disposal of refrigerators. The LGA appreciates the recognition and involvement afforded to local government over recent months to attempt to address this issue (although mechanisms and funding arrangements have yet to be finalised). However, the big issue here is one of foresight and forward planning. It will be important for DEFRA to ensure that there are no unforeseen repetitions of the fridges crisis and your Inquiry may wish to explore the Department’s forward planning arrangements with particular regard to future European regulations. The forthcoming Waste Electrical and Electronic Equipment (WEEE) Directive is likely to require careful planning to ensure that the “polluter pays” principles are carried through and that there is no additional financial burden on local authorities or council tax payers.
- With regard to Rural Affairs, the LGA is involved in the newly created Rural Affairs Forum for England (RAFE). It will be important for this mechanism (and the regional rural affairs fora which are also being established) to be more than “talking shops”, for practitioners’ views to be heard and for real action to result from the process—carried through to the development of future rural policy—across Government.
- On the issue of animal welfare/protection against animal diseases, your Inquiry will no doubt learn lessons from the series of Inquiries established following the Foot and Mouth outbreak. There are, however, concerns within local government that there have not yet been sufficient steps taken to protect the UK farming industry from the dangers of imported meat/animal products. Linked to this is a potential danger, in a rush to re-stock culled farms, of re-introducing bovine TB to previously “clean” areas.
- We detect a lack of clarity or, at least, some confusion about the boundaries between DEFRA and the Food Standards Agency regarding food issues. A very recent example concerns illegal imports of animal products. In January FSA wrote to local government heads of environmental health and trading standards asking them to report details of any seizures. In April DEFRA asked our sister organization, LACORS, to request the same people to supply the same information to them. This suggests a possible communication problem.
- Finally, your Inquiry may wish to explore the relationship between DEFRA and the Countryside Agency. There is sometimes a perception that both are independently active in some policy areas (eg rural transport) and your Inquiry may wish to consider the value that each adds to the other.

May 2002

APPENDIX 14

Memorandum submitted by the Natural Environment Research Council (G17)

1. The Natural Environment Research Council (NERC) welcomes the opportunity to respond to this inquiry.
2. NERC is one of the UK’s seven Research Councils. It funds and carries out impartial scientific research in the sciences of the environment. NERC trains the next generation of independent scientists. Its priority research areas are: Earth’s life-support systems, climate change, and sustainable economies. Details are provided in NERC’s new five year strategy, Science for a sustainable future (<http://www.nerc.ac.uk/publications/strategicplan/>).
3. NERC supports scientists at universities and through its own research centres and collaborative centres. NERC’s research centres are: the British Antarctic Survey (BAS), the British Geological Survey (BGS), the

Centre for Ecology and Hydrology (CEH) and the Proudman Oceanographic Laboratory (POL). A list of NERC's collaborative centres is appended.

4. NERC's comments draw on inputs from the Centre for Ecology and Hydrology, Southampton Oceanography Centre and NERC Swindon Office.

GENERAL COMMENTS

5. NERC and DEFRA already enjoy a successful working partnership with interactions at both strategic and operational levels. NERC would encourage DEFRA to build on such partnerships to develop a more strategic, "joined-up" approach towards common sustainable development goals.

6. The opportunity for longer-term partnership commitments between DEFRA and NERC has arisen as certain DEFRA science requirements match NERC's strategic priorities and expertise. These longer-term partnership commitments should be considered as this will help ensure the highest quality policy driven science is funded and provided in key strategic areas eg climate change, rural land use, sustainable agriculture and sustainable energy. For example, DEFRA and the NERC community already enjoy good partnership links in climate change due to interactions between the Tyndall Centre for Climate Change Research and the Hadley Centre (funded by the Global Atmospheric Division at DEFRA). NERC and DEFRA could further develop climate change partnership links by enhancing interaction between NERC Centres for Atmospheric Science (NCAS) and the Hadley Centre.

7. In view of DEFRA's continued commitment to flood and coastal defence and its underpinning R&D, there is a significant opportunity for DEFRA to bring climate change work (via the Global Atmospheric Division) closer to flood work (via the Flood Management Division) to address questions such as "what are the impacts of climate change on flooding in the UK?"

8. DEFRA and NERC should continue to undertake reciprocal discussions and inputs into science strategy and priority development via fora such as the Environment Research Funders' Forum, which NERC is establishing, and their respective science policy and funding boards.

May 2002

Annex

NERC RESEARCH CENTRES AND COLLABORATIVE CENTRES

NERC Research Centres

British Antarctic Survey (BAS)
British Geological Survey (BGS)
Centre for Ecology and Hydrology (CEH)
Proudman Oceanographic Laboratory (POL)

NERC Collaborative Centres

Centre for Observation and Modelling of Earthquakes and Tectonics (COMET)
Centre for Polar Observation and Modelling (CPOM)
Centre for Population Biology (CPB)
Centre for Terrestrial Carbon Dynamics
Data Assimilation Research Centre (DARC)
Dunstaffnage Marine Laboratory (DML)
Environmental Systems Science Centre (ESSC)
NERC Centres for Atmospheric Science (NCAS)
Plymouth Marine Laboratory (PML)
Sea Mammal Research Unit (SMRU)
Southampton Oceanography Centre (SOC)
Tyndall Centre for Climate Change Research
Further information on all these centres can be found on the NERC web site www.nerc.ac.uk

APPENDIX 15**Memorandum submitted by the Open Spaces Society (G18)**

INTRODUCTION

1. The Open Spaces Society, formally the Commons, Open Spaces and Footpaths Preservation Society, is Britain's oldest national conservation body, founded in 1865. The society campaigns to create and conserve common land, town and village greens, open spaces and public paths, in town and country, throughout England and Wales.

2. We are concerned that DEFRA's countryside division has insufficient resources to carry out its vital role, particularly in relation to national parks, and common land and town and village greens.

COMMON LAND

3. We are particularly concerned that the proposals for the future of common land have still not been published, more than two years after the closing date for comments on DETR's consultation paper *Greater protection and better management of common land in England and Wales*. We understand that it is the intention to publish proposals before too long, but we consider that they should have been published long ago. The matter is urgent, as we must ensure the long-term protection of our precious commons from over- and undergrazing and encroachment from unlawful works.

NEW NATIONAL PARKS

4. We trust that the designation of the New Forest and South Downs as national parks will not be delayed through lack of resources.

COUNTRYSIDE AND RIGHTS OF WAY ACT 2000

5. We are also anxious that there should be no delays from DEFRA on the implementation of freedom to roam under the Countryside and Rights of Way Act. We are aware that the timetable for publishing the regulations has slipped, for example on closures and restrictions, local access fora and dedication of access land under section 16 of the act, and trust this will not lead to a delay in implementation of this much-wanted legislation. We trust that DEFRA will publish proposals soon for early commencement of some of the regions.

30 May 2002

APPENDIX 16**Memorandum submitted by the Ramblers' Association (G19)**

The Ramblers' Association (RA) is a registered charity and voluntary organisation established in 1935. It campaigns to protect and promote the interests of walkers, to defend rights of way and the beauty of the countryside, and to secure access to open country. It has over 133,000 individual members and 77,000 members of affiliated clubs and societies.

The RA has a number of concerns about the rôle and functioning of DEFRA. These are as follows:

1. *The relationship between DEFRA and DTLR*

DEFRA has stated its intention to build a working relationship with DTLR. In our view it is essential that the rôle of DEFRA within the planning system is defined if its first objective of protecting and improving the rural, urban, marine and global environment, and conserving and enhancing biodiversity is to be achieved. To date we have little evidence that such a relationship is being developed. An example lies with the distribution of the Sustainability Fund generated from the Aggregates Levy. Responsibility for it has been given to DEFRA, while the mechanics of minerals planning and the policies that guide extraction lie with DTLR. Not only have we been disappointed that DEFRA has not produced a clear and comprehensive plan for spending the fund, we do not believe that there has been any substantial debate between DEFRA and DTLR on how it should be spent. In our view, the Minerals Planning Division of DTLR has a significant amount of expertise and understanding of the sort of projects that the Fund could be spent on which would support the principle purpose of the levy, and that therefore closer working between the two departments, initiated by DEFRA as the holder of the Fund, is essential.

2. *Resources*

The RA is concerned about the level of funding for DEFRA's Countryside Division, and for its sponsorship of the Countryside Agency. If the provisions of the Countryside and Rights of Way Act are to be fully and effectively implemented then the Division must be properly funded. There have been delays in the bringing into force of the Part I Regulations, following consultation, and delays to the Countryside Agency's mapping timetable. An enormous amount of work remains to be done, in particular by the Countryside Agency, before the access rights under the Act can take effect. In addition, progress with the preparation of the Regulations for most of the provisions in Part II of the Act is slow, and the timetable for their introduction has already been re-written several times. The provision which will enable a member of the public to serve notice on a highway authority requesting it to secure the removal of certain types of obstruction and which will be an important tool in improving the state of the rights of way network has not come into force 18 months after the Bill received Royal Assent.

The Division is also stretched in respect of the sponsorship of National Parks. Although we acknowledge that funding for National Parks has recently increased, we would like reassurance that additional resources will be made available to allow for the processes associated with the designation of the new National Parks in the South Downs and the New Forest.

3. *Providing a lead to local authorities*

The importance of rights of way and access to the countryside was highlighted by the effective "closure" of the countryside during last year's foot and mouth disease outbreak. This is acknowledged by DEFRA, and a major campaign to encourage visitors back into the countryside has been launched. However, we are concerned that the Department is not giving local authorities a strong enough lead in respect of encouraging them to carry out their statutory duties. For example, if a local authority has failed to determine an application for a definitive map modification order within twelve months of formal service of the application, it is open to the applicant to make representations to the Secretary of State. After consulting with the relevant authority, the Secretary of State may then direct the authority to determine the order within a specified period of time. It is however very rare for the Secretary of State to direct that an order be made within a time limit so there is no incentive for authorities to give this work any particular priority.

4. *The definitive map "cut-off" provisions*

We have grave concerns about the definitive map "cut-off" provisions that were introduced in the Countryside and Rights of Way Act. These will mean the extinguishment of most unrecorded historic routes in the year 2026. In our view it is vital that DEFRA makes a commitment to monitor closely the progress being made by local authorities towards completing their definitive maps before the cut-off date so that it is able to assist those authorities which are struggling. There is no mention of this crucial area of work in the document "Working for the Essentials of Life", and the preparation of the Regulations, which will govern this measure, are being accorded no priority.

30 May 2002

APPENDIX 17

Memorandum submitted by the Woodland Trust (G22)

1. BACKGROUND

1.1 The Woodland Trust welcomes this opportunity to submit written evidence to the above inquiry. The comments that follow are delivered on behalf of the United Kingdom's leading charity solely dedicated to the conservation of native and broadleaved woodland. We achieve our purposes through a combination of acquiring woodland and sites for planting and through wider advocacy of the importance of protecting ancient woodland, enhancing its biodiversity, expanding woodland cover and increasing public enjoyment. We own over 1,100 sites across the country, covering around 18,000 hectares and we have 250,000 members and supporters.

1.2 Our evidence focuses upon the first two areas outlined by the Committee in its terms of reference for this inquiry.

2. THE DEPARTMENT'S VISION STATEMENT AND PROGRESS TOWARDS MEETING THE VISION

2.1 The Trust welcomes the creation of DEFRA and recognises the achievements of the Department to date, particularly in the international realm. The vision for the Department as set out by the Secretary of State is inevitably wide ranging and contains a good deal that is clearly to be welcomed. In particular we welcome the prominence afforded to climate change. The statement would be strengthened however by a more holistic approach to rural development. Given DEFRA's commitment to sustainable development, the lack of any

reference to forestry is a significant omission, since it covers some 8 per cent of the land area of England and was described in the Rural White paper as “a true multi-use activity”.⁷ We also believe that greater prominence should be afforded in the statement to the protection and enhancement of biodiversity and that the phrase “efficient use of environmental resources” should be changed to “sustainable use”.

2.2 In terms of the meeting of this vision, we welcome the increased connection which is being made between rural development and the protection and enhancement of the environment. We also welcome the personal commitment exhibited by the Department’s ministerial team. However we believe that progress has been slow in a number of key areas, notably climate change, agriculture and the integration of sustainable development across Government.

Climate Change

2.3 Whilst Ministers are committed to addressing climate change and are fulfilling an important communication role in relation to this issue, progress by the Department itself in actually taking action is disappointingly slow. The recent scenarios set out by the UK Climate Impacts Programme confirm how alarming even the most modest predictions are in terms of the likely impact of climate change on Britain over the next 50 years.⁸ The fact that one cannot obtain complete certainty should not deter the taking of precautionary steps to adapt to what is inevitable change. Certainly the UK Phenology Network (www.phenology.org.uk) is showing some very strikingly consistent results in relation to the responses of many species to warmer temperatures eg the timing of natural events. We warmly welcome the statements that Ministers in the Department have made about the importance of addressing climate change but the overriding impression however is that DEFRA civil servants are being excessively reticent and are overestimating the degree of uncertainty and amount of time available for action, especially with regard to the adoption of adaptation strategies for biodiversity. Relative inaction in this regard also serves to reinforce the view that there is a need for the Department and the Government to afford a higher profile to the promotion of biodiversity generally.

2.4 The Trust believes that adaptive strategies to conserve biodiversity in the face of climate change must involve action at the landscape scale and therefore we believe that sustainable land use becomes a paramount issue and should be the priority for DEFRA. In fact the need for landscape scale action to place our natural heritage on a more sustainable footing in the face of climate change is widely accepted by most environmental NGOs and a number of Government agencies. The task is rendered more straightforward by the fact that it is actually unnecessary to develop a whole new series of adaptive strategies. Making the agricultural matrix within which much of our wildlife must survive more environmentally sustainable, and achieving the protection of our remaining semi-natural habitats such as ancient woodland from intensive land use and development through buffering, extension and adequate legislative protection not only provides the space for biodiversity to adapt in the face of climate change but represents good conservation practice anyway. What is needed by DEFRA therefore is enhanced emphasis, resources and the will to implement changes which are already well acknowledged, understood and being considered.

Agriculture

2.5 DEFRA therefore has the opportunity to enact landscape scale adaptation measures through existing tools. A prime example is through the reform of farming policy where although there have been welcome ministerial statements on the need for reform of the Common Agricultural Policy and support for the recommendations of the Curry report⁹, progress to date in enacting change has been relatively slow.

2.6 The achievement of real benefits to rural communities and the achievement of a more sustainable and accessible countryside requires a major shift in how farming is funded. We applaud DEFRA’s recognition of this but there is a clear need for further action to back up the rhetoric. Whilst we recognise that the necessary reduction over time of first pillar direct payments and the reallocation of these to the second pillar will take time and involve convincing all EU member states, there are short and medium term opportunities which it is vital to grasp. The most obvious case here is the need for modulation to be increased to 10 per cent as a minimum immediately, as advocated by the Curry report¹⁰, and then to the 20 per cent permitted under Agenda 2000 as soon as possible. This will significantly increase the funds available for agri-environment schemes which have a critical role to play in the achievement of a more sustainable countryside. Progress on this and swifter implementation of the Curry report would send out the right signals that the Department is firmly committed to the delivery of its stated aims and objectives.

⁷ MAFF/DETR (2000), *Our Countryside the Future*, p115.

⁸ Climate Change Scenarios for the United Kingdom; the UKCIP02 Briefing Report (2002).

⁹ Policy Commission on the Future of Farming and Food (2002), *Farming: a Sustainable Future*.

¹⁰ Policy Commission on the Future of Farming and Food, *Op cit* p77.

Sustainable Development

2.7 DEFRA's role as champion within Government of sustainable development is a crucial one but at present the evidence that it is succeeding in this role remains patchy. We warmly welcome the fact that the Treasury is asking Government Departments to ensure that sustainable development is taken into account in their bids for the 2002 Spending Review (SR). However this must be weighted against the widely acknowledged lack of regard paid by the Planning Green Paper to sustainable development. Given the centrality of the planning system to the achievement of sustainable development this must raise questions about the current relationship between DEFRA and DTLR and the extent of DEFRA's input into such an important document for the environment. We believe that there is a strong case for enhancing DEFRA's role in relation to the integration of sustainable development across Government and that it should be properly resourced to do so.

2.8 We also believe that there is a need for an enhanced emphasis upon public engagement with the issues of sustainable development generally and climate change in particular. At present public engagement is extremely limited and the "Are you doing your bit?" campaign has proved lacklustre. The run up to the Johannesburg Summit would seem to be an ideal opportunity for a concerted effort to increase public awareness of such crucial issues.

3. WHETHER, FARMING, FOOD AND ENVIRONMENTAL AND RURAL AFFAIRS CONCERNS ARE EACH GIVEN PROPER WEIGHT BY THE DEPARTMENT AND WHETHER THE DEPARTMENT IS ENGINEERED TO DELIVER ITS OBJECTIVES

3.1 We welcome the desire for a more holistic approach to rural issues which has informed the creation of DEFRA but the impression lingers of a heavy concentration of personnel in the Department working upon agricultural issues as compared with the environment. We would like to see this balance redressed in order to reflect DEFRA's substantially broader remit than the former MAFF. This should also help to progress important work on biodiversity and climate change at a swifter pace.

3.2 It is essential to ensure that the urban environment is not neglected and that DEFRA's focus is not exclusively upon the environment in rural areas. The urban environment has a crucial impact upon issues such as house building pressures in the countryside as well as being the focus of most of the population's interaction with greenspace and biodiversity. The impression is conveyed at present that confusion exists as to whether DEFRA or DTLR is the lead ministry in relation to urban forestry. Similarly, the delivery of the recommendations of the recent report by the Urban Green Spaces Task Force¹¹ will certainly require close co-operation between DTLR's successor and DEFRA.

3.3 Finally, as well as the policy dimension, it is important to ensure that processes in the Department are attuned to the delivery of the kind of landscape scale action that is required in the face of climate change. For example, it is surprising that the current review of agri-environment schemes in England does not encompass the Farm Woodland Premium Scheme, which clearly by its very name and nature is a farm based agri-environment scheme, and that it is instead being considered as part of a separate review of support for woodland creation in England. This is a notable omission given that forestry is likely to form an important part of agri-environment delivery on the farm with land being diversified for tree planting, as well as its significant wider contribution to society through the range of public benefits it is able to deliver. Forestry is the second largest land use after farming and is integral to rural development, closer attention to forestry is therefore essential if DEFRA is to fulfil its objectives of promoting sustainable rural areas, and an attractive and well managed countryside.

May 2002

APPENDIX 18

Memorandum submitted by Biffa Waste Services Ltd (G23)

Thank you for the opportunity to respond to your enquiry into the role of DEFRA.

Biffa Waste Services is the largest waste management company operating in the UK—it is the largest wholly British-owned waste management company and can justifiably claim to be the most diverse in terms of its spread of interest in industrial/commercial and domestic collection, landfill, liquid waste stream and specialist hazardous waste management systems. The company has a turnover of around £450 million at a current annualised rate and is also in the top three waste management companies operating in Belgium. We are owned wholly by Severn Trent Plc with over 110 operating centres throughout the UK. We handle 12 million tonnes of material which is treated, landfilled or recycled on behalf of an extensive customer base exceeding 65,000 in the public, commercial and industrial sectors.

Our response pertains to the vision set out by the Department and its achievement and touches on whether the Department is engineered to deliver its objectives. The key points we would make in response are:

¹¹ *Green Spaces, Better Places*, Final report of the Urban Green Spaces Task Force (2002).

- (i) when the strategy and mission statements were released we expressed our misgivings to DEFRA with specific reference to the low priority they appear to be giving to the broader canvas of sustainability issues, preferring to confine themselves to narrower fields which related specifically to food and agriculture. The seven objectives proposed were excessive and reflected in our view, the woolly thinking used to develop higher level objectives. Our three objectives designed to cover the three core elements of sustainability were proposed as:

Objective 1—modify to “To improve the UK environment in terms of biodiversity, air and water quality, and resource efficiency by integrating these with policies across central, local, devolved and international government”.

Objective 2—to enhance opportunity and tackle social exclusion in the countryside by leading the development of a dynamic, accessible, inclusive and sustainable economy in rural areas, which does not compromise opportunity or rural services.

Objective 3—to promote a sustainable and economically competitive food supply chain which meets consumers’ requirements without compromising sustainable management in the meat and dairy, cereal, fodder and fisheries sectors, human health or internationally defined standards of animal welfare.

Our detailed reasoning around the need for this sharper focus was contained in our letter of 24 September 2001 to Mr Dixon as part of the DEFRA consultation process and this is appended to this submission since it encapsulates areas which we continue to feel have not been addressed and are therefore highly pertinent to your current enquiry.

- (ii) Subsequent events have shown that despite an initial flurry of consultation around the waste strategy, DEFRA appears to see itself merely as some form of modernised Department of Agriculture. Its approach to waste, resource efficiency, waste-linked energy issues, the carbon economy and the framework of budgetary or fiscal instruments necessary to drive the process have been abrogated by Cabinet Office/PIU studies or a lack of preparedness in the Treasury to discuss how the waste strategy can be delivered.
- (iii) Regional Assembly/Governmental liaison. Understandably Scotland and Wales wish to exercise regional autonomy in the context of their local circumstances but it is unfortunate that DEFRA has been unable to encourage wider uniformity in implementation of underlying standards. This is particularly important with regards to waste—where unscrupulous operators will exploit such loopholes to their advantages by moving material about. Further examples of lack of co-ordination were revealed with the packaging regulations—perhaps DEFRA should be given more support for acting as a lead body.
- (iv) The ratio of departmental costs to sectoral activity is lopsided. The turnover of the food and allied sectors in UK GDP is:

Manufacture	£17 billion
Distribution	£17 billion
Catering	£12 billion
Agriculture	£6.4 billion
Fisheries	£0.5 billion

The creation of the Food Standards Authority (FSA) covers some ex MAFF functions closer to manufacture, distribution and catering yet DEFRA appears to have a departmental expenditure limit (DEL) of £1.4 billion and an annual managed expenditure (AME) of £2.1 billion. This equates to administrative expenditure for a department that still sees itself very much linked to agriculture (rather than rural affairs) costing £1 for every £2 of sector turnover. The turnover of the direct waste industry in the UK (£4.5 billion) coupled to associated consultancy and environmental services/technologies amounts in total to at least £8 billion per annum yet the internal manning and resources given to the waste area represent a relatively small proportion of overall departmental expenditure. We are not aware of the precise figure since the last published data relates to the old DETR but is unlikely to amount to more than £0.4 billion.

- (v) There has been a failure to align policy and regulation. There are a number of examples (not least fridges) where it is clear that the linkage between authority and responsibility for the transposition of EU environmental legislation is at some point dysfunctional between DEFRA, DTI and the Environment Agency. Different departments have different lead body status (DTI for electricals but DEFRA for global warming and ozone depletion) where policy falls between the cracks. Even when that is resolved the Environment Agency is not integrated into the process sufficiently early with a result that the necessary process technology, operating standards and enforcement regimes are not ready at the appropriate time. Fridges were the worst example of this because they were subject to a regulation with an absolute date of application—but they revealed the tip of an iceberg when it came to the landfill, end life vehicles and other directives where transposition is subject to blurry boundaries which end up being decided on the altar of inter departmental blame shifting.
- (vi) DEFRA could have done much more in creating a healthy investment framework for new technologies working in conjunction with the Environment Agency. The Environment Agency should be far more outcomes focused—defining absolute levels of emissions based on scientific

credibility, practical deliverability and the implications for UK competitiveness in terms of standards applying elsewhere in Europe. In effect we have standardised European directives emerging but differentiated levels of enforcement or agreement on transboundary operating standards. DEFRA could have done far more at a European political level to develop a strategic framework on internal compliance standards.

- (vii) DEFRA needs to be the single mouthpiece for environmental policy and implementation if it is genuinely the lead Government body. The reality is that the Environment Agency acts both as a regulator and an advisory body on everything from best technological solutions through to deciding on its preferred mix of regional waste strategies. In many of these areas the EA are extremely proficient—the problem is that they are first and foremost a regulator and DEFRA should decide whether the advisory functions are best reversed back into its own province and rebranded along similar lines to the US Environmental Protection Agency Advisory Group. Without doubt the EA are probably seen as a better repository of the public interest by the public as a whole than DEFRA in London—not helped by the fact that DEFRA have lost many key staff in this latter area (and presumably the financial resources that such a function demands). It is up to the Minister to resolve this dilemma.
- (viii) DEFRA has clearly experienced severe problems in sending clear messages to the Treasury regarding the delivery of the waste strategy. Funding appears to have been made available in abundance—from the New Opportunities Fund, recycling grants, environmental improvement grants and Landfill Tax Credits—on a day-to-day basis but DEFRA does not appear to have engaged the Treasury at a higher level in the need for an interaction of policy between budgetary, fiscal and regulatory instruments to develop an integrated sectoral framework for joined up thinking on delivering the waste strategy. Specifically there could have been much more cohesion with regard to increasing waste disposal taxes (particularly the Landfill Tax) and Integrated Product Policy (IPP). For years we have contended that a Landfill Tax level of £35 per tonne plus coupled to full Producer Responsibility (with first year costs rebated to specific companies for accepting IPP via reductions in NICs (National Insurance Contributions), Corporation Tax or similar measures).

We accept that such innovative linkages between the half of the Treasury that raises money and the other half that dispenses it may be a trifle naïve at this stage in the proceedings but at the very last we would have looked to DEFRA to develop the debate for this sort of “top down” thinking.

- (ix) DEFRA fails to see waste in the context of solutions for agriculture. Currently around 85 per cent of controlled waste is disposed of into landfill. Within 20 years DEFRA’s own waste policy calls for that to be reduced to 25 per cent or less. The alternative exit routes for these materials (assuming waste production levels continue at the current levels) will be composting, recycling and energy. In the first and third sectors the interaction with agricultural bio systems is obvious—first as a source of material supply (manufactured soils) and secondly as an exit route for by-products (animal effluent, animal remains, straws, packaging and similar materials to gasification/energy processes). Yet this important exit route is now mired in confusion as a result of action by the EA to invoke the Animal By-products Regulations without consultation, reason or rational science.
- (x) DEFRA could do more to champion the case for a national integrated framework for resource flow measurement in the economy. Currently Biffaward, our Landfill Tax Credit Scheme, has committed around £8 million to the development of 50 million-odd studies into resource flows in specific geographic, material stream and economic sectors. The co-operation from DEFRA on this project and the Environment Agency has been positive but we would like to see a more strategic debate pushed forward by Government (rather than us!) which decides how this framework should evolve as an issue of national strategic importance (or not as the case may be!).
- (xi) DEFRA is sending mixed signals with regard to e-Government (e-gov at local as well as central). In the submissions we have seen, DEFRA appear to be quite complacent—not referring to there being a problem or to the fact that the necessary solutions entail. We find this quite surprising on the basis that the absence of accurate statistics—certainly with regard to municipal waste arisings—is constantly referred to in the waste strategy. Either this suggests that the shortcomings in the waste side have been ignored (in what is possibly an e-literate agricultural sector) or someone is unaware of the issues. It is for this reason that we are proposing to apply Landfill Tax money to a nationally integrated solution for a relational database on municipal waste flows from production through to end disposal and present this to DEFRA as a model. Nevertheless there needs to be more overt linkage communicated to the private sector with regard to the interconnectivity between such a database and (for instance) the NHS (with regard to domiciliary discharges from hospitals) to determine accurate assessments of clinical waste arisings or between other installed infrastructures such as LASER, NLIS, NLPG (systems which are seen as the emergent repositories for data on household locations and ownership) for waste scheduling and recovery, contaminated land and so forth. As a major operator in the municipal waste collection business we would welcome sectoral dialogue on how the Government Gateway might require us to modify our own IT approaches with regard to access, security, message transmission, data routing and similar information flows.
- (xii) DEFRA and knowledge exchange. DEFRA should take a lead in this. In line with recent recommendations from the Chairman of the appropriate think tank—David Arculus—we

commend to DEFRA the benefit of people exchange between them and industry. The Environment Agency have been keen to initiate such processes (clearly on a basis where neither party feels compromised and we would be keen to support similar initiatives if asked).

The above comments represent interim observations at DEFRA's first anniversary—but we feel that had the focus suggested in the attached letter been listened to we might have been a little less critical in our observations.

27 May 2002

APPENDIX 19

Memorandum submitted by the National Office of Animal Health (G26)

NOAH represents the companies that research, develop, manufacture and market animal medicines and zootechnical feed additives in the UK. In 2001, NOAH's members accounted for about 95 per cent (by value) of the £359 million UK animal health market.

As such, NOAH's comments on DEFRA are brief and specific, reflecting the area in which we operate.

THE VISION OF DEFRA

1. NOAH agrees with the vision of a sustainable future, and one that recognises the need for rural communities, including farms, to be economically as well as environmentally viable. The vision of rural Britain projected needs farms producing food from British livestock produce. Without the recognition of the need for economic viability, British farming, and the social, environmental and economic fabric that goes with it, will not survive.

2. We are pleased to see protection against animal disease as being part of the vision of the Department, and its juxtaposition with the promotion of animal welfare indicates that the two are seen by DEFRA as being inextricably linked. Animal medicines play a key role in keeping Britain's farm animals and pets healthy.

3. However, the DEFRA response to the Policy Commission on the Future of Farming and Food's recommendation that research should be directed to low or no-drug farming systems was worrying, as this could be taken to mean there was no place for animal medicines in sustainable farming, and would seem to contradict the inclusion of animal health in DEFRA's vision. (NOAH will be responding to DEFRA's "Sustainable Food and Farming Working Together" document separately.)

4. Naturally, NOAH supports initiatives to reduce the need to use medicines. Our work with RUMA, the Responsible Use of Medicines in Agriculture Alliance, is an example of that. Prevention—through good stockmanship and through vaccination and worming—is better than cure, but equally there are times when cures are vital for animal welfare. For example, we hear reports of animals that are farmed organically suffering because a particular medicine could not be used, or because the right therapeutic treatment was withheld until all else had failed.

5. Animal sickness does not allow sustainable farming. When animals are sick, or harbouring a sub-clinical infection, their production is affected. Inputs (feed, energy etc) are wasted if an animal—or bird—is not growing or producing; to compound this the animal continues to produce manure, with inevitable greenhouse gas implications. Animal medicines can help with DEFRA's vision on a wider scope than is initially obvious.

6. Medicines are part of the solution to provide safe and healthy food, in sustainable systems.

STRUCTURE AND WEIGHTING OF THE DEPARTMENT

1. NOAH welcomed the potential for "joined-up Government" afforded by the formation of DEFRA. It brought together into one department the Veterinary Medicines Directorate (the agency with which NOAH has most direct contact) and the Environment Agency, which has a role in monitoring pollution incidents involving veterinary medicines and also undertakes monitoring for a number of veterinary medicines in environmental waters.

2. When the VMD was formed, it brought together the parts of MAFF dealing with animal medicines, to create a unified approach. This was something NOAH strongly supported at the time, and something we continue to believe is the best approach. This "one-stop shop" brings best value for all stakeholders. The VMD is currently being reviewed by DEFRA as part of the Department's review of Executive Agencies, and in our submission to that Review, we state that we believe that the authorisation process, pharmacovigilance, residues monitoring and Policy should remain with VMD. Having these aspects of the overall role of Government in one place is efficient, and leads to consistency of approach, and better understanding of the realities of the veterinary market by those developing policy advice for Ministers.

3. We do have concerns about the erosion of the unified approach that DEFRA—and the VMD within DEFRA—have the potential to bring. Although the VMD does have environmental and residues experts assessing authorisation applications, it is of course right that other government agencies and departments

should have an input into the authorisation process to ensure that a fully rounded consideration is given to the application. However, when an authorisation is issued by Ministers (including DEFRA Ministers) it is of concern if those other agencies undermine public trust in the authorisation process of which they are part. We would like to see more “joined-up government” within the Department as well as outwith, with agencies such as the EA, FSA, HSE contributing to the authorisation process, and then “buying in” to the approval that is given when products are authorised as safe by government.

NOAH is pleased to be able to contribute to this Inquiry, and remains happy to answer any specific query related to our field, or to provide oral evidence if so desired.

31 May 2002

APPENDIX 20

Memorandum submitted by the Wildlife Trusts (G29)

INTRODUCTION

1. The Wildlife Trusts welcome the opportunity to comment to the Environment, Food and Rural Affairs Committee Inquiry into the role of DEFRA.

2. The Wildlife Trusts are a partnership of 47 Wildlife Trusts, across the UK, caring for almost 2,500 nature reserves. The partnership campaigns for the protection of wildlife and invests in the future by helping people of all ages to gain a greater appreciation and understanding of nature. The Wildlife Trusts have a membership of over 382,000 people and are the largest non-government group in the UK concerned with all aspects of wildlife and the environment.

3. The Wildlife Trusts are heavily involved in work with DEFRA at national, regional and local level. We see ourselves as key partners in supporting the work of the Department, and have a close relationship with individuals on technical, policy and funding issues. In addition, the priorities for the work of The Wildlife Trusts relate to most areas of the rural and marine environment placing us in a good position to comment on the Department’s progress.

4. The Wildlife Trusts support those comments already made as part of the Wildlife and Countryside Link submission (attached). In this response, we provide further details in relation to the particular expertise and experiences across The Wildlife Trusts.

GENERAL COMMENTS

5. The Wildlife Trusts welcome the establishment of the new Department as a major step towards integrating policy and contributing to sustainability for our rural environment. Bringing environment together with food and rural affairs provides the potential for closer working, joined up policy and greater recognition of environmental issues. However, there are clearly dangers of merged Departments becoming too unwieldy, resulting in poor communication, little integration and a static culture. In addition, there is evidence of a lack of integration with other Departments on related issues (such as transport and planning).

6. On balance we believe that despite a difficult year, not least dealing with the impact of Foot and Mouth Disease, DEFRA has made some good progress in the areas of agriculture, water and marine.

DETAILED COMMENTS

7. The Wildlife Trusts believe that the DEFRA vision represents a positive move towards the integration of policy that is required for the promotion of sustainability. However, there are a number of concerns with the way the vision is currently set out. The vision does not adequately recognise the links between the urban and rural environments and is in danger of contributing to an urban and rural divide. Issues such as food and environment encompass both rural and urban communities, whilst planning and transport impact on the whole environment.

8. In addition, progress towards this vision has not always taken a holistic view. For example, the recent flooding incidents have been seen as a development issue rather than looking more widely at the management of our wetlands systems. Similarly, current proposals for changes to the development planning system have not been adequately integrated with environmental concerns. We would like to see DEFRA taking a broader and more holistic view of the environment, with increased responsibility and a commitment to integrating more closely with other Departments on this issue.

9. The Wildlife Trusts are pleased to see the emphasis on sustainability within the vision, but are concerned that this focuses on “sustainable development”. This term is interpreted differently by different users, and we feel it would be clearer to use “sustainability” instead.

10. The Wildlife Trusts believe that there is the beginning of a culture change within the Department to recognise the value and importance of the environment and wildlife conservation in contributing to economic and social issues. We believe that this thinking is essential if we are to move to a more sustainable future, and

that to do so the Department needs to put more emphasis on biodiversity issues. Indeed, we feel it essential that the DEFRA vision emphasises the “protection and enhancement” rather than “promotion” of biodiversity as a key aim.

11. We have been pleased with the integration of biodiversity with economic and social issues within the England Biodiversity Strategy process, led by the Wildlife and Countryside Division. We would like to see this strategy given a much higher profile as a key implementation tool within the Department.

12. With this integration, there is an increased opportunity for more efficient use of resources. We would welcome further developments to link policy and resources in areas such as farming, flooding and rural development with environmental processes, thereby promoting sustainability. To achieve this, the current administrative systems need to be restructured to improve communication and integration.

13. One major concern we have in relation to weight given to particular areas of activity is with funding and resources committed to the marine environment. For example, only 3 per cent of Environmental Action Fund (EAF) money goes to the marine environment and the UK Maritime steering group which The Wildlife Trusts co-chair has achieved little because of lack of resources. Similarly, the first DEFRA Marine Stewardship Report states that lack of funds and staff resources has restricted progress. The Wildlife Trusts would like to see DEFRA taking a stronger lead and committing increased resources to the marine environment.

14. One of the impacts on delivery within the new DEFRA structure has been the number of review processes undertaken. While we recognise the need and value of reviewing existing practices, we are concerned that these may be time consuming, may stall real policy change, or take the place of activity that delivers real outputs. For example, it has now been 18 months since the consultation on draft legislation for the Water Bill. We would encourage the future vision for DEFRA to be concentrated on delivery rather than review, with any necessary review processes being undertaken as quickly as possible. The consultation process associated with the development of the England Biodiversity Strategy is a good example of where consultation can be both rapid and effective.

19 July 2002

APPENDIX 21

Memorandum submitted by the Dairy Industry Association Ltd (DIAL) (G4)

DIAL

1. DIAL is the trade association representing the interests of the milk processing and distribution sector of England and Wales. Our members include plcs, foreign multi-nationals, consumer co-ops, producer co-ops, small independent processors and bottled milk buyers distributing milk on the doorstep. DIAL members account for nearly 90 per cent of the milk processed in England and Wales.

2. The dairy processing industry is a major industry where there is a significant investment in sunk capital costs. The industry employs around 40,000 people and the value of industry sales is in the order of £6 billion.

3. The sector is subject to the normal rules of business, ie pursuit of profit through effectiveness in competition. The industry operates in an international market place.

THE VISION FOR THE DEPARTMENT

4. In our submission to the inquiry we wish to focus on providing a response to the first two points of reference issued for the inquiry:

- (i) whether the vision for the Department is appropriate and what progress has been made towards meeting that vision; and
- (ii) whether farming and food, environment and conservation concerns and rural affairs are each given proper weight by the Department and whether the Department is engineered to deliver its objectives.

5. DEFRA is the sponsoring department for the dairy industry. Under normal circumstances it could be expected that the industry would be sponsored by the DTI. It is therefore important that DEFRA recognises the impact it has on the industry and that its requirements are acknowledged in DEFRA's aims and objectives.

6. DEFRA's vision is elaborated by the aims and objectives set out in its document “Working for Essential of Life”. We are of the view that these aims and objectives do not give sufficient recognition of the economic imperatives agriculture and its associated processing industries are subject to. This is somewhat in contrast to the focus given to environmental issues. Both areas require full consideration.

7. We believe that a better appreciation of DEFRA's function could be achieved if it was explicitly stated that DEFRA's role was to reconcile competing interests for the countryside. This should be followed by a

statement of those competing interests which should include a clear and unambiguous affirmation of the need for the food and farming sector to achieve profitability. This would ensure that the commercial needs of the sector were clearly recognised.

IMPLEMENTATION OF DEFRA'S VISION

8. DEFRA has only been in existence for one year. It is difficult at this stage to comment on anything other than policy direction. However, one example of how it does not give adequate consideration to the economic imperatives of the food and farming industry is in respect of DEFRA's objectives for the reform of the CAP.

9. DEFRA is seeking to reduce the level of price support given to agriculture. If DEFRA is successful in realising its objective then it will compel a major restructuring of UK farming that will mean fewer and larger farms. Whilst a number of smaller farms will be able to maintain themselves by diversification and pursuing the range of alternative strategies identified by DEFRA, the effect of price reductions for the majority of farmers will be the need for them to pursue economies of scale.

10. The pursuit of economies of scale by producers must be recognised and supported by DEFRA. DEFRA should develop policies to assist in this process. This should include the provision of public funds where possible. DEFRA should also ensure that other policies, such as its environmental objectives, give due regard to the process.

IMPLEMENTATION IN THE LONG TERM

11. In the longer term, assuming the economic needs of agriculture and food processing is recognised, then DEFRA will only be able to give proper weight to the range of interests it has to reconcile once it has established a single corporate culture. This will be achieved by day-to-day contact between staff and through the process of staff rotation. This will ensure that staff have an instinctive appreciation of the range of concerns that need to be reconciled by the Department. The structure and organisation of DEFRA, whilst it is relevant, probably does not play such a significant role in the establishment of a single corporate culture.

RELATIONS WITH DEFRA

12. Since the creation of DEFRA we have continued to maintain a good working relationship with DEFRA personnel. DIAL remains satisfied with the professionalism and dedication of the civil servants in DEFRA. DEFRA personnel respond promptly to queries raised by DIAL.

13. We are however concerned that the consultation process used by DEFRA to elicit views from industry can be formalistic and unproductive. Large unwieldy stakeholder forums, whilst they can be used to demonstrate that all interests have been consulted, are not effective at establishing the detailed needs of each sector.

14. We have raised this issue with DEFRA in respect of CAP reform issues and they have indicated that they will seek to consult more closely on a sectoral basis. DIAL looks forward to this dialogue.

31 May 2002

APPENDIX 22

Memorandum submitted by the Environment Agency (G25)

1. The Environment Agency welcomes this opportunity to comment on the role of DEFRA. In doing so we have responded to the questions posed by the Committee.

2. *Whether the DEFRA Vision for the Department is appropriate.*

2.1 This Vision was developed in an open consultative way, which indicated a change of style from that of MAFF. The Vision rightly has sustainable development as its overarching theme. We particularly welcome the emphasis on achieving sustainable food, fishing and farming industries that are not dependent upon production related subsidies.

2.2 The Vision was sound, however as yet, it is too early to judge DEFRA's success in delivering its Vision. We believe the Vision should be backed up with clear statements of outcome targets. The recently published DEFRA prospectus "Working for the Essentials of Life" made considerable commitments in relation to the main themes of the vision. This is welcome elaboration, but there needs to be indication of a desired timetable for delivery.

2.3 We would suggest DEFRA should publish an annual progress report similar to that produced by the former Department of the Environment for "This Common Inheritance".

2.4 Such processes are useful, but will only be successful if Departmental culture is aligned with the Vision. Such a change from MAFF and DETR cultures will take time and resources to achieve. There are some indications of such change, for instance, the increasing integration of work on the economics of

environmental protection, agriculture and flood defence and initial work on diffuse pollution. In contrast, some policy groups remain disjointed. For example the recently issued revised “Prioritisation Guidance for Flood Defence Capital Projects”, has not accepted the need to address the three recognised elements of sustainable development. Economic factors still dominate with little emphasis on either social or environmental issues. Such culture change could be encouraged by the systematic use of a sustainable development checklist for all policy and guidance.

2.5 A potential disadvantage of the creation of DEFRA was the separation of Environmental Protection and of the Countryside and Wildlife directorates from what was DTLR and now the Office of the Deputy Prime Minister (ODPM) and the Department of Transport. Many of the mechanisms for delivering sustainable development, as well as a number of key environmental impacts, are the responsibility of ODPM (eg local government, planning, regeneration) and the Department of Transport. The extent to which forthcoming policies in these areas embrace sustainable development will be an important test of the Government’s wider environmental credentials and a clear barometer of DEFRA’s influence across government.

2.6 Finally, in a period of change DEFRA have had some notable successes, not least in international negotiations on climate change (Marrakesh and Bonn) and on trade (Doha). The Curry Commission on the Future of Agriculture has set out a workable blueprint for agriculture reform.

2.7 To implement the Curry Report, and to deliver the agenda set out in the Rural White Paper, DEFRA will need to make full use of the expertise in its Agencies as well as securing adequate financial resources.

3. *Whether farming, food, environment and conservation concerns, and rural affairs are each given proper weight by the Department, and whether the Department is engineered to deliver its objectives.*

3.1 The DEFRA aims and objectives cover all these areas and appear to give them proper weight. There are encouraging signs of integrated thinking, for example, “Sustainable Food and Farming—Working Together” and initiatives on diffuse pollution. As well as tackling the sustainability of agricultural production, DEFRA might do more to promote environmental good practice in other parts of the food chain, particularly amongst companies involved in food production.

3.2 In contrast, recognition of the potential cross-cutting impact of the Birds and Habitats Directives remains low. Similarly, few directorates have taken on board the principles of the “UK Soil Strategy”, and the implementation of the Waste Regulations to farms has only been tackled in an integrated way latterly.

3.3 On conservation issues, the picture is mixed with greater impetus apparent on the Biodiversity Action Plan in England and the Biodiversity Strategy. However, there is still no overall compliance plan for the Habitats and Birds Directives and the separation from the former Department of Transport, Local Government and the Regions has sidelined DEFRA on major planning decisions involving wildlife sites.

3.4 DEFRA faces a difficult task in successfully carrying forward the “Greening Government” agenda. As a less powerful and less wealthy department (compared with DETR), it will need to work hard to continue to influence other departments. (A robust output from the cross-Government working group on procurement will be a key test here). It will also need to lead by example and ensure that its own sustainable development strategy is fully implemented.

3.5 DEFRA will need to consider how to regroup to encourage the achievement of its Vision and of more integrated and sustainable policies. This will involve the introduction of a new culture. Any such change is time consuming and requires adequate resourcing.

4. *What has been the impact on the role and influence of the Environment Protection Group and the Wildlife and Countryside Directorate of their transfer from the former DETR?*

4.1 So far, there has been little obvious change either in culture or way of working. The addition of Flood Defence and Coastal Protection to Wildlife and Countryside Directorate offers the potential for greater conservation gain from flood defence works, but as yet no change is apparent.

4.2 One significant impact has been a high level of vacancies and increased staff turnover especially in Environmental Protection. A significant number of staff successfully transferred “back” to DTLR. This appears to be driven by the poorer salary structure in DEFRA (inherited from MAFF). For example this, combined with normal civil service change, means that most of the Water Supply and Regulation team has changed in the last 12 months.

4.3 The lack of pre-planning for the department and the scale of staff changes has reduced continuity of policy development and disrupted progress. There also appears to be areas—such as the provision of legal support—where Environment Protection did not receive its pro-rata share from DETR. This has also constrained progress.

5. *What objectives has the Department set itself in pursuing the “rural affairs” agenda?*

5.1 Rural affairs are directly reflected in DEFRA’s Vision and objectives. There is a specific objective to enhance opportunity and tackle social exclusion through promoting sustainable rural areas. The prospectus expands on this, making a series of commitments to improve rural areas.

5.2 As yet it is too early to see effective progress. Success in reforming the Common Agricultural Policy should provide funding for rural development. Key to this, is the expansion of modulation which will require Treasury agreement.

5.3 It has been disappointing to see almost no consideration of the environment in the “rural proofing” checklist. There has also been a reluctance to communicate clearly with the farming industry over the need for environmental improvement and compliance with EU Directives. This is now being addressed by the development of a strategy for improved advice linked to demonstration farms.

May 2002

APPENDIX 23

Memorandum submitted by The London Green Belt Council (G27)

1. This is a submission on behalf of The London Green Belt Council, a note about which is at the end of this paper. I enclose a separate note apologising for the lateness of the submission and explaining the circumstances. The submission explains our view on what ought to be the status of green belt in relation to the urban areas it surrounds and to the character of the countryside of which it consists; and the consequences for the green belt of the present split of Ministerial responsibility between DTLR (now the Office of the Deputy Prime Minister), and DEFRA.

2. There is still much debate in planning circles and the professional press as to whether green belt should be an urban planning tool or a rural protection tool. Recent submissions by the RTPI and TOPA claim that it is the former, which means that in their view green belts should be reviewed frequently and in the context of urban planning. They claim to support the principle of green belts, though their proposals would have the effect of destroying them as specially protected areas. The Country Landowners’ Association, whilst also supporting green belts, naturally looks at them more in the context of rural development and improvement, and suggests a 20 year time span for reviewing the need for change in green belt policies; but it is not clear how the present relates to that 20 year cycle.

3. The green belt idea undoubtedly started as a means of preventing the expansion of towns, but it has progressed well beyond that, as is clearly recognised in paragraph 1.5 of PPG2. To view it now as a mainly urban planning tool, as the RTPI does is an extremely blinkered view which we emphatically reject. Our membership (see note at the end of this submission) consists of organisations (not individuals) spread over an area extending from Leighton Buzzard to Tunbridge Wells, and from near Reading to Chelmsford. The rural organisations among our membership certainly regard the green belt as protection for the countryside against expanding towns, and would be horrified if green belts were to be officially regarded as simply tools for urban planning, to be reviewed at frequent intervals by those whose interest is in urban development.

4. The fact, of course, is that for many years green belt has been both an urban protection and a rural protection measure. We believe that it must be seen from both points of view and that Ministerial responsibilities must be so arranged as to ensure this. We return to this point below.

5. Other consequences flow from this. The first is, what sort of countryside should green belt countryside be? There is no denying that it varies from superb to tatty, but it has always been a fundamental principle that the quality of the scenery should not be a consideration in designating land as green belt or in continuing to protect it thereafter. We strongly support this, and our experience has shown that poorer quality green belt is as highly valued by people living in the perhaps modest estates bordering it as fine quality green belt is by those living in more affluent areas. What both value is that the green belt is what prevents them from being swamped by yet more development. We are sure that strict adherence to the policy that green belt is not a designation of countryside quality is right.

6. That is not to say that suitable opportunities for raising the quality of the landscape should not be followed up, but that it should be considered in countryside terms, not in terms of residential development with a few trees and a “village green” to countrify them, or of the creation of sports or entertainment complexes. And though increased access to green belt countryside seems sometimes to be advocated as a basic requirement, we regard it as something which is desirable where it can be achieved but as secondary to securing sound rural communities within the limitations of green belt constraints.

7. So in our view there is no case for changing green belt policy: it is popular, it is needed, and it works. There is every reason for maintaining it, with encouragement for the rural sector in ways that do not breach the policy, the belief being that a vibrant rural economy up to the edge of London and the towns within the green belt is as much in the interests of the towns as it is of the countryside.

8. We turn now to what we are sure will be a matter of concern to the Select Committee: how well does the present split between Ministerial responsibility for planning on the one hand and for the environment and rural affairs on the other serve the needs of green belt policy? We believe that it cannot be as satisfactory as it was when all came under one Minister. The present split, which implies that the environment has nothing much to do with planning, is just ludicrous. But if there is no prospect of reuniting the two we agree that green belt policy is best in the Department responsible for planning. The question thus becomes what are the best

arrangements for ensuring that both planning and environmental considerations are properly brought into the decision-making process without making green belt primarily a tool for urban planning.

9. We do not know how close detailed consultation has been between DTLR/ODPM and DEFRA. It should be very close indeed, not only on such broad matters as the Government's recent consultation papers on the planning system, but also in planning appeals and the like. We have noted only one recent report of a planning appeal which was jointly decided by both Secretaries of State because it impinged on the statutory responsibilities of both of them¹². But there must be scores of appeals each year which are for the ODPM to decide but which should have an input from DEFRA on environmental considerations. No doubt the Committee will wish to find out on what scale such DEFRA input has taken place, and consider on what principles it has been based, whether they were the right ones, and what guidance is needed for the scale and content of such guidance in future. The Committee might also think it desirable to find out to what extent DEFRA exercises initiative in letting its views be known and to what extent it waits to be asked first. Put another way, is DEFRA something akin to a statutory consultee in relation to green belt appeals in rural areas, and if not should it be?

10. We understand that these matters give rise to difficult questions of interdepartmental demarcation, but these have been brought on itself by the Government's unwise splitting of responsibilities, and the aim now, we suggest, should be (a) getting as close as possible to the situation before the split was made, whilst (b) recognising that more attention needs to be given to helping rural prosperity to flourish in its own right (ie not just as adjuncts to towns), and (c) applying this in green belt areas without breaching the principle that scenic quality is not a material consideration in protecting green belt.

11. To sum up, we believe:

- (a) green belts are a highly valued way of ensuring both that the urban areas enclosed by them and the rural areas that make them up get the best out of their respective situations and needs;
- (b) green belt policy is neither predominantly a tool of urban planning nor of rural planning but a measure of great potential (which it has demonstrated for nearly 50 years) to help both;
- (c) there is no case for changing the policy;
- (d) the recent split in Ministerial responsibility for planning on the one hand and environmental and rural affairs on the other was a mistake which should be rectified if possible;
- (e) if that is not possible, arrangements should ensure that DEFRA's opportunities to make its views known to the Department responsible for planning policy and the determination of appeals should be very widely defined so as to ensure that the environmental/rural affairs input is fed into all relevant planning policies and appeals, without detracting from the ultimate responsibility of the planning Minister to determine issues in the light of established policy.

14 June 2002

Annex

NOTE ABOUT THE LONDON GREEN BELT COUNCIL

The London Green Belt Council was created in 1954 when the Government of the day was preparing to issue the first ever circular on green belts (Department of Housing and Local Government Circular 42/55). Some of the principal environmental organisations of the time, including the Open Spaces Society and the Council for the Preservation of Rural England, realising that green belt was going to be an important and permanent feature of the planning scene, decided that there needed to be a voluntary organisation specialising in the subject, rather than that it should become just another item on the agendas of organisations which were already busy with other matters.

The LGBC is still a voluntary organisation employing no staff. Its membership consists of organisations, not individuals, and includes national bodies like the ones mentioned above; regional bodies like Sane Planning in the South-East; local amenity and residents' associations from all round an area bounded roughly by Leighton Buzzard, Chelmsford, Tunbridge Wells and Reading, including many organisations within greater London; county branches and federations of such organisations; and parish councils. A few planning authorities pay to receive papers without becoming formal members.

The Council meets approximately quarterly in Central London; is on Departmental consultation lists for policy matters involving green belt considerations; issues advice Notes to members several times a year relating to policy developments, planning appeals; legal rulings and precedents, etc; and sends deputations to Ministers when necessary.

¹² Water pumping station. North-east Derbyshire DC. 18 April 2002.

**ENVIRONMENT, FOOD AND RURAL AFFAIRS
COMMITTEE REPORTS IN THE CURRENT PARLIAMENT**

Session 2001-2002

FIRST REPORT, The Impact of Foot and Mouth Disease, HC 323, published 23 January 2002.

SECOND REPORT, The Countryside Agency, HC 386, published on 13 February 2002.

THIRD REPORT, Radioactive Waste: The Government's Consultation Process, HC 407, published 13 February 2002.

FOURTH REPORT, Disposal of Refrigerators, HC 673, published 20 June 2002.

FIFTH REPORT, Genetically Modified Organisms, HC 767, published 18 June 2002.

SIXTH REPORT, Departmental Annual Report 2002, HC 969, published 17 July 2002.

SEVENTH REPORT, Illegal Meat Imports, HC 968, published 23 July 2002.

EIGHTH REPORT, Hazardous Waste, HC 919, published 26 July 2002.

NINTH REPORT, The Future of UK Agriculture in a Changing World, HC 550– I, published 6 November 2002.

FIRST SPECIAL REPORT, Government Reply to the Eighth Report of Session 2000-01 from the Agriculture Committee, New Covent Garden Market, HC 272, published 22 October 2001.

SECOND SPECIAL REPORT, Government Reply to the Seventh Report of Session 2000-01 from the Agriculture Committee, The Implementation of IACS in the European Union, HC 273, published 22 October 2001.

THIRD SPECIAL REPORT, Government Reply to the Ninth Report of Session 2000-01 from the Environment, Transport and the Regions Committee, The Draft Water Bill, HC 499, published 14 January 2002.

FOURTH SPECIAL REPORT, Government Reply to the Fifth Report of Session 2000-01 from the Environment, Transport and the Regions Committee, Delivering Sustainable Waste Management, HC 659, published 5 March 2002.

FIFTH SPECIAL REPORT, Government Reply to the Committee's Second Report, The Countryside Agency, HC 829, published 14 May 2002.

SIXTH SPECIAL REPORT, Government's Interim Reply to the Committee's First Report, The Impact of Foot and Mouth Disease, HC 856, published 21 May 2002.

SEVENTH SPECIAL REPORT, Government Reply to the Committee's Third Report, Radioactive Waste, HC 1221, published 24 October 2002.

EIGHTH SPECIAL REPORT, Government Reply to the Committee's Fifth Report, Genetically Modified Organisms, HC 1222, published 24 October 2002.

NINTH SPECIAL REPORT, Government Reply to the Committee's Sixth Report, The Departmental Annual Report 2002, HC 1223, published 24 October 2002.

TENTH SPECIAL REPORT, Government Reply to the Committee's Seventh Report, Illegal Meat Imports, HC 1224, published 24 October 2002.

ELEVENTH SPECIAL REPORT, Government Reply to the Committee's Eighth Report, Hazardous Waste, HC 1225, published 24 October 2002.

TWELFTH SPECIAL REPORT, Government Reply to the Committee's Fourth Report, Disposal of Refrigerators, HC 1226, published 24 October 2002.

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