House of Commons

Environmental Audit Committee

The Sustainable Development Strategy: Illusion or Reality?

Thirteenth Report of Session 2003–04

Volume I

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Thirteenth Report of Session 2002–03

Report, together with formal minutes

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The Environmental Audit Committee

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

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

Committee staff

The current staff of the Committee are: Mike Hennessy (Clerk); Lynne Spiers (Second Clerk); Eric Lewis (Committee Specialist); Elena Ares (Committee Specialist); Caroline McElwee (Secretary); and Robert Long (Senior Office Clerk).

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References

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

'App' refers to written evidence printed in Volume II, serial number HC *-II.

Contents

Report

Foreword

Sustainable development is the over-arching framework within which all human activity should take place. It involves, crucially, the concept of environmental limits. While we may not be able to specify exactly the nature of those limits in all its forms, we can be certain that our global assault on ecosystems is now pushing those limits hard – with potentially catastrophic results not only for the natural world but for humanity itself. This is reflected most clearly in the extent of concern about global warming; but equally the loss of biodiversity, soil erosion, land cover changes, and acute water stress may also have disastrous social and political impacts.

If we are to avoid such consequences, governments must now take radical steps to address environmental objectives, and the window of opportunity for doing so is limited. There is an urgent need to promote a deeper understanding of sustainable development and to incorporate it within all aspects of policy making. This is the context in which the Environmental Audit Committee views all its work, and indeed our various reports aim to evaluate progress towards sustainable development across the range of Government activity.

This report, however, transcends our other work. It addresses the concept of sustainable development itself and is intended to make a fundamental contribution to the development of a new Sustainable Development Strategy. In our view, it is no longer appropriate simply to consider environmental objectives as an adjunct to social and economic objectives. The new Sustainable Development Strategy must place overriding importance on the need to abide by environmental limits, and to that extent it should have a primarily environmental focus.

We appreciate the difficulties the Government is facing in adopting a more radical approach. Problems such as climate change and biodiversity loss are global, and the contribution which the UK can make is relatively small. The Government also has legitimate concerns over issues such as international competitiveness. However, the UK is in the position to give leadership here and to influence other nations. We applaud the extent to which the Government has already done so—in particular, by setting the 60% carbon reduction target for 2050. We would urge it to display still greater courage in taking forward its Sustainable Development Strategy and turning the illusion into reality.

This is the greatest challenge the world now faces, and we must not fail.

Conclusions and recommendations

Part 1: Evaluating the 1999 Strategy

The Strategy

1. Sustainable Development is an inherently ambiguous and complex concept. The Government's refusal to accept the Brundtland definition of sustainable development in the International Development Act conflicts with the apparent acknowledgement of that definition within the 1999 Sustainable Development Strategy. It suggests that the Government places insufficient weight on the environmental dimension of sustainable development and inclines more towards an economic interpretation. In developing a new Strategy and Framework, the Government should clarify its definition of the term.   (Paragraph 18)

2. While we entirely support any policy initiatives which aim to move us in the direction of more sustainable lifestyles, the language of sustainable development will become debased if the Government continues to use it indiscriminately in formulations such as 'sustainable transport', 'sustainable communities', and 'sustainable growth'. The widespread use of this term also reinforces the perception that the Government places more emphasis on narrower UK socio-economic aims than on long-term international environmental concerns. (Paragraph 21)

3. The current Strategy characterises sustainable development as meeting all four main aims at the same time. It ignores the fact that many policies, such as the expansion of housing and aviation, will inevitably involve trade-offs between different aims. One of the key roles of a future strategy should be to identify the 'crunch' issues where such trade-offs exist and to evaluate in depth the basis on which policy decisions are to be made. (Paragraph 24)

4. Indicators for economic wellbeing or life satisfaction should complement rather than replace the standard measure of GDP. But to recast the economic objective simply in terms of well-being would cloud the distinction between objectives and militate against the fundamental point of the strategy which is to provide a framework in which economic, social and environmental impacts can be evaluated against each other.   (Paragraph 28)

5. There is insufficient emphasis in the principles underpinning the Strategy on international and inter-generational equity. More generally, it is unclear to us how the principles are to be taken into account in the policy making process, or even whether they are mutually consistent with each other and with the four objectives. (Paragraph 30)

6. The concept of environmental limits is fundamental to sustainable development. While such limits cannot, as yet, be firmly established in many areas of human activity, it is nonetheless certain that they exist. The new Framework and Strategy should place greater emphasis on the concept of environmental limits, and the

Government should devote more effort to developing this concept—in conjunction with the precautionary principle—as a tool for policy making. (Paragraph 34)

The Strategy as a driver

7. The crucial importance of the 1999 Strategy was that it was intended to provide an alternative and all-embracing policy framework to set against the traditional dominant orthodoxy of economic growth. Yet, five years later, in a competitive world and a competitive economy, traditional socio-economic concerns still largely dominate policy making. To this extent the Strategy has failed, though its very existence may have had positive impacts—both internationally and within the UK — which are more difficult to quantify. (Paragraph 40)

8. The Sustainable Development Strategy has not driven environmental progress in the way originally envisaged and it contains few links to the important series of topic based strategies. Much of the progress which has been made can be ascribed to the latter, and as such it has been driven by particular and specific environmental concerns. (Paragraph 44)

9. It is difficult to see how a new UK Strategy could function more dynamically even if it were to include a number of specific priority areas for action. If the point of including such areas is to drive progress, there would inevitably be considerable overlap and potential confusion where dynamic topic-based strategies exist, as in the case of energy. If, however, the point of including them is to provide accountability through a strategic overview of progress, we would question why such an overview could not be extended to other areas as well—in particular, biodiversity loss and education for sustainable development. (Paragraph 47)

10. The proliferation of sustainable development strategies, plans and frameworks at all levels of Government is a major problem that needs to be addressed. It contributes to the impression that such documents are an impotent irrelevance, particularly where they are secondary to 'mainstream' economic strategies. Inconsistencies and inadequate linkages between different levels of strategies can also reduce the scope for effective action, particularly at a local level. (Paragraph 51)

11. The impact of the Strategy on departmental strategies, Public Service Agreements and associated targets has been limited. A few departments have published their own separate sustainable development strategies, but such strategies have tended to be one-off exercises which do little to mainstream sustainable development within the priorities of the department. The paucity of environmental targets within departmental PSAs also demonstrates the low priority accorded to the sustainable development agenda. (Paragraph 56)

12. It is surprising that DEFRA did not commission an independent consultancy review of the impacts of the Strategy on departments nor even require departments to conduct their own formal assessments of those impacts. (Paragraph 62)

Indicators

13.   The introduction of the full suite of 140 indicators in 1999 represented a major advance. These indicators reflect the interests of Government as a whole, and allow it to focus on the broad range of issues with which it is concerned. However, in terms of progress in mainstreaming environmental objectives, it is difficult to assess the impact of the 1999 Strategy on the basis of these indicators because insufficient time has passed to identify firm trends and because changes in the indicators may not relate simply and directly to the effectiveness of policy instruments. (Paragraph 66)

14.   It seems to us unsatisfactory that differences in data collection in some cases limit the geographical coverage of the headline indicators; and we hope that, in the context of a new Strategy, agreement can be reached on a common core of indicators against which progress can be reported for the whole of the UK. (Paragraph 67)

15.   Anyone taking the Government's own assessments of progress against the headline indicators at their face value could be forgiven for thinking that —with a tweak here or there—we would be well on the way to achieving sustainability. This is far from the case and the current set of indicators fails to provide a clear assessment of the level of sustainability of the UK. (Paragraph 69)

16.   It is imperative that a new UK strategy should include one or more aggregate measures of sustainability, and it seems to us unsatisfactory that the UK indicator set should be less complete in this respect than that which the Welsh Assembly Government is developing. While we appreciate that some of these indicators may be of limited use as an analytical tool, they are hugely important as a means of communicating to the public the immense challenges we face in trying to move towards more sustainable lifestyles. (Paragraph 73)

17.   The Government should either fulfil the commitment it made in the 1999 Strategy to include a headline indicator to measure life satisfaction, or else explain why it no longer considers such an indicator important. (Paragraph 74)

Consumption and awareness

18.   It remains disappointing that progress on the resource productivity agenda has proved so slow since 1999, and that relatively few outcomes have resulted from the considerable effort expended in this area. In particular, there are still no strategic targets for improving resource productivity. A future strategy should include such targets. (Paragraph 76)

19.   Sustainable consumption and production is an essential component of a Sustainable Development strategy, and it therefore represents a significant failure on the part of Government that it has delayed so long before taking any action here. While we welcome the setting up of the Round Table on Sustainable Consumption, we regret that the Government has completely delegated responsibility in this way and that little progress is likely to be made on it before the finalisation of the new Framework and Strategy. (Paragraph 77)

20. We were also intrigued by the possibility of using consumerism itself to promote sustainability—making sustainability, as it were, a consumer product. In this sense, sustainable consumption may not mean consuming less, but consumer 'greener'. (Paragraph 78)

21. While the consultation on the Strategy acknowledged that awareness is an issue and proposed a more extensive publicity campaign, it still does not seem to us that the Government has grasped the full extent of the challenge. It is essential for the Government to invest far more campaigns to increase public awareness which focus on specific priority issues, in line with the recommendations we made in this area last year. (Paragraph 80)

22. We do accept, however, that there are limits to what can be achieved by individual choice. It is therefore important that the Government should also ensure that environmental values are reflected in the economic structure of the economy in such a way that they drive behaviour. (Paragraph 81)

Institutions and processes

23. A new strategy can only be more effective if the structure of institutions and the processes they employ takes full account of it. Structural and procedural aspects such as policy appraisal mechanisms, departmental objectives, monitoring and reporting, and the role of Cabinet Committees are therefore crucially important if the Strategy is to be implemented effectively. The Government did not include these issues in its consultation, but it will need to take full account of them in developing its new approach. (Paragraph 82)

24. It is becoming increasingly clear that the break-up of the DETR has had a negative impact as evidenced, for example, by the failure to incorporate a deeper understanding of sustainable development within the Aviation White Paper and ODPM's 'sustainable communities' initiative; and by the limited scope of the latest Sustainable Development in Government Report where reporting on policy and awareness issues has been abandoned. (Paragraph 85)

25. Whilst we appreciate that there can be no definitively correct organisation of departmental responsibilities, it does seem to us that departmental structures can play an important part in reflecting Government priorities.   If sustainable development is indeed an over-riding priority for the Government, there may well be merit in drawing together responsibilities for energy policy, transport and climate change in the way in which the PIU envisaged; and rationalising the plethora of related bodies involved in this area. (Paragraph 87)

26. The Government has failed to implement its commitment to consider including sustainable development within the remit and statutory duties of all departments and public bodies. This has had particularly damaging consequences in both procurement and the implementation of energy policy, where the incorporation of such a duty within the Office of Government Commerce and Ofgem would have facilitated more progress. In this context, we regret the fact that the Government recently opposed amending the Energy Bill so as to give Ofgem a primary duty to

promote sustainable development. As it is, we are disappointed with how little has been achieved in these areas since 1998. (Paragraph 93)

27. Departments can play a key role in turning the Sustainable Development Strategy from an illusion into reality through the way in which they evaluate new policies. The Government should take account of our previous recommendations in this area and ensure that appraisal processes take sufficient account of environmental priorities. In this respect, Regulatory Impact Assessments may not be adequate, and the Government should therefore:

- rigorously implement the requirement that departments should maintain a central record of the results of screening new policies, and conduct integrated policy appraisals and separate environmental appraisals where justified;
- require all appraisals to incorporate specific consideration of key environmental objectives, such as the need to reduce biodiversity loss and to achieve the 60% carbon reduction target;
- ensure that appraisals are conducted sufficiently early to inform choices between different policy options, rather than as a means of justifying the chosen option; and
- ensure that appraisals incorporate an in-depth discussion of any conflicts between economic, social and environmental objectives, and of the basis on which policy decisions are to be made. (Paragraph 99)

28. While ENV no doubt plays a primary role in implementing major environmental initiatives, we suspect it is failing to play any decisive role in influencing wider policies across government in order to ensure that they are based on a more fundamental understanding of the concepts of sustainable development. Similarly, it is unclear whether ENV(G) now has any role in greening policy, and on what basis it can assess departmental performance in this respect. Since these two Committees ought to be playing a key role in implementing the Strategy, it would be helpful if the Government could provide more information about their activities. (Paragraph 101)

29. Within the international community, the UK has taken a lead in certain respects notably by setting the 60% carbon reduction target for 2050.   In practice, however, the huge cuts in carbon emissions which developed nations will need to make in order to address global warming can only be envisaged in the context of an international framework which has legal force and can be rigorously implemented. (Paragraph 103)

Part 2: Taking it forward—recommendations for a new Strategy

30. The Government deserves much credit for the introduction of the 1999 Strategy and the comprehensive set of national indicators. However, it is clear in retrospect that the Strategy has not had the impact expected, and that the concept of sustainable development has not displaced the priority accorded to economic growth. This is because of the inherent ambiguities implicit in the notion of sustainable development, and because environmental limits are not as yet sufficiently defined in all areas to provide a rigid framework for policy making (Paragraph 106)

The new Strategy

31. The new Strategy should encompass the Brundtland definition of sustainable development and emphasise the concept of environmental limits underpinning that definition. It should focus more explicitly on placing the environment at the heart of government. In particular, it should identify where environmental objectives conflict with economic and social objectives, and set out the basis on which Government policy is to be developed in those areas. (Paragraph 108)

32. The headline indicators should be revised so as to show clearly and objectively how environmentally sustainable the UK is, and so as to enable progress on mainstreaming environmental objectives to be assessed. They should therefore include aggregate measures such as ecological footprinting or 'years to sustainability', together with other measures of economic well-being, resource productivity, and the global impact of UK consumption. (Paragraph 109)

33. The new strategy should set out all key environmental targets, both domestic and international, in order to provide an adequate basis for accountability. It should also provide the mechanism by which further policy related targets are set. In this respect it should fulfil previous EAC calls for a structured approach to the setting and monitoring of targets in a policy context, mirroring the development of a similar approach for greening departmental operations. (Paragraph 110)

34. The new strategy must clarify the relationship between the strategy itself and the existing series of topic-specific strategies. In doing so, the Government should review the effectiveness of the latter and update them accordingly. In particular, while the Statement of Intent on Environmental Taxation published in 1997 is an admirable statement of principle, the Government urgently needs to develop a comprehensive strategy to implement it in place of its current ad hoc approach. (Paragraph 111)

Implementing the Strategy

35. Departmental responsibilities should be reorganised in order to reflect priorities identified in the new strategy and the need to achieve overriding environmental objectives. In particular, given the necessity of making huge cuts in emissions in order to combat global warming, responsibilities for energy policy, transport and the environment (including climate change) should be brought together in a single department. (Paragraph 112)

36. Where key environmental objectives remain split across several departments, the Government must be much more "joined-up" in order to deliver key environmental objectives. It must ensure that new initiatives such as the ODPM's 'Sustainable Communities' initiative and the huge expansion in residential building proposed for the South-East are built on a fundamental understanding of sustainable development rather then merely paying lip-service to it as they do now. Moreover, the Government should ensure that key objectives of the Strategy are implemented throughout the wider Health and Education estates. (Paragraph 113)

37.   The Sustainable Development Unit, currently located in DEFRA, should play a far more cross-departmental and central role in ensuring that the objectives of the new Strategy are incorporated in the development of new policy initiatives across Government. In doing so, it could explore where there are significant conflicts between environmental and other objectives. It could also identify where the aims and targets of departments, agencies and regulatory bodies are insufficiently aligned with key environmental objectives. In these respects, it should function like the Strategy Unit. (Paragraph 114)

38.   Policy appraisal procedures must be revised so as to require specific consideration of impacts on key environmental objectives such as the need to reduce biodiversity loss and to achieve the 2050 carbon reduction target. Moreover, the Government should fulfil its commitment to review the remits of all departments and public sector bodies with a view to incorporating the promotion of sustainable development as a primary objective. It must also make available adequate staff resources within departments to developing the sustainable development agenda. (Paragraph 115)

Monitoring and audit

39.   The Government should continue to publish an annual monitoring report. This must include a critical and objective analysis of progress against all the indicators and targets set out in the Strategy. The report should also include environmental appraisals of relevant policy instruments (including projected impacts), with full details of the methodology used. (Paragraph 116)

40.   The annual monitoring report should highlight where significant conflicts between environmental and other objectives exist, set out on what basis policy is being developed in these areas, and highlight any changes to priorities or targets which might be required. In this respect it should constitute a rather more pro-active strategic document than the current monitoring report, and function more like the Government's Pre-Budget Report.   (Paragraph 117)

41.   To the extent that the new Strategy constitutes a more structured basis for setting policy targets, it will also provide a more secure basis for both the Environmental Audit Committee and the Sustainable Development Committee to audit progress. In this context, the NAO is already assisting us with our annual analysis of the Greening Government initiative, and it is currently auditing on our behalf the implementation of WSSD commitments by departments. The EAC will wish to build on this developing relationship in order to verify and analyse performance on a comprehensive and regular basis. We recognise that there are resource implications associated with this task which we will need to take account of. (Paragraph 118)

42.   The extent to which politicians can pursue more radical policies to achieve environmental objectives is inevitably limited in a democracy by the extent of public support. As the fuel duty protests of 2000 demonstrated, no government can pursue an unpopular policy against outright public opposition. However, public values will inevitably have to change in response, for example, to large increases in the price of oil, or to the increasingly serious impacts of climate change. (Paragraph 119)

43. Political leadership can play an essential role here in anticipating and promoting such shifts in public values. The Government needs to capitalise on the fact that the public does share a commitment to environmental objectives and, where the right frameworks and opportunities are provided, can indeed adjust their behaviour accordingly. We are faced with a small window of opportunity to promote such behavioural change largely on a voluntary basis without incurring too great a cost. If we do not grasp this and action is delayed, it is likely that more radical measures will become necessary in view of the scale of impacts human civilisation is now having on the natural world. (Paragraph 120)

44. We therefore need a different order of commitment from political leaders to sustainable development, and we have often emphasised in the past the importance of political leadership in this respect. If the Prime Minister wishes to place the environment at the heart of government and does indeed believe that climate change is the most serious threat facing mankind, we would expect to see him play a far larger role in promoting and implementing the new Sustainable Development Strategy than he has done to date.   He could display greater commitment, for example, by:

- giving more priority to environmental and sustainable development issues in his speeches;
- enhancing the role of the SDU and re-locating it within either the Cabinet Office or his own office;
- requiring environmental issues to be fully addressed in all relevant policy initiatives; and
- ensuring that the Cabinet Committees ENV and ENV(G) do indeed function dynamically, driving forward the new Strategy and appraising the impact of all policies—not just those which are overtly environmental. (Paragraph 121)

45. The new Strategy should be accompanied by far more focused and well-resourced campaigns to increase public awareness in specific areas and promote education for sustainable development. In particular, the overriding threat to mankind posed by global warming should be reflected in the extent of such campaigns—for example, through the use of sustained and high profile advertising and promotion to improve energy efficiency. The Government should also initiate comprehensive training programmes to ensure that the UK has sufficient skills in the new technologies required to facilitate their development and implementation. (Paragraph 122)

46. We realise that these are difficult issues for politicians across the world because it is always easier to trade-off short term economic and social gains against long-term environmental goals. It is therefore essential to build a consensus across political parties on the priority and approach required to address environmental issues, while at the same time promoting a far greater and more profound understanding among the public of the global consequences of our current lifestyles. (Paragraph 123)

Part 1: Evaluating the 1999 Strategy

Introduction

1. In 1994, the UK introduced a national Sustainable Development Strategy: it was one of the first countries in the world to do so.[1]   After extensive consultation, the present Government launched a revised and broader Strategy in May 1999.[2]   It was underpinned by a suite of 150 indicators, 15 of which were picked as headline indicators; and by institutional reforms such as the creation of the Green Ministers' Committee and the Sustainable Development Unit within the then DETR, and indeed the creation of the Environmental Audit Committee itself.

2. The Strategy included a commitment to publish annual reports on progress (the *Achieving a Better Quality of Life* series of reports) which have largely focussed on progress against the headline indicators. The Government also committed itself to review the strategy at the end of five years.[3]   This review began in December 2002 with a consultation conducted by UNED-UK on behalf of DEFRA on the impact of the WSSD summit. Subsequently, the Government set up a task force to develop the review, and launched a public consultation in April 2004.[4]

3. Since 2002, the Environmental Audit Committee has reported on the Government's own annual reviews and progress against the headline indicators.[5] It also took some evidence on wider issues relating to the Sustainable Development Strategy in 1999 and 2000, and raised some concerns about its effectiveness – notably in its most recent report on the Greening Government initiative.[6] However, it has never reported specifically on the overall impact or effectiveness of the Strategy itself.

4. The purpose of our inquiry has therefore been to assess the overall impact and effectiveness of the Strategy to date and to contribute to the development of a new Strategy. We received memoranda from a range of organisations and individuals, and took oral evidence from several environmental organisations, the Chairman of the Sustainable Development Commission, CAG consultants, and the UK Business Council for Sustainable Energy.   We are grateful to all those who have contributed to our inquiry.

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1   *Sustainable Development :The UK Strategy*, Cm 2426, January 1994

2   DETR, A Better Quality of Life, Cm 4345, May 1999

3   *ibid.* paragraph 10.12

4   For the Task Force, see http://www.sustainable-development.gov.uk/taking-it-on/taskforce/index.htmFor the consultation, *Taking It On*, see http://www.sustainable-development.gov.uk/taking-it-on/index.htm

5   EAC, Fourth Report of 2001-02, *Measuring the Quality of Life: The Sustainable Development Headline Indicators*, HC 824.See also EAC, Eleventh Report of 2002-03, Sustainable Development Headline Indicators, HC 1080

6   EAC, *Minutes of Evidence*, 25 May 1999, HC 479-i, Session 1998-99;EAC, *Minutes of Evidence* , 6 July 1999, HC 479-ii, 1998-99;EAC, *Minutes of Evidence*, 16 March 2000, HC 175-i, 1999-2000.See also EAC's Thirteenth Report of Session 2002-03, *Greening Government 2003*, HC 961

5. A number of organisations, notably the Sustainable Development Commission, have published their own reviews of the Strategy.[7] In addition, during the summer the Government published on the internet summaries of interim and final consultation responses, together with the consultation responses themselves—though only in an anonymised form and by topic so that it was not possible to read each response in its entirety. Moreover, to the extent that sustainable development is about the mainstreaming of environmental objectives within all policy making, our own past reports contain much of relevance and we have drawn on them extensively within this report.

6. We believe that the development of an effective sustainable development strategy is of the utmost importance in view of the scale of the environmental threats we now face. We are heartened that our view appears to be shared by the Prime Minister, but are dismayed that many policy makers within government or indeed the public at large do not display a similar commitment to this agenda. It is imperative that the Government's new strategy, to be launched next Spring, attracts greater priority and significance if it is indeed to be effective.

7. This report is structured in two parts. The first part is largely retrospective. It examines the nature and impact of the 1999 Sustainable Development Strategy, and comments on aspects of its implementation. The second part is essentially forward looking and presents a series of recommendations for the development of a new strategy based on arguments and conclusions earlier in the report.

The Strategy

Background

8. During the 1980s, concerns about the immense impact which human activity and development were having on the natural world became more widely shared and rose up the political agenda. Damage to the ozone layer and urgent need to take remedial action gave rise, for example, to the 1987 Montreal protocol—a landmark international treaty designed to phase out CFCs and other ozone-depleting substances. In the same year, the UN Brundtland report addressed more generally how economic, social and environmental objectives should be addressed in a holistic manner, and by doing so placed firmly on the map the concept of 'sustainable development'. The process culminated most spectacularly in the "Earth Summit" in Rio de Janeiro in 1992, which set in train a number of international processes—in particular, action to combat global warming.

9. One specific outcome of the Earth Summit was the commitment that each nation should develop its own Sustainable Development Strategy. The UK had, from 1990, published a series of annual reports on the environment ("*Our Common Inheritance*"), and it became one of the first countries in the world to develop a Sustainable Development Strategy, publishing it in 1994.

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7   Sustainable Development Commission (SDC), *Shows promise. But must try harder*, April 2004.See also the associated consultancy report from the SDC, *Assessment of progress against the headline indicators*, Levett-Therivel / SDC, February 2004.

10. In 1997, the new Labour Government set out a challenging agenda for achieving progress towards sustainable development. Its manifesto pledged that "*concern for the environment will be put at the heart of policy-making*", while at the United Nations the Prime Minister stated that: "*We must make the process of government green. Environmental considerations must be integrated into all our decisions, regardless of sector. They must be in at the start, not bolted on later.*" It embarked on the creation of a new Sustainable Development Strategy; it rejuvenated the network of Green Ministers so as to form the Green Ministers Committee; it created a Sustainable Development Unit within the then DETR to drive forward sustainable development across all central departments; and it also created the Environmental Audit Committee (EAC) so that Parliament could hold the Government to account on this agenda and audit the progress made against it.

The 1999 Sustainable Development Strategy

11. The Government's Sustainable Development Strategy ("the Strategy"), *A better quality of life*, was published in May 1999, after a long process of consultation. It referred to the Brundtland definition of sustainable development ('*development which meets the needs of the present without compromising the ability of future generations to meet their own needs*') but then went on to define it in a more colloquial way as '*ensuring a better quality of life for everyone, now and for generations to come.*'

12. The Strategy set out four key aims covering economic and social progress, and the protection of the environment and natural resources. It stated specifically that sustainable development meant that all four aims had to be achieved together. Indeed, the Strategy differed from the 1994 version primarily because of its more holistic approach whereby economic, social and environmental objectives were given equal weight. It also explained that policies would take account of ten principles and approaches which reflect key themes from the *Rio Declaration on Environment and Development*, the 1994 strategy, and responses to *Opportunities for change* (the consultation which preceded the Strategy). These 4 aims and 10 principles are set out below.

Aims	Principles
— 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.	• Putting people at the centre. • Taking a long term perspective. • Taking account of costs and benefits. • Creating an open and supportive economic system. • Combating poverty and social exclusion. • Respecting environmental limits. • The precautionary principle. • Using scientific knowledge. • Transparency, information, participation and access to justice. • Making the polluter pay.

13. The Strategy set out, for the UK, specific priorities for the future, including economic and social priorities as well as environmental:

- more investment in people and equipment for a competitive economy;

- reducing the level of social exclusion;

- promoting a transport system which provides choice, and also minimises environmental harm and reduces congestion;

- improving the larger towns and cities to make them better places to live and work;

- directing development and promoting agricultural practices to protect and enhance the countryside and wildlife;

- improving energy efficiency and tackling waste;

- working with others to achieve sustainable development internationally

14. The Strategy included a commitment to produce annual reports on progress and to a review after 5 years.   It is also supported by a set of about 140 indicators, first published in November 1999, of which 15 are highlighted as "headline indicators".[8] Not all these indicators were, however, fully developed at the time; and indeed it was envisaged that the headline set would be expanded to include additional indicators on resource productivity and life satisfaction – though these have still not been put in place. Annual reports on progress against the headline indicators have been published for the last three years.[9]

The concept of sustainable development

15. Sustainable development is a complex amalgam of ideas, including concepts of ecological limits, inter-generational equity, poverty alleviation, and economic progress.   In his interesting memorandum, Professor David Pearce points out that "'*development' is a value word: it means whatever people want it to mean*", but that the ambiguity inherent in the term might not matter if the conditions necessary for achieving whatever the goal is are clear.[10]   Some organisations have favoured abandoning the term sustainable development: the WWF, for example, told us that they preferred to use the term 'sustainability' and their definition highlights the importance of environmental limits and preserving biodiversity and ecosystems.[11]

16. The definition of sustainable development does appear to matter to the Government. In April 2001, during the passage of the International Development Aid bill, the Government rejected an amendment to substitute the Brundtland definition of sustainable development for that which the bill contained.   In commenting on the reasons for doing

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8   DETR, *Quality of Life Counts*, December 1999.The full set of indicators was subsequently updated in 2004.

9   See DETR's '*Achieving a better quality of life*' series of reports. The first annual report was published in early 2001, with successive annual reports being published at the same time in subsequent years.

10   Ev156

11   Ev18-19.See also Q 22 etc

so, the then Parliamentary Under-Secretary of State for International Development, Mr Chris Mullin, said:

> "*[The amendment] attempts to insert a particular interpretation of sustainable development which would impose an unreasonable constraint on the Secretary of State. … … We believe that the [Brundtland] interpretation is excessively narrow and puts undue emphasis on environmental concerns. We are aiming for a balance between environmental, economic and social concerns. Let us take, for example, the extraction of minerals. If extraction is managed properly and the income generated is used for productive purposes, it can enable a country to lift itself and its people out of poverty; yet such extraction would diminish the resources available for future generations. Would that compromise their ability to meet their own needs? … … The Brundtland definition lies at the environmental end of the spectrum of views on sustainable development. At the other end, there are equally sound definitions that favour a fundamentally economic definition. Neither is necessarily nor wholly right. The Government believe that sustainable development must take account of environmental, economic and social considerations.*"[12]

17. We would agree that developing countries should of course be able to exploit their natural resources with due regard to the impact of doing so. Indeed, in this sense, one might doubt whether humanity could ever become totally sustainable in terms of achieving zero resource use. We would therefore not see this as vitiating the essential concept behind the Brundtland definition, but rather as an underlying philosophical qualification relating to its implementation.

18. **Sustainable Development is an inherently ambiguous and complex concept. The Government's refusal to accept the Brundtland definition of sustainable development in the International Development Act conflicts with the apparent acknowledgement of that definition within the 1999 Sustainable Development Strategy. It suggests that the Government places insufficient weight on the environmental dimension of sustainable development and inclines more towards an economic interpretation. In developing a new Strategy and Framework, the Government should clarify its definition of the term.**

19. We also noted that the Government has sought to use the language of sustainable development to add ethical credibility to other initiatives. Thus we have policies for sustainable communities, sustainable housing, and sustainable transport; while the Treasury's main objective is 'sustainable growth'. In the case of the latter, one might be forgiven for thinking that this has only an economic interpretation—namely, ensuring that GDP growth is maintained at a steady positive rate. Yet the Treasury has argued that the inclusion of the term 'sustainable growth' represents the way in which it is building the concept of sustainable development into its objectives—a claim we find facetious.[13]

20. The Chairman of the Sustainable Development Commission agreed that the language of sustainable development was in danger of becoming debased, and that this was a matter

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12 Hansard,10 April 2001, Column 886.

13 EAC, Second Report of 2001-02, *Pre-Budget Report 2001:A New Agenda?*, Appendix 2 (question 6)

of serious concern. He highlighted in this connection the flagrant abuse of this concept in the Air Transport White Paper where there was no serious attempt to use a deeper, more profound understanding of sustainable development; and he went on to point out that: "*The aspiration to be less unsustainable is not the same thing as being sustainable, and Government departments have got to be extremely cautious about the way in which they use 'sustainable' in that framework.*"[14]

21. **While we entirely support any policy initiatives which aim to move us in the direction of more sustainable lifestyles, the language of sustainable development will become debased if the Government continues to use it indiscriminately in formulations such as 'sustainable transport', 'sustainable communities', and 'sustainable growth'. The widespread use of this term also reinforces the perception that the Government places more emphasis on narrower UK socio-economic aims than on long-term international environmental concerns.**

The four aims: trade-offs and economic progress

22. The Strategy set out four aims covering economic and social progress, protection of the environment, and the use of natural resources. The Government also stated—in a breathtakingly challenging gesture—that sustainable development meant achieving all four aims together. The language of sustainable development was indeed introduced as a way of mainstreaming environmental objectives within policy making alongside traditional socio-economic objectives. There was much emphasis—even in the Brundtland report itself—on 'win-win' scenarios as a way of selling such a policy to sceptical economists, policy makers, the business world, and indeed the general public.[15]

23. There are certainly many areas where win-win situations do potentially exist: energy saving measures, for example contribute to social objectives (reducing fuel poverty) and to environmental objectives (reducing energy use). However, the current UK Strategy ignores the fact that, in many situations, there will inevitably be trade-offs between different aims. As Professor Pearce points out, domestic policies such as the expansion of aviation and housing favour socio-economic objectives and undoubtedly have a negative impact on the environment.[16] We also note that the 2002 PIU Energy Report went as far as recommending that the objectives of the DTI should be rewritten to reflect the need to make such trade-offs and the primacy to be accorded to environmental objectives in doing so.[17]

24. **The current Strategy characterises sustainable development as meeting all four main aims at the same time. It ignores the fact that many policies, such as the expansion of housing and aviation, will inevitably involve trade-offs between different aims. One of the key roles of a future strategy should be to identify the 'crunch' issues**

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14   Q108

15   Ev 156 ff

16   *ibid.*

17   *The Energy Review,* Performance and Innovation Unit [now Strategy Unit], February 2002

where such trade-offs exist and to evaluate in depth the basis on which policy decisions are to be made.

25. Some organisations went further and questioned the basis for including economic growth as a fourth objective at all. They argued that economic growth should be regarded as a means to an end, rather than an end in itself; and that social and environmental objectives were more fundamental.[18] Professor Jackson of the Sustainable Development Commission even suggested that there might be a potential conflict between these objectives, as reflected in rising income and social inequalities and increased levels of crime. And he pointed out that economic growth did not necessarily deliver well-being – a view supported by a number of recent studies. [19]

26. We would certainly agree that there is no reason why continued economic growth should be consistent with environmental progress. It seems to us quite obvious that over the last millennium economic growth—while it has contributed substantially to social progress—has also resulted in huge negative impacts on the environment. In the last century we have seen substantial reductions in some of these impacts mainly through regulation, but it remains an act of faith that the trade-off can be totally avoided.

27. Both Jonathon Porritt and Professor Jackson suggested that the issue at stake was not so much whether to throw out traditional economic growth (GDP) as an indicator and aim, but whether it could be re-evaluated in the context of attempts to measure economic well-being. They pointed out that there were a number of such indicators already in existence—such as the Index of Sustainable Economic Welfare—though they also expressed concern that attempts to develop a reliable framework for economic well-being to set against GDP had been severely under-resourced.[20]

28. **Indicators for economic wellbeing or life satisfaction should complement rather than replace the standard measure of GDP. But to recast the economic objective simply in terms of well-being would cloud the distinction between objectives and militate against the fundamental point of the strategy which is to provide a framework in which economic, social and environmental impacts can be evaluated against each other.**

The ten principles

29. As we have seen (paragraph 11 above), the Strategy also set out 10 principles to underpin the definition of sustainable development and the four-fold objectives. These principles include some crucially important concepts such as the precautionary principle, respecting environmental limits, and making the polluter pay. Other principles are somewhat more questionable. 'Combating poverty and social exclusion', for example, seems to overlap considerably with the first aim—'social progress which recognises the needs of everyone'); while 'putting people at the centre' appears dangerously vacuous and

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18   eg Ev 30 ff

19   Ev 94.See also *Life Satisfaction: the state of knowledge and implications for Government,* Strategy Unit, December 2002

20   Q 100

inappropriate in the context of the huge challenges facing us in preserving biodiversity. Indeed, as we argue later in this report, the focus on quality of life of current generations fundamentally misses the point in the light of the potentially catastrophic long-term impact of climate change. Various organisations also argued convincingly that one concept not sufficiently included within the Government's current set of principles is that of 'equity', both within and between countries and within and between generations.[21]

30. **There is insufficient emphasis in the principles underpinning the Strategy on international and inter-generational equity. More generally, it is unclear to us how the principles are to be taken into account in the policy making process, or even whether they are mutually consistent with each other and with the four objectives.**

31. The challenge of global warming has certainly highlighted the crucial importance of environmental limits in terms of carbon emissions, and we were interested in both the comments of the RSPB and Jonathon Porritt on the wider application of this concept.[22] In their supplementary memorandum on this topic, the RSPB stated:

> "*A fundamental question for <u>ecological</u> economics, therefore, is whether the physical output of remaining species populations, ecosystems, and related biophysical processes (ie critical self-producing natural capital stocks) and the waste assimilation capacity of the ecosphere, are adequate to sustain the anticipated load of the human economy into the future while simultaneously maintaining the general life support functions of the ecosphere. This "fundamental question" is at the heart of ecological carrying capacity but is virtually ignored by mainstream analyses and economics.*"[23]

32. Our scientific knowledge is not yet—and may never be—at the stage where we can begin to appreciate the full impacts of our global assault on biodiversity and ecosystems, and calculate precise limits for human activities in all its forms. We can be fairly certain, however, that limits of various kinds do exist—whether they involve, for example, minimum thresholds for populations of species or the accumulation of persistent non-biodegradable pollutants. In the light of this lack of knowledge, the precautionary principle and its use to guide policy and action assume an overriding importance.

33. Moreover, our interest in atmospheric limits for carbon is prompted at least partly by self-interest: it is precisely because of the devastating potential effects on *human* society that this topic has attracted such widespread political interest. But, as the RSPB again point out, "'*quality of life' over mere survival, as well as moral and ethical considerations, means that we need to go further and protect all species for intrinsic, cultural and spiritual reasons as well as purely functional ones. This is recognised through the Convention on Biological Diversity and the 2010 biodiversity target.*"[24] Such targets constitute a second, more challenging, set of environmental limits.

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21 Ev1, 18, 30, 122 etc

22 Q 107

23 Ev171

24 Ev171

34.   **The concept of environmental limits is fundamental to sustainable development. While such limits cannot, as yet, be firmly established in many areas of human activity, it is nonetheless certain that they exist.   The new Framework and Strategy should place greater emphasis on the concept of environmental limits, and the Government should devote more effort to developing this concept—in conjunction with the precautionary principle—as a tool for policy making.**

The Strategy as a driver

The impact of the Strategy on policy making

35. It is too early to assess the impact of the Strategy in terms of changes in the headline or wider set of indicators.[25]   The key issue at this stage, therefore, is the impact it has had on policy making.   Indeed, whatever the weaknesses of the strategy itself, it is this issue of implementation which is in many ways fundamental.   In our *Greening Government 2003* report, we expressed concern that the strategies and policy documents relating to sustainable development, however admirable in themselves, occupy a limbo existence which has little impact on departments' real priorities.[26]

36. The very introduction of the Strategy may well have had a significant, though unquantifiable, impact. In the words of the RSPB,

> *"it is commendable that the UK government has met its international commitments to produce a national sustainable development strategy and has in fact helped lead the way for others.   Its greatest strength has most likely been its simple existence. In both form and content, it has already served as a benchmark against which other national strategies are measured and has been a tool by which civil society can hold government to account."*[27]

37. Identifying specific impacts, however, is rather more difficult. Over the last few years, the Government has introduced a number of key policies which have taken forward sustainable development in certain areas.   The Energy White Paper was perhaps the most spectacular example, setting as it did the 60% carbon reduction target for 2050 and promoting energy efficiency and renewables as the cornerstone of future energy policy. Other recent examples include the Government's Sustainable Farming and Food strategy and the extension of the Landfill Tax as a basis for incentivising and financing more radical policies on waste.   Moreover, those policies which to some extent pre-date the Strategy—such as the Climate Change Levy, the UK Emissions Trading System, and the Renewables Obligation—reflect the same basic commitment which gave rise to the Strategy.

38. On the other hand, it is questionable whether these positive measures can be ascribed directly to the Strategy.   Such examples highlight a concern that the Strategy has worked as long as the solutions have been easy and fit within a department's real priorities.   Policies

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25   See paragraphs 63ff below

26   EAC, Thirteenth Report of 2002-03, *Greening Government 2003*, HC 961, Foreword

27   Ev 4

on climate change and landfill, for example, are also largely a response to legal obligations arising from the Kyoto agreement and EU regulations. There have been incremental changes but few, if any really major shifts in policy or action. It is also possible to point to 'negative impacts'—areas of policy where there has been a failure to take adequate account of environmental objectives. These include:

- the implementation by Ofgem of the New Electricity Trading Arrangements (NETA), which had a decisively negative impact on both CHP and renewables;[28]

- the Aviation White Paper which has been widely criticised for its excessive emphasis on economic growth at the expense of the environment;[29]

- road transport strategy where, after the greenest ever White Paper in 1997 (pre-dating the Strategy), progress appears to have gone backwards as reflected particularly in the latest White Paper;[30] and

- the failure to take forward the Treasury's Strategy of Intent on Environmental Taxation by pursuing more radical policies in areas such as energy efficiency.[31]

39. Moreover, it is doubtful whether the very considerable sums of money being spent on public procurement and regeneration are subject to adequate appraisals of the trade-offs between different objectives. Indeed, the emphasis on short-term economic growth and international competitiveness—as reflected not only in the Treasury's own aims, but in the targets of the DTI and many of the Regional Development Agencies—suggests that the battle to make sustainable development the framework for all policy evaluations has still not been won.

40. **The crucial importance of the 1999 Strategy was that it was intended to provide an alternative and all-embracing policy framework to set against the traditional dominant orthodoxy of economic growth. Yet, five years later, in a competitive world and a competitive economy, traditional socio-economic concerns still largely dominate policy making. To this extent the Strategy has failed, though its very existence may have had positive impacts—both internationally and within the UK —which are more difficult to quantify.**

Links to other strategies

41. The Sustainable Development Strategy does not exist in a vacuum: there is a variety of other topic-based strategies which are of crucial importance in addressing specific environmental concerns.

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28 EAC, Fifth Report of 2001-02, A Sustainable Energy Strategy? Renewables and the PIU Review, HC 582-I, paragraph 71

29 EAC, Eleventh Report of 2003-04, *Aviation: Sustainability and the Government's Second Response*, HC 1063.That report references fully the EAC's 3 previous reports on this topic. The RCEP and SDC have also published critiques of the Government's aviation strategy.

30 cf EAC, Tenth Report of 2003-04,*Budget 2004 and Energy*, HC 490,paragraphs 41-46

31 EAC, Tenth Report of 2003-04,*Budget 2004 and Energy*, HC 490, *passim*

Topic Specific Strategies

- Air Quality Strategy (1997/1999)
- Biodiversity Strategy (November 2002)
- Chemicals Strategy (December 1999)
- Climate Change Strategy (November 2000)
- Combined Heat and Power Strategy (April 2004)
- Energy Strategy (February 2003)
- Energy Efficiency Implementation Plan (April 2004)
- Fuel Poverty Strategy (November 2001)
- Statement of Intent on Environmental Taxation (May 1997)
- Sustainable Consumption and Production Strategy (September 2003)
- Water Framework Directive / Strategy (2000/2002 etc)
- Waste Strategy (2000)

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42. Not all of these strategies are UK wide. The Biodiversity Strategy, for example, covers England only: Scotland and Wales have developed their own strategies under the umbrella of the UK Biodiversity Framework. A number of them stem from international commitments (eg the UN Convention on Biological Diversity, signed at the Rio "Earth Summit" in 1992), or from EU regulatory initiatives (eg the water and chemicals strategies).

43. Some of these topic based strategies, though not all, are fairly dynamic entities. The Energy Strategy, for example, has what is effectively its own secretariat (the Sustainable Energy Policy Network) and its own web-site, together with an advisory expert Committee and a Ministerial Committee to oversee progress. Particularly where these strategies are driven by EU or international regulatory initiatives (energy, waste, water, and air quality for example), they—rather than the UK Sustainable Development Strategy—tend to be the vehicles for driving progress through specifying targets and prioritising actions.

44. **The Sustainable Development Strategy has not driven environmental progress in the way originally envisaged and it contains few links to the important series of topic based strategies. Much of the progress which has been made can be ascribed to the latter, and as such it has been driven by particular and specific environmental concerns.**

45. The Government's consultation suggests that the new UK Strategy might include four specific priority areas as a UK focus for action: [32]

- Climate change and energy;

- Sustainable consumption, production and use of natural resources;

- Environment and social justice; and

- Helping communities to help themselves.

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32   DEFRA, *Taking it on,* April 2004, paragraph 4.7

46. Two of these (energy, and sustainable production and consumption) duplicate areas where there are topic based strategies involving—at least in the case of energy—considerable ongoing work and an entire system of monitoring via annual reports. The final priority area, 'helping communities to help themselves', clearly involves strategies at various levels—national, departmental, regional, and local—and gives rise to problems which often relate more to the interactions between them than to inherent aspects of these strategies themselves. More generally, we were surprised that biodiversity did not feature in this list, given the extent of ongoing biodiversity loss and the commitment of the UK Government to reduce it; or that education for sustainable development (particularly for issues such as global warming) was not itself seen as a major challenge and fundamental to behavioural change.

47. **It is difficult to see how a new UK Strategy could function more dynamically even if it were to include a number of specific priority areas for action. If the point of including such areas is to drive progress, there would inevitably be considerable overlap and potential confusion where dynamic topic-based strategies exist, as in the case of energy. If, however, the point of including them is to provide accountability through a strategic overview of progress, we would question why such an overview could not be extended to other areas as well—in particular, biodiversity loss and education for sustainable development.**

48. Devolution and regional government have introduced yet more layers of complexity. Sustainable development is a devolved matter, and the Welsh Assembly Government and Scottish Executive have developed, or are developing, their own strategies—including their own definitions, objectives, indicator sets, and monitoring mechanisms. The Government is now proposing that the new UK Strategy should consist of a "UK Framework for Sustainable Development" supported by separate strategies for the devolved administrations and an English strategy which covers non-devolved matters.[33] It is difficult to see how such a complex arrangement can function either as a driver or as a vehicle for ensuring accountability.

49. Similarly, at a regional level, Regional Sustainable Development Frameworks (RSDFs) have been drawn up in an attempt to ensure that sustainable development objectives are taken into account in pursuing regional strategies. Meanwhile, local authorities were required to complete Local Agenda 21 strategies for sustainable development by the end of 2000, though these have now been overtaken by the more recent requirement for Community Plans to implement their new duty to promote well-being.

50. There is therefore a plethora of strategies and associated documentation relating to sustainable development, not all of which is equally effective. We heard from CAG consultants, for example, their concern that RSDFs had proved so far relatively ineffective, and insufficient to counteract the innate tendency for the RDAs to focus on economic growth.[34] Scottish National Heritage told us that the links between the UK Strategy and the

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33   DEFRA, *Taking it on*, April 2004, paragraphs 2.2ff

34   QQ 173 ff. See especially QQ 199-202.

Scottish approach as set out in '*Meeting the Needs*' was poor;[35] while at a local level, South Gloucestershire Council provided an interesting short memorandum which highlighted a variety of similar problems. They commented, for example, that:

> "The definition of sustainable development in the strategy, in particular the reference to growth, means that its meaning is interpreted differently by different government agencies and departments to suit their own goals and more clarity and emphasis on what is meant by sustainable economic growth would be helpful."

> "Whilst the Sustainable Communities Plan refers to the UK Sustainable Development Strategy the implementation and guidance on the two do not seem to have been effectively linked. This has resulted in some confusion at an operational level as to the interpretation of the meaning of sustainable communities and sustainable development."[36]

51. **The proliferation of sustainable development strategies, plans and frameworks at all levels of Government is a major problem that needs to be addressed. It contributes to the impression that such documents are an impotent irrelevance, particularly where they are secondary to 'mainstream' economic strategies. Inconsistencies and inadequate linkages between different levels of strategies can also reduce the scope for effective action, particularly at a local level.**

Departmental strategies and targets

52. In our series of *Greening Government* reports, we have commented in some detail on the extent to which departments have incorporated sustainable development objectives not only in the operational management of their estates but also in their policy development processes.[37] We have also regularly examined the outcomes of successive spending reviews and evaluated the Treasury's Pre-Budget and Budget reports against the Statement of Intent on Environmental Taxation, which it first published in 1997.[38]

53. The results of our audits of the Greening Government initiative have revealed various weaknesses including:

— inadequate staff resources devoted to the sustainable development agenda;

— the lack of a structured approach for setting departmental targets in policy-related related areas,

— the abandonment of a systematic approach to monitoring departments on policy-related and awareness aspects of the Greening Government initiative;

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35   Ev164

36   Ev166-167

37   See especially the EAC's Thirteenth Report of 2002-03, *Greening Government 2003*, HC 961.For the EAC's latest report in this series, see its Eighth Report of 2003-04, *Greening Government 2004*, HC 881

38   For the EAC's latest report in this series, see its Tenth Report of 2003-04, *Budget 2004 and Energy*, HC 490

— a failure to establish a rigourous system for policy appraisal which places adequate emphasis on environmental impacts; and

— significant doubts over the role of the Cabinet Committee ENV, and its sub-committee ENV(G) in terms of their commitment in driving forward the sustainable development agenda within all departments.

54. Some departments have sought to develop their own sustainable development strategies. However, just as there are doubts over the extent to which the UK Strategy has driven progress, similar questions arise over the relevance of these departmental strategies. Indeed, in commenting on how departmental performance could go both up and down, Jonathon Porritt pointed out how everyone had welcomed the publication of the DTI's sustainable development strategy.[39] But he went on to say: "*We are less glad about the fact that that strategy has never seen the light of day again and has been up for review for the best part of two years and, despite a lot of prompting, remains buried in a filing cabinet apparently beyond human sight.*"[40]

55. The failure of the UK Strategy to drive departmental priorities is demonstrated most acutely in the spending review process. Despite a requirement during the 2002 Spending Review for all departments to submit sustainable development reports with their bids, the outcome was disappointing: we have previously shown that—if DEFRA were excluded— there were only 4 environmentally related targets in Public Service Agreements out of 160 targets in all, and two of those were shared targets with DEFRA.[41] We have not carried out a similar exercise as yet for the latest Spending Review, but we do not expect the results to be very different—though at least we are heartened to see that the 60% carbon saving target for 2050 has now been included in the Department for Transport's PSA as well as those of DEFRA and DTI.

56. **The impact of the Strategy on departmental strategies, Public Service Agreements and associated targets has been limited. A few departments have published their own separate sustainable development strategies, but such strategies have tended to be one-off exercises which do little to mainstream sustainable development within the priorities of the department. The paucity of environmental targets within departmental PSAs also demonstrates the low priority accorded to the sustainable development agenda.**

The Government's own assessment of impacts

57. The 1999 Strategy committed the Government to publishing annual monitoring reports, and the first of these was released in January 2001. ("*Achieving a better quality of life: the Government's Annual Report 2000*"). Three subsequent reports have since been published. [42] The primary function of these reports has been to evaluate progress against

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39   The DTI strategy was published in October 2000.See http://www.dti.gov.uk/sustainability/strategy/

40   Q 109

41   EAC, Thirteenth Report of 2002-03, *Greening Government 2003*, HC 961, paragraph 33 and following table

42   The annual reports can be found on the Government's sustainable development web site at http://www.sustainable-development.gov.uk/

the headline indicators. Given the fact that policies may impact only slowly on such indicators, there has understandably been relatively little change in the annual assessments, as we show below in commenting on indicators.

58. The Annual Reports have set out the principles behind the Government's approach and have also included separate chapters on economic, social and environmental progress. These are, however, fairly discursive in nature. While they highlight the initiatives which the Government has taken (eg by introducing the Climate Change Levy, and the UK Emissions Trading Scheme), they do not constitute a rigorous and objective evaluation of the impact of the strategy in terms of policy.

59. In preparation for the review and to take account of priorities arising from the 2002 World Summit on Sustainable Development, DEFRA carried out in collaboration with UNED-UK an initial consultation exercise in early 2003, and subsequently set up a Sustainable Development Task Force. [43]   Once again, neither of these exercises amounted to a critical assessment of impacts on departments, though they did highlight a range of related issues—including the lack of political leadership and commitment to the sustainable development agenda, the need for more joined-up policy making, and the vital importance of increasing public awareness.   In particular, the consultation highlighted the concern that there was not enough emphasis on implementation and action, and that all Government departments had not adopted or taken ownership of the Strategy.   The Government's Partial Regulatory Impact Assessment (RIA), published with the formal consultation in April 2004, also referred to weaknesses in implementing the strategy.[44]

60. We note that the Welsh Assembly commissioned a review of the effectiveness of the Welsh Sustainable Development Scheme, and that this involved detailed surveys and interviews with Welsh Assembly ministers and policy staff.   In their evidence to us, CAG—the consultancy responsible for carrying out this work—considered that a similar exercise should have been carried out within the UK Government.[45] Given the fact that there is widespread acceptance that implementing the strategy within departments is as much of an issue as the Strategy itself, such a review could have provided an invaluable insight into the reasons why the Strategy has not been as effective as expected through surveying and interviewing staff within departments.

61. It is of course the case that both the Sustainable Development Commission and the EAC were created to provide independent advice and accountability for progress towards sustainable development.   Indeed, the SDC has recently produced a highly effective report to contribute to the Government's review,[46] while we ourselves are doing so both through this report and through the full range of our other work, including our reports on the headline indicators, on Greening Government, and on progress in embedding

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43   Both the UNED-UK reports and the minutes of Task Force meetings can be found at http://www.sustainable-development.gov.uk/sd_strategy/01.htm

44   The Partial Regulatory Impact Assessment was published in April 2004 along with the Government's formal consultation on the strategy. It can be found at http://www.sustainable-development.gov.uk/taking-it-on/ria.htm

45   Ev56

46   See paragraph 5 above

environmental objectives within the Government's fiscal policies. Neither body, however, has access to departmental staff in the way which would be necessary to conduct an in-depth evaluation.

62. **It is surprising that DEFRA did not commission an independent consultancy review of the impacts of the Strategy on departments nor even require departments to conduct their own formal assessments of those impacts.**

Indicators

63. A key aspect of the 1999 Strategy was the selection of a limited set of 'headline indicators' from the whole suite of 140 indicators.[47] These were intended to provide a broad indication of progress towards sustainable development across economic, social and environmental areas. The Government also stated that it would take remedial action where a trend in a particular indicator was going in the wrong direction.[48]

64. One of the primary functions of the annual monitoring reports ("*Achieving a better quality of life*") has been to print annual updates for these indicators. However, to date the changes have been limited and there is as yet no clear indication of progress, as shown in the table opposite.

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47   DETR, A better quality of life counts, December 1999

48   DETR, *A better quality of life*, May 1999, paragraph 3.7

	Change since 1990				Change since Strategy		
	AR 2000	AR 2001	AR 2002	AR 2003	AR 2001	AR 2002	AR 2003
H1: Economic output	✓	✓	✓	✓	✓	✓	✓
H2: Investment	✗	✗	≈	≈	✓	≈	≈
H3: Employment	≈	≈	≈	≈	✓	✓	✓
H4: Poverty and social exclusion	≈	≈	≈	≈	✓	✓	✓
H5: Education	✓	✓	✓	✓	✓	≈	✓
H6: Health	≈	≈	≈	≈	≈	≈	≈
H7: Housing	≈	≈	✓	✓	No data	✓	✓
H8: Crime							
Violent	✗	✗	✗	✗	✗	✗	✗
Car theft / burglary	✓	✓	✓	✓	✓	✓	✓
H9: Climate Change	✓	✓	✓	✓	✓	✓	✓
H10: Air quality	✓	✓	✓	✓	✓	≈	✗
H11: Road Traffic							
Volume	≈	≈	✗	✗	≈	✗	✗
intensity			✓	✓		✓	✓
H12: River Water Quality	✓	✓	✓	✓	✓	✓	✓
H13: Wildlife (birds)							
farmland birds	✗	✗	✗	✗	≈	≈	≈
woodland birds			✗	✗	✓	✓	≈
H14: Land use	≈	≈	✓	✓	≈	✓	✓
H15: Waste:							
household	✗	✗	✗	✗	No data	✗	✗
other	No data	No data	No data	No data		No data	No data

Notes:

(1) Ticks represent an overall improvement since the baseline (1990 / Strategy); a cross represents a deterioration; and a pair of wavy lines represents no change.

(2) The 2003 Annual Report introduced an additional indicator for traffic intensity, for woodland birds.

65. As we have previously pointed out,[49] categorising performance against the headline indicators can be difficult. Air quality,[50] for example improved steadily from 1990 but deteriorated sharply in 2003 to 1990 levels. The 2003 Annual Report therefore shows it as a deterioration since the launch of the strategy, despite which the Government's assessment of progress since 1990 is positive. Similarly, the headline indicator for climate change[51] shows an improvement since the Strategy, despite the fact that carbon dioxide emissions have risen in 3 of the last 5 years. In such cases, it will require several years more data to establish how anomalous such recent results are, owing to the fact that the link between policy instruments and indicators is complex and indirect. Changes in indicators may

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49 EAC, Fourth Report of 2001-02, *Measuring the Quality of Life: The Sustainable Development Headline Indicators*, HC 824.EAC, Eleventh Report of 2002-03, *Sustainable Development Headline Indicators*, HC 1080.See also the Sustainable Development Commission's consultancy report, *Assessment of progress against the headline indicators*, February 2004.

50 The headline indicator for air quality measures the number of days when air pollution is moderate or higher.

51 This measures the emission reductions achieved in both carbon dioxide and the basket of six greenhouse gases.

result from completely unexpected factors many of which are outside the Government's control.   Improvements may not necessarily signify that policy instruments are effective any more than deteriorations signify the opposite.

66. **The introduction of the full suite of 140 indicators in 1999 represented a major advance. These indicators reflect the interests of Government as a whole, and allow it to focus on the broad range of issues with which it is concerned. However, in terms of progress in mainstreaming environmental objectives, it is difficult to assess the impact of the 1999 Strategy on the basis of these indicators because insufficient time has passed to identify firm trends and because changes in the indicators may not relate simply and directly to the effectiveness of policy instruments.**

67. The devolved administrations have developed or are developing their own headline indicator suites which differ from the UK headline indicator set.[52] Moreover, we have noted in our own previous reports on progress against the indicators that not all of them are UK-wide.   Some indicators for example, exclude Northern Ireland, while others cover only England and Wales, or even England only. This situation arises because of differences between the various administrations in the way data is collected.[53] **It seems to us unsatisfactory that differences in data collection in some cases limit the geographical coverage of the headline indicators; and we hope that, in the context of a new Strategy, agreement can be reached on a common core of indicators against which progress can be reported for the whole of the UK.**

68. While the Government's headline indicators are a useful indicator of progress, our 2002 and 2003 reports on the indicators on them have shown that they do involve a certain degree of subjectivity in assessing whether to characterise progress as green, amber or red. Indeed, in 2000 the then UK Round Table for Sustainable Development produced its own assessment,[54] and the Sustainable Development Commission has recently published a similar exercise which demonstrates that the characterisation of individual indicators is rather more complex than might initially appear and that progress may not be as good as the Government suggests.[55]

69. **Anyone taking the Government's own assessments of progress against the headline indicators at their face value could be forgiven for thinking that—with a tweak here or there—we would be well on the way to achieving sustainability. This is far from the case and the current set of indicators fails to provide a clear assessment of the level of sustainability of the UK.**

70.   The current indicators do not include clear targets as to what constitutes a sustainable level of performance in any particular area. Considerable work, for example, has been devoted towards developing an indicator for Domestic Material Consumption as a

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52   See the Government consultation, *Taking it on* ,April 2004, paragraphs 13.6 ff

53   See especially EAC's Fourth Report of 2001-02, *Measuring the Quality of Life: the Sustainable Development Headline Indicators*, HC 824, paragraphs 51-53 and Ev 18-22

54   *Not too difficult!*, UK Round Table on Sustainable Development, 2000

55   See paragraph 5 above.

measure of resource productivity, and this indicator currently reveals that the average material consumption is over 11 tonnes per capita in the UK.[56]   There is, however, no indication of what the Government thinks the target level should be.

71. In order to address such difficulties, a variety of alternative aggregate indicators have been developed. Of these, the ecological footprint is the best known because it is readily understandable and has been widely applied at both local and national levels. The measure sets out the level of consumption and resource use in terms of the number of planets we would need to live in such a way.   The ecological footprint of the UK, for example, is such that we would need three planets if everyone were to live like us; and the WWF provided some interesting evidence on the extreme difficulty of reducing this to below a two-planet level.[57]

72. Alternative approaches also exist. These include, as noted above, the possibility of 'green growth' indicators to measure economic well-being, and the concept of 'years to sustainability' which Professor Ekins has developed. We also note that the Welsh Assembly Government has adopted the ecological footprint as a headline indicator and is committed to developing a basket of other sustainable development indicators, including one for economic well-being and one for the global impact of consumption in Wales.[58]

73. **It is imperative that a new UK strategy should include one or more aggregate measures of sustainability, and it seems to us unsatisfactory that the UK indicator set should be less complete in this respect than that which the Welsh Assembly Government is developing. While we appreciate that some of these indicators may be of limited use as an analytical tool, they are hugely important as a means of communicating to the public the immense challenges we face in trying to move towards more sustainable lifestyles.**

74. In this connection, we note that the 1999 Strategy committed the Government to developing a happiness indicator within the headline set, and we are disappointed that no apparent progress has been made.[59] There are in fact various existing measures which are available, as the Cabinet Office Strategy Unit report "*Life Satisfaction: the state of knowledge and implications for government*" (December 2002) made clear. That report also pointed out that the overall degree of life satisfaction in the UK has remained static for the last 30 years, and this creates an interesting tension between subjective evaluations of the quality of life and the 'objective' measures which the Strategy currently contains. **The Government should either fulfil the commitment it made in the 1999 Strategy to include a headline indicator to measure life satisfaction, or else explain why it no longer considers such an indicator important.**

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56   For more details, see the Office for National Statistics page at http://www.statistics.gov.uk/cci/nugget.asp?id=158

57   Q 28

58   See the Government consultation, *Taking it on*, April 2004, page 38

59   DETR, *A Better Quality of Life*, paragraph 3.10 and table following paragraph 3.31

Consumption and awareness

75. Much attention has been devoted over the last five years to developing the concept of resource productivity—'getting more for less'—and the 1999 Strategy committed the Government to developing indicators in this area.[60] In 2001, the PIU (now the Cabinet Office Strategy Unit) published a report on this topic, and DEFRA has commissioned various other work, including that carried out by the Wuppertal Institute on measures of total and domestic material consumption.[61] While environmentalists have emphasised the need for huge improvements in resource efficiency as a means of addressing ecological concerns, there is also an economic incentive: industry and government can potentially save money if they can make significant improvements in resource efficiency.

76. The 2002 World Summit on Sustainable Development promoted a new initiative in this area. One of the main outcomes of the Summit was the commitment to develop 10 year strategies for sustainable consumption and production (SCP). The UK published a version of such a strategy in September 2003.[62] This focussed mainly on sustainable production issues— eco-efficiency, productivity, and decoupling resource use from growth. It was accompanied by the launch of a consultation on a set of decoupling indicators for the strategy. The latter proposed 12 measures, though only one of these—the yet to be developed indicator for total resource use (promised in 1999)—would be new: all the others were drawn from the existing wider set of 140 indicators.[63] The proposed set focused on decoupling material use. **It remains disappointing that progress on the resource productivity agenda has proved so slow since 1999, and that relatively few outcomes have resulted from the considerable effort expended in this area. In particular, there are still no strategic targets for improving resource productivity. A future strategy should include such targets.**

77. To date, relatively little consideration has been given to the concept of sustainable consumption. The Government has recently set up a Round Table on Sustainable Consumption with representation from both the Sustainable Development Commission and the National Consumer Council. We listened with interest to Professor Jackson talking about what he hoped this initiative could achieve, but we were struck by the amount of work to be done.[64] **Sustainable consumption and production is an essential component of a Sustainable Development strategy, and it therefore represents a significant failure on the part of Government that it has delayed so long before taking any action here. While we welcome the setting up of the Round Table on Sustainable Consumption, we regret that the Government has completely delegated responsibility in this way and that little progress is likely to be made on it before the finalisation of the new Framework and Strategy.**

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60   *ibid.* paragraph 6.13

61   For the PIU report, see http://www.number-10.gov.uk/su/resource/default.htm See also EAC's Second Report of 2001-02, *Pre-Budget Report 2001:A New Agenda?*, HC 363,Appendix 3 (question 2).

62   DEFRA, *Changing Patterns: UK Government Framework for Sustainable Consumption and Production*. See http://www.defra.gov.uk/environment/business/scp/

63   See the joint Defra/DTI consultation paper, *Sustainable Consumption and Production Indicators*, September 2003

64   QQ 115-117

78. Sustainable consumption certainly poses major challenges for any government. Telling people they should consume less is hardly a message many politicians would want to sell. No government wants to appear patronising and authoritarian when it comes to consumer choice, and to this extent there is a certain tension between consumerism and sustainable consumption. Attitudes do, however, vary and we note that the public is far more ready to accept some degree of guidance in matters of health and safety. **We were also intrigued by the possibility of using consumerism itself to promote sustainability—making sustainability, as it were, a consumer product**—an idea expressed by both Professor Jackson and the WWF, though in somewhat different language.[65] **In this sense, sustainable consumption may not mean consuming less, but consumer 'greener'.**

79. It also seems to us that, underlying much of this debate, are still more fundamental issues relating to cultural values and education. In a democratic society, public attitudes limit the extent of Government action, as we have seen in the case of the fuel duty protests, and this applies in both a domestic and international context. Indeed, if it is right that future policy to promote sustainable development will involve more trade-offs between economic, social and environmental objectives, it is difficult to avoid the conclusion that we will need to improve radically public awareness and understanding. It was precisely for this reason that we carried out an inquiry last year focussing on the DfES and education for sustainable development.[66] In that inquiry, we stated that:

> *"DEFRA's two major awareness raising campaigns relating to sustainability to date have been less than half-hearted and ill-focussed. We believe that the funding of any further large-scale, general awareness campaigns would not provide value for money. To stimulate the behavioural change required we recommend the Government funds and develops a coherent, long-term, targeted approach to promoting sustainable development which focuses on specific, priority issues such as waste and energy use."[67]*

80. **While the consultation on the Strategy acknowledged that awareness is an issue and proposed a more extensive publicity campaign, it still does not seem to us that the Government has grasped the full extent of the challenge. It is essential for the Government to invest far more campaigns to increase public awareness which focus on specific priority issues, in line with the recommendations we made in this area last year.**

81. **We do accept, however, that there are limits to what can be achieved by individual choice. It is therefore important that the Government should also ensure that environmental values are reflected in the economic structure of the economy in such a way that they drive behaviour.** Fiscal and regulatory policies—such as the rise in the cost of landfill, the Renewables Obligation, and the introduction of the Climate Change Levy— and producer responsibility initiatives such as the End of Life Vehicles directive represent examples of such processes. Even though many individual consumers might not necessarily be fully aware of such policies, they might nonetheless alter their behaviour in response to their impacts.

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65   QQ 38-39; Q 119

66   EAC, Tenth Report of 2002-03, *Learning the Sustainability Lesson*, HC 472

67   *op.cit* paragraph 136

Institutions and processes

82. We have pointed out above that the Strategy has failed to drive policy making in the way initially hoped. Indeed, whatever the weaknesses or strengths of the Strategy itself, the issue of implementation is in many respects far more important. **A new strategy can only be more effective if the structure of institutions and the processes they employ takes full account of it. Structural and procedural aspects such as policy appraisal mechanisms, departmental objectives, monitoring and reporting, and the role of Cabinet Committees are therefore crucially important if the Strategy is to be implemented effectively. The Government did not include these issues in its consultation, but it will need to take full account of them in developing its new approach.**

Departmental structures

83. Departmental structures are in themselves important. When the present Government first came into office in 1997, it created the Department of the Environment, Transport and the Regions (DETR), with the primary objective of ensuring that environmental objectives were fully incorporated within transport and planning policies. This was reinforced by locating within the DETR the cross-departmental Sustainable Development Unit, and above all by appointing the Deputy Prime Minister as its Secretary of State. When the DETR was broken up, Ministers and officials were confident that the synergies gained from the co-location of these functions—in particular, the shared awareness among staff of the sustainable development agenda—would not be lost.[68]

84. In practice, however, DEFRA's ability to promote environmental and sustainable development objectives among other departments seems to be significantly less than that of the DETR. One might doubt, for example, whether the Aviation White Paper would have taken the form it did had DETR survived. Moreover, the decision to locate planning functions within the ODPM quite separately from the sustainable development responsibilities of DEFRA has also had an impact. In taking evidence, for example, on our current inquiry on housing, we were astounded that DEFRA had not been consulted on the terms of reference of the Barker review.[69] Moreover, the manner in which ODPM is pursuing its 'sustainable communities' initiative with scant regard for any deeper understanding of what a sustainable community would really amount to, suggests that DEFRA is unable to ensure that its agenda is mainstreamed within other departmental policies.[70] Even within the context of the Greening Government initiative, the abandonment of any attempt to monitor policy and awareness issues also reflects DEFRA's waning power and limited resources.[71]

85. **It is becoming increasingly clear that the break-up of the DETR has had a negative impact as evidenced, for example, by the failure to incorporate a deeper understanding**

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68   EAC, First Report of 2001-02, *Departmental Responsibilities for Sustainable Development*, HC 326

69   EAC, Minutes of Evidence on 21 July 2004, QQ 376-377

70   *ibid.* QQ 398-401 for an example of how DEFRA has been excluded from the Government task force examining the implications of the Barker review

71   EAC, Eighth Report of 2003-04, *Greening Government 2004*, HC 881

of sustainable development within the Aviation White Paper and ODPM's 'sustainable communities' initiative; and by the limited scope of the latest Sustainable Development in Government Report where reporting on policy and awareness issues has been abandoned.

86. There has also been much discussion of departmental structures in relation to energy policy over the last few years. The DTI is responsible for strategic energy policy, while Climate Change policy along with CHP and energy efficiency is located within DEFRA, and transport within the DfT.   A bewildering number of related agencies and other bodies is also involved. In its Energy Report (February 2002), the Performance and Innovation Unit (now the Strategy Unit) commented that the existing structure of institutions involved in UK energy policy making and delivery lacked coherence.[72] It recommended that the Government should aspire in the long term to bring together in one department responsibilities for climate change, energy policy and transport policy; and it envisaged the creation of a cross-departmental unit as a transitional stage on the route to such a department.   This was one of a number of recommendations in the PIU report which the Government has not adopted.

87. **Whilst we appreciate that there can be no definitively correct organisation of departmental responsibilities, it does seem to us that departmental structures can play an important part in reflecting Government priorities.   If sustainable development is indeed an over-riding priority for the Government, there may well be merit in drawing together responsibilities for energy policy, transport and climate change in the way in which the PIU envisaged; and rationalising the plethora of related bodies involved in this area.**

Objectives and duties

88. A related issue is the extent to which sustainable development is built into the objectives of all organisations. The 1999 Strategy stated that: "*In future, whenever the Government creates a public body, it will consider whether to include sustainable development in its remit.   It is reviewing the scope for including sustainable development as an objective of existing Departments and public bodies.*"[73]

89. While welcoming this commitment, we have on various occasions expressed our concern that it has not been adequately implemented. In 2000, for example, we concluded that the Treasury were failing to build sufficient consideration of environmental objectives into the remit of the Office of Government Commerce and Partnerships UK.[74] We have also pointed out how Ofgem's implementation of NETA entirely failed to promote renewables and Combined Heat and Power in the manner originally envisaged—largely because Ofgem considered its role to be purely that of an economic regulator.[75]   Indeed,

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72   *The Energy Review*, PIU [Strategy Unit], Cabinet Office, February 2002, paragraph 8.13

73   DETR, *A Better Quality of Life,* May 1999, paragraph 5.4

74   EAC, Fourth Report of 1999-2000, *The Pre-Budget Report 1999:Pesticides, Aggregates, and the Climate Change Levy*, HC 76, paragraph 112

75   EAC, Fifth Report of 2001-02, *A Sustainable Energy Strategy? Renewables and the PIU Review*, HC 582, paragraph 71

there is a widespread perception that Ofgem remains an impediment to progress towards a more sustainable energy policy due to the lack of a statutory duty to promote sustainable development.

90. Moreover, we have referred earlier in this report to the Treasury's specious claim that its commitment to 'sustainable growth' constitutes a commitment to sustainable development, and in auditing the progress of the Treasury against the Statement of Intent on Environmental Taxation we have previously expressed our concern that its commitment to this agenda—such as it is—does not permeate its overriding preoccupation with economic growth and productivity.

91. Various witnesses endorsed our view. The UK Business Council for Sustainable Energy (UK BCSE) commented in its memorandum that: "*Recent experience in the UK energy sector would suggest that not only does the definition of sustainable development matter, but also, more importantly, its incorporation in the terms of reference of market making institutions, such as Ofgem, is vital if delivery is to be effective.*"[76] David Green, the Chief Executive of the UK BCSE, reminded us of the antipathy of the former electricity regulator, Clare Spottiswood, to the incorporation of environmental objectives; and he also made the interesting point that such a duty would allow Ofgem greater scope to pursue environmental objectives without the fear of judicial review.[77] Meanwhile, at a local level, we noted that the consultants, CAG, had recommended that ODPM should consider making sustainable development a statutory duty of Regional Assemblies. In their evidence to us, they pointed out that

> "…*it is particularly useful in Assemblies that are not elected in the sense that they always have the problem of legitimacy in dealing with other stakeholders. If they have a statutory role to progress Sustainable Development I would think it would give them more legitimacy in this area and would put them on the same level as the RDAs, who do have it written in there…*".[78]

We would add that, even where sustainable development is included, there is still an issue about the way it is formulated and we believe that it could be further strengthened in the case of RDAs.

92. We also noted that the Welsh Assembly Government has a statutory duty to promote sustainable development. There was some evidence that this had helped to raise the priority accorded to sustainable development in policy terms, though the commitment of ministers and senior officials and the relatively small size of the administration were also material factors.[79]

93. **The Government has failed to implement its commitment to consider including sustainable development within the remit and statutory duties of all departments and**

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76   Ev73

77   QQ 261-263, 265

78   Q 188

79   Q! 135-161

public bodies. This has had particularly damaging consequences in both procurement and the implementation of energy policy, where the incorporation of such a duty within the Office of Government Commerce and Ofgem would have facilitated more progress. In this context, we regret the fact that the Government recently opposed amending the Energy Bill so as to give Ofgem a primary duty to promote sustainable development. As it is, we are disappointed with how little has been achieved in these areas since 1998.

Policy appraisal systems

94. But perhaps the most crucial aspect of mainstreaming the environment in Government is the policy appraisal process. Whether or not the Sustainable Development Strategy is successful will largely depend on the approach taken by departments to evaluating different policy options and assessing the trade-offs to be made between economic, social and environmental impacts in the light of Government priorities.

95. Since its inception, the EAC has frequently emphasised the key role played by policy appraisal systems in relation to sustainable development. We have expressed our concern about the failure of departments other than DEFRA (and formerly DETR) to carry out adequate screening and environmental appraisals of policy initiatives. We have also commented on the plethora of different guidance on appraisal and, in particular, the potential conflict between approaches based on monetarising environmental impacts and those based on non-monetarised approaches. We considered these issues in our *Greening Government 2003* report, and included specific recommendations on the need for departments to maintain and make public a central list of new policies and the results of screening them for environmental impacts; and on the extent of overlapping guidance and the need to adopt a more coherent approach.[80]

96. Moreover, the Government's approach to appraisal has shifted over the years and is still shifting. Some four or five years ago, the emphasis was on the need for all departments to conduct environmental appraisals where relevant. Subsequently, the focus gradually shifted to the concept of integrated appraisals covering all the potential impacts of a policy. There have been various references to the Integrated Policy Appraisal (IPA) 'tool' to assist departments – though as we have previously pointed out the guidance on IPA was little more than a reminder to departmental staff that they must carry out various other forms of appraisal where relevant. Over the last year, the focus appears to have shifted again, and the Government now views the Regulatory Impact Assessment (RIA) as the main vehicle for appraising policy impacts. Responsibility for developing initiatives in this area has also shifted amorphously between DETR, the Cabinet Office, and DEFRA.

97. Yet throughout this period, there has been little improvement in the performance of departments. The 2001 Green Ministers Report stated that "*it is somewhat disappointing that, despite promotion of environmental appraisal, inclusion in the Policy Makers Checklist and screening systems put in place by departments, relatively few departments beyond DETR*

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80   EAC, Thirteenth Report of 2002-03, *Greening Government 2003,* HC 961

have produced published environmental appraisals. … … The reasons for the apparent lack of progress on environmental appraisal will be investigated as part of a review of progress with development of integrated appraisal systems in the next year."[81] Yet the next annual report contained nothing other than the banal statement that many departments considered appraisals as a part of the wider decision making process and that keeping a log of appraisals was not a useful indicator of how well the department considered environmental issues.[82]

98. The Government response to our *Greening Government 2003* report commented that "*the IPA tool has the potential to support better policy making and joined up government but it also highlighted issues that would need to be resolved if it were to be used more widely. In particular, it reaffirmed the need to clarify the way in which the IPA relates to other policy appraisal systems including the mandatory RIA and the need to provide clearer central support and guidance for policy makers.*"[83] There is an urgent need for such clarification: as we have pointed out in our latest report on aviation,[84] the DfT appear to view the IPA as a brief summary of impacts—rather than as the tool which enables policy makers to justify the trade-offs they are making between economic, social and environmental goals.

99. **Departments can play a key role in turning the Sustainable Development Strategy from an illusion into reality through the way in which they evaluate new policies. The Government should take account of our previous recommendations in this area and ensure that appraisal processes take sufficient account of environmental priorities. In this respect, Regulatory Impact Assessments may not be adequate, and the Government should therefore:**

- **rigorously implement the requirement that departments should maintain a central record of the results of screening new policies, and conduct integrated policy appraisals and separate environmental appraisals where justified;**

- **require all appraisals to incorporate specific consideration of key environmental objectives, such as the need to reduce biodiversity loss and to achieve the 60% carbon reduction target;**

- **ensure that appraisals are conducted sufficiently early to inform choices between different policy options, rather than as a means of justifying the chosen option; and**

- **ensure that appraisals incorporate an in-depth discussion of any conflicts between economic, social and environmental objectives, and of the basis on which policy decisions are to be made.**

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81 Third Annual Report 2001, *Greening Government*, DEFRA, November 2001, paragraphs 3.7 to 3.9

82 First Annual Report 2002, *Sustainable Development in Government*, DEFRA, November 2002, paragraph 2.1

83 EAC, Third Special Report of 2003-04, Government Response to the Thirteenth Report, Session 2002-03, on Greening Government, HC 489, paragraph 26

84 EAC, Eleventh Report of 2003-04, *Aviation: sustainability and the Government's Second Response*, paragraph 5

Cabinet Committees: ENV and ENV(G)

100. In both our *Greening Government 2003* and our *Greening Government 2004* reports, we have commented on the role of ENV and ENV(G). We questioned what role ENV actually played, and how clearly its role could be differentiated from that of ENV(G). In commenting on the reduced scope of the Government's *Sustainable Development in Government: First Annual Report* (November 2003), we also expressed our surprise that ENV(G) had sanctioned such a change and queried whether it now saw its role as limited to evaluating operational performance. The rules of Cabinet confidentiality now mean that we know nothing about the way in which ENV or ENV(G) function. It is not even clear how many times each of these Committees has met, nor what issues have featured on their agendas. We consider this unfortunate, and indeed CAG contrasted the position here with the transparency and openness which obtains in the Welsh Assembly.[85]

101. **While ENV no doubt plays a primary role in implementing major environmental initiatives, we suspect it is failing to play any decisive role in influencing wider policies across government in order to ensure that they are based on a more fundamental understanding of the concepts of sustainable development. Similarly, it is unclear whether ENV(G) now has any role in greening policy, and on what basis it can assess departmental performance in this respect. Since these two Committees ought to be playing a key role in implementing the Strategy, it would be helpful if the Government could provide more information about their activities.**

International frameworks

102. Many of the challenges we now face in addressing environmental issues are of an international nature. Over the last 20 years, a variety of multilateral environmental agreements (MEAs) have been negotiated to deal with specific problems—such as the destruction of the ozone layer and the protection of endangered species. The action now required to address global warming, in particular, raises major issues of international competitiveness. We have seen, for example, how the rebate on the Climate Change Levy was increased to protect British industry; while the Government has argued that action to address the impact of aviation emissions can only be taken on an EU or international basis.

103. **Within the international community, the UK has taken a lead in certain respects—notably by setting the 60% carbon reduction target for 2050. In practice, however, the huge cuts in carbon emissions which developed nations will need to make in order to address global warming can only be envisaged in the context of an international framework which has legal force and can be rigorously implemented.**

85   Ev58

Part 2:   Taking it forward—recommendations for the future

104. We said last year that: "*There is indeed an impressive range of policy documents and guidance in place which relate to sustainable development. But our fear is that much of the work undertaken on this agenda occupies a limbo existence which has little impact on department's real priorities. It is a fear which is compounded by the very concept of sustainable development which can all too easily be used to obfuscate as well as empower.*"[86]

105. We would draw four main conclusions from our analysis in this report:

- The Government should remember that the original motivation behind the concept of sustainable development (as promoted by the Brundtland Commission and at the Rio Earth Summit) was to take more account of environmental issues in decision making and to avoid crossing critical environmental thresholds.

- The UK Sustainable Development Strategy, with its broad focus on 'quality of life' objectives, has not been successful in mainstreaming environmental objectives within policy development. Indeed, in characterising sustainable development as promoting a better quality of life (an objective which governments have always been interested in), it has obscured the trade-offs between environmental and other objectives and the hard decisions which need to be made.

- The most obvious and serious failure of the Sustainable Development Strategy has been the absence of any significant progress in getting to grips with sustainable production and consumption (SCP). While the priority accorded to this agenda was boosted by the Johannesburg World Summit, it has always been clear that it should comprise a core part of any sustainable development strategy. Yet after five years, we have a framework document which ignores consumption issues entirely, responsibility for the latter being devolved outside government to a Round Table which has only just been set up.

- To deliver on the original intention behind the concept of sustainable development, the Government must increase its commitment to environmental objectives and accord them higher priority throughout the work of all departments. This is clearly a political issue, and more radical action may be limited by the extent of public support. But Government has a responsibility to display leadership and commitment at the highest level here, both domestically and internationally.

106. **The Government deserves much credit for the introduction of the 1999 Strategy and the comprehensive set of national indicators. However, it is clear in retrospect that the Strategy has not had the impact expected, and that the concept of sustainable development has not displaced the priority accorded to economic growth. This is because of the inherent ambiguities implicit in the notion of sustainable development,**

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86   EAC, Thirteenth Report of 2002-03, *Greening Government 2003*, HC 961, Foreword

and because environmental limits are not as yet sufficiently defined in all areas to provide a rigid framework for policy making.

107. In the light of our conclusions, we believe that the focus of a new sustainable development strategy should be primarily environmental. Moreover, whatever the merits or weaknesses of any future strategy, much will depend more on the manner in which it is implemented; and indeed the Government has itself recognised that departments have not taken as much account of the 1999 Strategy as might have been expected. We therefore set out in this final part our recommendations for the new Sustainable Development Strategy and its implementation. This draws upon the arguments and conclusions in the first part of the report.

The new Strategy

108. **The new Strategy should encompass the Brundtland definition of sustainable development and emphasise the concept of environmental limits underpinning that definition. It should focus more explicitly on placing the environment at the heart of government. In particular, it should identify where environmental objectives conflict with economic and social objectives, and set out the basis on which Government policy is to be developed in those areas.**

109. **The headline indicators should be revised so as to show clearly and objectively how environmentally sustainable the UK is, and so as to enable progress on mainstreaming environmental objectives to be assessed. They should therefore include aggregate measures such as ecological footprinting or 'years to sustainability', together with other measures of economic well-being, resource productivity, and the global impact of UK consumption.**

110. **The new strategy should set out all key environmental targets, both domestic and international, in order to provide an adequate basis for accountability. It should also provide the mechanism by which further policy related targets are set. In this respect it should fulfil previous EAC calls for a structured approach to the setting and monitoring of targets in a policy context, mirroring the development of a similar approach for greening departmental operations.**

111. **The new strategy must clarify the relationship between the strategy itself and the existing series of topic-specific strategies. In doing so, the Government should review the effectiveness of the latter and update them accordingly. In particular, while the Statement of Intent on Environmental Taxation published in 1997 is an admirable statement of principle, the Government urgently needs to develop a comprehensive strategy to implement it in place of its current ad hoc approach.**

Implementing the Strategy

112. **Departmental responsibilities should be reorganised in order to reflect priorities identified in the new strategy and the need to achieve overriding environmental objectives. In particular, given the necessity of making huge cuts in emissions in order**

to combat global warming, responsibilities for energy policy, transport and the environment (including climate change) should be brought together in a single department.

113. **Where key environmental objectives remain split across several departments, the Government must be much more "joined-up" in order to deliver key environmental objectives. It must ensure that new initiatives—such as the ODPM's 'Sustainable Communities' initiative and the huge expansion in residential building proposed for the South-East—are built on a fundamental understanding of sustainable development rather then merely paying lip-service to it as they do now. Moreover, the Government should ensure that key objectives of the Strategy are implemented throughout the wider Health and Education estates.**

114. **The Sustainable Development Unit, currently located in DEFRA, should play a far more cross-departmental and central role in ensuring that the objectives of the new Strategy are incorporated in the development of new policy initiatives across Government. In doing so, it could explore where there are significant conflicts between environmental and other objectives. It could also identify where the aims and targets of departments, agencies and regulatory bodies are insufficiently aligned with key environmental objectives. In these respects, it should function like the Strategy Unit.**

115. **Policy appraisal procedures must be revised so as to require specific consideration of impacts on key environmental objectives such as the need to reduce biodiversity loss and to achieve the 2050 carbon reduction target. Moreover, the Government should fulfil its commitment to review the remits of all departments and public sector bodies with a view to incorporating the promotion of sustainable development as a primary objective. It must also make available adequate staff resources within departments to developing the sustainable development agenda.**

Monitoring and audit

116. **The Government should continue to publish an annual monitoring report. This must include a critical and objective analysis of progress against all the indicators and targets set out in the Strategy. The report should also include environmental appraisals of relevant policy instruments (including projected impacts), with full details of the methodology used.**

117. **The annual monitoring report should highlight where significant conflicts between environmental and other objectives exist, set out on what basis policy is being developed in these areas, and highlight any changes to priorities or targets which might be required. In this respect it should constitute a rather more pro-active strategic document than the current monitoring report, and function more like the Government's Pre-Budget Report.**

118. **To the extent that the new Strategy constitutes a more structured basis for setting policy targets, it will also provide a more secure basis for both the Environmental Audit Committee and the Sustainable Development Committee to audit progress. In this**

context, the NAO is already assisting us with our annual analysis of the Greening Government initiative, and it is currently auditing on our behalf the implementation of WSSD commitments by departments. The EAC will wish to build on this developing relationship in order to verify and analyse performance on a comprehensive and regular basis. We recognise that there are resource implications associated with this task which we will need to take account of.

Leadership and awareness

119. **The extent to which politicians can pursue more radical policies to achieve environmental objectives is inevitably limited in a democracy by the extent of public support. As the fuel duty protests of 2000 demonstrated, no government can pursue an unpopular policy against outright public opposition. However, public values will inevitably have to change—in response, for example, to large increases in the price of oil, or to the increasingly serious impacts of climate change.**

120. **Political leadership can play an essential role here in anticipating and promoting such shifts in public values. The Government needs to capitalise on the fact that the public does share a commitment to environmental objectives and, where the right frameworks and opportunities are provided, can indeed adjust their behaviour accordingly. We are faced with a small window of opportunity to promote such behavioural change largely on a voluntary basis without incurring too great a cost. If we do not grasp this and action is delayed, it is likely that more radical measures will become necessary in view of the scale of impacts human civilisation is now having on the natural world.**

121. **We therefore need a different order of commitment from political leaders to sustainable development, and we have often emphasised in the past the importance of political leadership in this respect. If the Prime Minister wishes to place the environment at the heart of government and does indeed believe that climate change is the most serious threat facing mankind, we would expect to see him play a far larger role in promoting and implementing the new Sustainable Development Strategy than he has done to date. He could display greater commitment, for example, by:**

- **giving more priority to environmental and sustainable development issues in his speeches;**

- **enhancing the role of the SDU and re-locating it within either the Cabinet Office or his own office;**

- **requiring environmental issues to be fully addressed in all relevant policy initiatives; and**

- **ensuring that the Cabinet Committees ENV and ENV(G) do indeed function dynamically, driving forward the new Strategy and appraising the impact of all policies—not just those which are overtly environmental.**

122. **The new Strategy should be accompanied by far more focused and well-resourced campaigns to increase public awareness in specific areas and promote education for sustainable development. In particular, the overriding threat to mankind posed by global warming should be reflected in the extent of such campaigns—for example, through the use of sustained and high profile advertising and promotion to improve energy efficiency. The Government should also initiate comprehensive training programmes to ensure that the UK has sufficient skills in the new technologies required to facilitate their development and implementation.**

123. **We realise that these are difficult issues for politicians across the world because it is always easier to trade-off short term economic and social gains against long-term environmental goals. It is therefore essential to build a consensus across political parties on the priority and approach required to address environmental issues, while at the same time promoting a far greater and more profound understanding among the public of the global consequences of our current lifestyles.**

Formal minutes

Members present:

Mr Peter Ainsworth, in the Chair

Mr Colin Challen	Mr Mark Francois
Mr David Chaytor	Joan Walley
Sue Doughty	Mr John McWilliam
Mr Paul Flynn	

The Committee deliberated.

Draft Report (The Sustainable Development Strategy: illusion or reality?), proposed by the Chairman, brought up and read.

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

The Foreword and paragraphs 1 to 123 read and agreed to.

Resolved, That the Report be the Thirteenth Report of the Committee to the House.

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

Several papers were ordered to be appended to the Minutes of Evidence.

Ordered, That the provisions of Standing Order No. 134 (Select Committees (reports)) be applied to the Report.

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

[Adjourned till 3 November at 3pm.

Witnesses

List of written evidence

Past reports from the Environmental Audit Committee since 1997

2003-04 Session

First   Annual Report 2003, HC 214
Second   GM Foods – Evaluating the Farm Scale Trials, HC 90
Third   Pre-Budget Report 2003: Aviation follow-up, HC 233
Fourth   Water: The Periodic Review 2004 and the Environmental
                 Programme, HC 416 *(Reply, HC 950)*
Fifth   GM Foods – Evaluating the Farm Scale Trials, HC 564
Sixth   Environmental Crime and the Courts, HC 126
Seventh   Aviation: Sustainability and the Government Response, HC 623
                 (reply, HC1063)
Eighth   Greening Government 2004, HC 881
Ninth   Fly-tipping, Fly-posting, Litter, Graffiti and Noise, HC 445
Tenth   Budget 2004 and Energy, HC 490
Eleventh   Aviation: Sustainability and the Government's second response,
                 HC1063
Twelfth   Environmental Crime: Wildlife Crime, HC 605

2002-03 Session

First   Pesticides: The Voluntary Initiative, HC100 (*Reply, HC 443*)
Second   Johannesburg and Back: The World Summit on Sustainable
                 Development–Committee delegation report on proceedings, HC 169
Third   Annual Report, HC 262
Fourth   Pre-Budget 2002, HC 167 (*Reply, HC 688*)
Fifth   Waste – An Audit, HC 99 *(Reply, HC 1081)*
Sixth   Buying Time for Forests: Timber Trade and Public Procurement -
                 The Government Response, HC 909
Seventh   Export Credits Guarantee Department and Sustainable
                 Development, HC 689 (*Reply, HC 1238*)
Eighth   Energy White Paper – Empowering Change?, HC 618
Ninth   Budget 2003 and Aviation, HC 672 (Reply, Cm 6063)
Tenth   Learning the Sustainability Lesson, HC 472 *(Reply, HC 1221)*
Eleventh   Sustainable Development Headline Indicators, HC 1080
                 (Reply, HC 320)
Twelfth   World Summit for Sustainable Development – From rhetoric to
                 reality, HC 98 (*Reply, HC 232*)
Thirteenth   Greening Government 2003, HC 961 *(Reply, HC 489,2003-04)*

2001-02 Session

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

(*Reply, HC 909, Session 2002-03*)

2000-01 Session

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

1999-2000 Session

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

1998-99 Session

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

1997-98 Session

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