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Environmental Audit Committee

The Sustainable Development Strategy: Illusion or Reality?

Thirteenth Report of Session 2003–04

Volume II

Written and oral evidence

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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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Contacts

All correspondence should be addressed to The Clerk, Environmental Audit Committee, Committee Office, 7 Millbank, London SW1P 3JA. The telephone number for general inquiries is: 020 7219 6150; the Committee's e-mail address is: eacom@parliament.uk

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Wednesday 26 May 2004

Dr Paul Jefferiss, Head of Environment Policy, Royal Society for the Protection of Birds

Mr Andrew Lee, Director of Campaigns, WWF-UK

Wednesday 9 June 2004

Mr Tony Juniper, Director; Claire Wilton, Senior Campaigner, Resource Use and Waste, and Mr Simon Bullock, New Economics Co-ordinator, Friends of the Earth

Mr Jonathon Porritt, Chairman; Professor Tim Jackson, University of Surrey and Chairman of the Economics Steering Group, and Mr Scott Ghagan, Secretary, the Sustainable Development Commission.

Thursday 24 June 2004

Joan Bennett, Mr Phil Matthews and Mr Trevor Houghton, CAG Consultants

Monday 28 June 2004

Mr David Green, OBE, Chief Executive, UK Business Council for Sustainable Development (UKBCSE)
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Oral evidence

Taken before the Environmental Audit Committee

on Wednesday 26 May 2004

Members present:

Mr Peter Ainsworth, in the Chair

Mr Colin Challen
Mr Simon Thomas
Mr David Chaytor
Joan Walley
Sue Doughty
Mr David Wright
Paul Flynn

Memorandum from the Royal Society for the Protection of Birds

The RSPB is Europe’s largest wildlife charity with over one million members. We manage one of the largest conservation estates in the UK with more than 180 nature reserves, covering more than 100,000 hectares.

The RSPB is the UK member of the BirdLife International Partnership, a global alliance of independent national conservation organisations working in more than 100 countries worldwide. The BirdLife International Partnership strives to conserve birds, their habitats and global biodiversity, working with people towards sustainability in the use of natural resources.

The RSPB’s policy and advocacy work covers a wide range of issues including climate change, energy, education for sustainable development, marine issues, water trade and agriculture. The RSPB also provides financial and technical support to BirdLife partners in Eastern Europe, Africa and Asia and supports community based projects to help deliver local benefits from sustainable natural resource management. The RSPB were actively engaged with the World Summit on Sustainable Development (WSSD) and are now working to ensure sustainable development is central to policy, decision making and action at all levels.

1. Executive Summary and introduction

The UK Sustainable Development Strategy, “a better quality of life”, as well as its annual assessments, have acted as a driver for and kept sustainable development firmly on the table within government, and for the wider policy community. Against specific indicators, the Strategy and its assessments have usefully shown where progress is being made and where it is lagging.

We believe that the current review of the Strategy offers a very important opportunity to ensure sustainable development is at the heart of Government, the devolved administrations, other public sector bodies, and importantly to share the responsibility for delivering this with all stakeholders without shirking their own crucial role. Ensuring global well-being and long-term security (including environmental security) for present and future generations will necessitate cultural, behavioural and value changes that require political leadership and courage. To this end, the RSPB welcomes the opportunity to contribute to this inquiry.

We believe that:

— The review process should ensure a Strategy Framework for the UK that has coherence, consistency and connectedness and that provides guidance on collectively acknowledged top-level priorities for the UK as a whole. Further to this, it must ensure an action plan for the UK Government addressing sustainability in all non-devolved duties and process. At the same time, it must allow sufficient flexibility to be interpreted and enacted in the light of regional and local differences, without sacrificing core principles and objectives.

— All government departments, devolved administrations, agencies and regional bodies must embed and mainstream sustainability in all their processes and actions—this should become an explicit duty.

— Any definition for sustainable development must reconcile the pursuit of economic growth with the non-negotiable imperative of learning to live within the Earth’s biophysical constraints and carrying capacity. Economic progress should be seen as a means to human and environmental well-being, globally and long term, and not as an end itself. This should be further reflected by key objectives giving equal provision to economic, social and environmental progress, as well as the prudent use of natural resources.
A revised strategy must provide clear guidance on how key objectives should be prioritised, and how inevitable trade-offs should be made when two or more are in conflict. It must show how to make sustainable choices between the short- and long-term costs and benefits, between costs and benefits that are in the interest of society as a whole and those of particular groups, and between those which are not properly reflected in prices. If the strategy does not provide such guidance, it will be provided nowhere else, and decision-makers will inevitably default to prioritising the economic objective.

The Strategy must also make a commitment to create and amend economic, social and environmental policy itself to enable sustainable development. We need a policy framework that:

(i) changes prices by internalising external costs. This could be achieved in various ways including higher regulation and standards, rational use of the planning system, liability for damage costs, environmental tax reform, and setting clear, safe targets based on ecological need and assessment;

(ii) includes a massive commitment to changing values and behaviour through public education, awareness raising and political leadership. This could include significant spending on a concerted awareness raising campaign; effective and regular use of Ministerial speeches; integrating sustainable development into the heart of the education process, and leading by example through government procurement;

(iii) is inclusive of all relevant cross-cutting issues, costs and benefits etc, including environmental and health; and

(iv) is explicit in assigning responsibility and duties to all relevant decision-makers, actors and systems—including Government departments and agencies, the economic regulators, and the planning system—and has a follow-up process to ensure action and delivery.

We fully recognise the political constraints and challenges inherent to creating a new social and economic paradigm, we applaud government for the progress and commitment it is showing in many areas. We believe that sustainable development is key to well-being and security and to a safe, healthy, just and equitable world for present and future generations—richer or as rich in biodiversity. We are keen to work with Government and the devolved administration to ensure this.

2. (Q. A) The Definition of “Sustainable Development”

2.1 A clear, comprehensive and practical definition is crucial for achieving a shared understanding and commitment to delivery of sustainable development. Sustainable development is an inherently complex and challenging concept that tests the way we think, plan, work and live our lives. Arriving at a concise definition that satisfies everyone and captures in comprehensible and usable form principles that are often quite abstract will not be easy, but concrete examples could be usefully used to illustrate it.

Does the definition of “sustainable development matter”?

2.2 The Brundtland definition, although broad and conceptual, has international acceptance and embodies the key tenets of sustainable development policy—most notably taking a long-term, future generation perspective. Suggesting that the Brundtland definition puts undue emphasis on environmental concerns questions one of the fundamental premises of sustainable development, the need to work within the ecological carrying capacity of the planet on which we all ultimately depend.

2.3 Based on this premise, a definition that favours the economic or the social over and above the environmental would undermine the concept of sustainable development itself, a concept that relies on a balanced and precautionary approach to development and progress. World poverty and environmental threats have been recognised through successive international conferences, including the World Summit on Sustainable Development (WSSD), as the most significant challenges confronting us globally. In response to this, economic growth has been highlighted as essential for solving social and economic problems in poor countries. It must, however, be recognised internationally as only a tool to achieve sustainable development; it should not be seen as an end in itself. There are limits to the natural resources of our planet and to its ability to absorb pollution and environmental damage caused by unfettered growth—ignoring this will cost us all dearly.

2.4 Linked to the above, one concept that is not included within the Government’s current set of principles for sustainable development is that of “equity”, both within and between countries and within and between generations. This is a significant and serious omission; the concept of equity needs to be central to any definition.

2.5 Any definition of sustainable development should not be so narrow or prescriptive that different bodies cannot respond appropriately to their own situation, or so broad and generic that it is impractical. The challenge of defining (and enacting) sustainable development is both political and methodological, i.e. how can it be done in a way that is acceptable to very different types of stakeholder and points of view, as well as in a way that is comprehensible, consistent and practical.
2.6 It is important to make sustainable development relevant to all and to ensure everyone understands the part they play. To support this, a broader conceptual definition, such as Brundtland’s, may be interpreted or “operationalised” through different lenses (eg sectoral, social, economic) to make it relevant to different “audiences” more specifically. Nonetheless, there is still the need to ensure “buy-in” to an overarching vision.

**Is meeting the four key objectives at the same time realistic?**

2.7 The Government characterises sustainable development as meeting four main objectives at the same time:
- Social progress which recognises the needs of everyone.
- Effective protection of the environment.
- Prudent use of natural resources.
- Maintenance of high and stable levels of economic growth and employment.

Whilst recognising that: “no one of these objectives is more important than the other” it acknowledges, “that there can be tensions between achieving them, although in the long term success in one is dependent on the other”. Sustainable development is inherently about balanced and prudent decision-making for today whilst recognising future needs. It is not about prioritising one over the other, and we would stress the need to work safely within ecological limits as the ultimate bottom line.

2.8 Addressing this and making the right trade-offs (see below) is particularly challenging when the prevailing national and global paradigm is skewed towards achieving high levels of economic growth and ensuring competitiveness, as demonstrated by the emphasis placed on trade liberalisation per se, rather than on developing a trade system that facilitates the necessary exchange of goods and services in ways that do not harm the environment and benefit society.

**Is political support for the concept based on its ambiguity?**

2.9 Even if political support for sustainable development has partly been based on its “ambiguity”, it has nevertheless served to ensure that sustainable development has been embedded as a broad concept and term. However, we have reached a point where the concept needs to be focused and acted upon. The threats of climate change, increased deforestation, biodiversity loss and social inequity are becoming increasingly real. Sustainability rhetoric needs to become concerted action—“Sustainable development is the only security policy for the future” (Klaus Topfer, UNEP 2004).

**Making and managing trade-offs**

2.10 A central political challenge is that trade-offs must be made among competing objectives, each championed by sets of stakeholders with different levels of economic and political influence, and by decision-makers with differing political preferences and allegiances. Little guidance is given in the present strategy on how objectives should be prioritised, or how inevitable trade-offs should be made when two or more are in conflict. In particular the strategy does little to explain how to make choices between the short- and long-term costs and benefits, between costs and benefits that are in the interest of society as a whole and those of particular groups, and between those which are not properly reflected in prices. Whatever guidance the strategy is able to give, it will be even more important actually to amend and create policy that enables decision-makers to make trade-offs, and the strategy should signal a clear commitment to do this. The principal way of enabling the integration of multiple public objectives into decision making will be to reflect external costs and benefits in prices—either through regulation and standards, environmental tax reform, or the establishment of ecological limits that can be flexibly met by a variety of market mechanisms.

2.11 The challenges of both today and tomorrow, including reversing negative trends, will involve hard political decisions and choices among different stakeholder perspectives. It will need balanced and transparent decision-making—taking into account local, global and long-term concerns, based on sound science and robust analysis. To this end, the existing Strategy’s 10 principles (plus equity) for sustainable development should be more coherently and vigorously applied. This would moderate the prevailing tendency to privilege economic over social and especially environmental goals whenever a conflict occurs.

2.12 Finally, it should be stressed that the aim is not to diminish the importance of economic development, but to stress the need always to test policy decisions made primarily on economic grounds against the social and environmental consequences they will have. Wherever possible it is important to use economic techniques that calculate—and incorporate—external and future values fairly. The Treasury’s recent discussion of a lower social discount rate is interesting in this regard. Another key challenge in this context is a better understanding of the value of ecosystem services—exactly what is the economic cost of the wild nature we are destroying—and including this value in appraisal tools and policy decisions.
3. (Q. B) Has the Strategy acted as a driver or does it occupy a limbo existence which has little impact on departments’ real priorities?

The Strategy as a driver for sustainable development

3.1 The Strategy, as well as its annual assessments, have no doubt acted as a driver and have kept sustainable development firmly on the table. Against the chosen criteria, the Strategy and its assessments have usefully shown where progress is being made and where it is lagging.

3.2 In terms of “driving” sustainable development forward, it is important to distinguish between the two distinct roles the strategy has played. The first has been to describe what the UK has done and is doing in relation to sustainable development, at the sub-national, national, EU and global levels. As such, it has provided a useful (although incomplete) compendium of facts and figures and a measure of progress. The second role has been to indicate the direction that the UK will take on sustainable development by setting objectives, articulating principles, identifying priorities for action and establishing targets for and indicators of progress. In this role, much more work is required (and at the appropriate level post devolution).

3.3 It is difficult to distinguish between the written Strategy and the various agencies and processes by which the strategy is enacted. Each serves as a catalyst to strengthen and reinforce the other. The written strategy has though served as a focal point, and could be viewed as the principal driver galvanising sustainable development over the past five years. It has helped raise the profile of sustainable development and to make it more meaningful for different policy makers—aided recently by the WSSD process. It may even have contributed to the cultural change increasingly visible within Whitehall. However, overall, there appears to be little evidence of any government department embedding and mainstreaming sustainability in all their processes and actions—although some are doing better than others.

3.4 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.

Specific impacts of the Strategy since its introduction

3.5 There has been demonstrable progress on several aspects of sustainability in the UK since the Strategy was produced. This has been most recently shown in Achieving a Better Quality of Life (ABQL 2003) and highlighted recently by the UK Sustainable Development Commission. Several aspects of government policy have been modified to some extent by the requirements of sustainability, including through the Energy White Paper, the Strategy for Sustainable Farming and Food and the Framework for Sustainable Production and Consumption. However, others have only incidentally served to advance sustainable development, and some have sent it in the opposite direction—for example the Aviation White Paper.

3.6 Whilst the Strategy has no doubt encouraged other lower level strategies, the lack of strategic clarity within any one strategy (national, regional or issue-specific) has been compounded by the tensions and contradictions between them, and almost no means for policy makers to determine a hierarchy among them when conflict occurs. There are also too few examples of joined up approaches where plans are manifestly linked, eg between housing, energy, water and waste. In general, there is a fundamental problem, from the global to the local community level, of too many plans and processes with too little linkage and coordination amongst them.

3.7 Sustainable development appears to be becoming more widely recognised as a key policy goal but both government and society as a whole have not been unified and driven by a single central concern to achieve a more sustainable society for the future. A number of the key indicators of sustainability are moving in the right direction, but not all and many have caveats attached to their success (see below Section 4). There is a greater understanding of the need for a more sustainable society amongst the public, business and in schools and colleges, but the strategy has not been widely enough owned and supported to enable it to drive positive change or to resist those changes in society that are moving in an unsustainable direction.

3.8 More specifically, the introduction of the Climate Change Levy and the extension of the Landfill Tax have been valuable contributions to addressing some of the challenges of sustainable development. However, further progress on introducing other green or environmental taxation measures has been held back by fears about the potential impact on short-term economic growth or the UK’s short-term competitive position. Opportunities and pressing need exist in a wide range of other policy arenas, including pesticides and peat.

Influence on departments’ “real priorities”?

3.9 The above examples highlight the concern that the Strategy has worked as long as the solutions have been easy and fit within a department’s “real priorities”. It suggests that more is needed to drive pressing and difficult decisions towards sustainable solutions. There have been incremental changes but few, if any really major shifts in policy or action, with the possible exception of energy policy and some real progress in agriculture. Whilst this may be a politically expedient approach, the need for leadership and action on issues such as biodiversity loss require bigger and more demanding solutions. Achieving sustainable development needs to become every department’s “real priority”—commitment, consistency, coherence and leadership from the top down and bottom up are crucial to ensuring this.

3.10 The attempt to build sustainable development into the major cross-departmental review processes such as the Comprehensive Spending Review, the Public Service Agreements (PSA), the Budget and structure of taxation has been commendable, but more needs to be done to ensure sustainable development is at the heart of all government policy and action.

The Strategy’s impact on mainstreaming the environment

3.11 There is little evidence that the environment has been mainstreamed in terms of objectives and targets set for individual departments in PSAs, departmental strategies and business plans. In several sectors, policies and funding for the environment are still generally bolted on piecemeal to an underlying policy system with which they may be fundamentally at odds. Investments that might reduce energy consumption and greenhouse gases, for example, are rarely given the priority and scale of resources they deserve, often because they are evaluated solely in terms of short-term economic payback instead of long-term impact on sustainability. Similarly, the impacts of depletion of natural resources, build-up of long-term pollution and growing burdens of waste, are still not adequately reflected in prices or in the spending and policy decisions that are made. The result of this is an assortment of relatively inefficient environmental measures that cost more than they need and perform less effectively than they should.

3.12 Given their rapid development over the past few years, a significant weakness of the current Strategy is its relative lack of recognition of the importance of sustainability assessment, strategic environmental assessment and integrated policy assessment. Ensuring good and coordinated use of such tools could go a considerable way to addressing many of the shortcomings above.

Can a UK Strategy amount to more than a set of principles and aspirations, particularly in the context of devolved government? Is it needed? Should it focus on a small number of key themes and targets?

3.13 Obviously, the original Strategy was developed before devolution had been fully realised. It will therefore be important to consider the continuing role of a UK Strategy, and whether a strategy is necessary for England. One key consideration (and challenge) is to ensure that progress made to date is not disrupted or jeopardised, and that what comes out at the end of the day serves to make headway in changing our approach to external and future values. Providing a national framework, defining principles and giving a “vision” is vitally important to this. The role and mandate for the new UK Strategy or framework should however be clear, and should prevent undue plan proliferation and conflict.

3.14 Coupled with a national monitoring, review and reporting function to enable feedback to international processes such as the UN Commission and Sustainable Development, a UK Strategy should help drive the sustainable development agenda forward in a coherent and effective way. It should provide best practice and guidance on how to make the necessary but difficult trade-offs for long-term sustainability. It should explicitly place expectations on key actors such as the economic regulators, regional decision-making bodies, agencies and departments to ensure sustainable development is a core duty. Above all, it should provide leadership and momentum, for example, through political airtime for sustainable development and related key issues through Ministerial speeches at the highest level and at every available opportunity.

3.15 Devolution should enable interpretation, action and implementation to take place at the most appropriate level but within a coordinated framework linking the local to the national, to the regional and to the global.

3.16 To this end, whilst agreeing a definition and vision for sustainable development, a UK Strategy process should allow for consolidation and simplification. This should include a collectively agreed set of top-level countrywide priorities, goals and targets for issues that are crucial to progressing sustainable development across the UK and to meeting our international commitments, including sustainable production and consumption, reducing the rate of global biodiversity loss, and arresting climate change. It should also provide flexibility for local, regional and country interpretation in light of local needs, so long as overarching objectives are not compromised to this end.
3.17 Priorities for Whitehall, through a UK Government Action Plan, should also focus on their non-devolved duties such as such as international development and trade, as well as any added value they can bring through countrywide leadership.

3.19 All Strategies, plans and frameworks should be arrived at through informed, transparent and participatory decision-making.

4. (Q. C) How effectively do the indicators reflect the UK’s “sustainability gap”? 

4.1 The government’s indicators have been an extremely significant and practical tool to make many sustainable development issues real for both decision-makers and the general public. The government’s headline indicators have perhaps done more than anything else to publicise and monitor progress on several priority issues. We have supported and continue to do so, the “basket” approach and the need for a small but comprehensive set of headline indicators to gauge progress. Consistent, robust datasets available over time and into the future have been central to the success of the UK’s indicator set, and we would stress the value of maintaining datasets and consistency long term.

4.2 Although commendable as a means to encourage integrated and long-term thinking on sustainable development, it is questionable if the Government’s indicators are being usefully assimilated together to assess the overall “sustainability gap”. If the focus of sustainability is “a better quality of life”, there are many studies that suggest our consumer-led lifestyles and aspirations are moving us in the opposite direction—longer working hours, less family time, increasing levels of obesity, high suicide rates, increasing poverty gap etc.

Could the Government have made greater use of indicators to drive policy and set targets?

4.3 The Government can be applauded for its commitment to the use of indicators and, where a trend is unacceptable, to adjusting policies and looking for others to join in and take action. However, it is clear from the “Quality of Life Barometer” and other more detailed analysis (eg Assessment of Progress Against Headline Indicators, Sustainable Development Commission, 2004), that several significant trends are negative, for example road traffic volume and household waste. Further to this, some indicators have narrow definitions, which paint a false picture, such as the river water quality indicator, which is insensitive to pollution from nutrients and does little to drive action to tackle diffuse pollution.

4.4 More use could have been made of indicators to drive policy and set targets in departmental business plans and PSAs, many of which still have a long way to go to reflect sustainable development. For example, the Department for Transport (DfT) should be required to sign up to the 20% carbon reduction target; the waste PSA looks at recycling rather than waste minimisation and contains nothing on resource production and consumption; there are no departmental targets for large-scale habitat recreation to reflect biodiversity priorities, and no targets for protecting the marine environment.

4.5 On a strongly positive note, Defra’s commitment to reversing the long-term decline in the number of farmland birds by 2020 through a PSA target, may be applauded. We also believe that the existence of the farmland birds indicator may have contributed to the Government’s willingness to maximise the extent to which it can modulate agricultural support to fund agri environment schemes.

To what extent do the headline indicators properly reflect “the extent to which the UK is still unsustainable”? What additional or alternative indicators could address this gap?

4.6 In terms of “the extent to which the UK is still unsustainable”, the indicator basket (and/or its interpretation) has been insufficient on four counts:

(i) There is no way to link “consumption” issues and their problems back to the economic indicators (which suggest all is going well). The Government’s consultation on decoupling indicators for sustainable production and consumption was a welcome start in addressing this problem. Further consideration needs to be given to the development of indicators that enable inferences to be drawn about how lifestyles and consumption practices (ie behaviour) are actually changing. It is ultimately these behavioural responses, which will determine how successful we are in attaining a genuinely sustainable path of life.

(ii) As addressed in the previous parts of this submission, it fails to redefine economic progress in ways that reveal the very real social and environmental impacts of the current economic growth model.

(iii) There remains a need to address the UK’s international impacts and to reflect these in the indicators’ basket. Sustainable development will require market transformation affecting both the supply and demand side of the economy in both domestic and international trade, investment and development spheres. For example, imported products may have a wide range of environmental or social impacts overseas, from the depletion of local habitats (such as forest conversion for oil palm plantations or the destruction of mangrove swamps for intensive shrimp farming) to the greenhouse gas emissions generated from the long-distance transportation of products.
(iv) A key natural resource sector and environment is arguably missing—the marine environment. Protection, where necessary restoration, and careful management of the use of natural resources forms the basis of sustainable development. There is an urgent need for a marine indicator to demonstrate that we are moving towards this. This indicator could readily be derived from the set of indicators for “coasts and seas” developed for the England Biodiversity Strategy.

5. (Q. D) How can the concept of sustainable consumption be integrated within the strategy?

Should sustainable production and consumption be seen as only one constituent part of sustainable development, or as another way of looking at sustainable development itself?

5.1 Sustainable production and consumption (SPC) is a fundamental element of sustainable development. This was as recognised at UNCED (Rio Earth Summit) and encapsulated in Agenda 21, and again at the WSSD where it is one of the chapters of the Johannesburg Plan of Implementation. International commitments to SPC have thus been defined and conceptualised within the broader context of sustainable development. However, sustainable production and consumption, whilst a very significant field intimately connected to equity, well-being and quality of life, do not embody all of the elements of sustainable development, especially those that relate to culture, and imply a rather mechanistic view of sustainable development. In addition, SCP is primarily a responsibility of the developed, rather than the developing world, both to improve its own record, and to help developing countries avoid falling into a similar trap.

5.2 For the UK, as a developed country with high consumption patterns, SPC should be addressed comprehensively and as a critical part of the sustainable development strategy. “Globally, the 20% of the world’s people in the highest-income countries account for 86% of total private consumption expenditures—the poorest 20% a minuscule 1.3%.”

What is the role of government with regard to encouraging changes in consumption?

5.3 The UK Government have a crucial role to play in addressing sustainable consumption (and production). Fundamentally, this means challenging our current high-consumption-based economy, culture and way of life—the dominant model of progress and growth. It means driving the resource productivity agenda forward even more aggressively. But it will also mean going beyond this—policies for sustainable development based solely on increasing the “resource productivity” or “eco-efficiency” of the economy will be useless if improvements in efficiency are cancelled out by economic growth leading to greater absolute consumption and resource use. In fact, the overwhelming consensus amongst academics, think tanks and NGOs is that resource productivity will not on its own be enough to reconcile the pursuit of economic growth with the non-negotiable imperative of learning to live within the Earth’s biophysical constraints and carrying capacity.

5.4 Recognising the challenges and political difficulties inherent to this agenda, the Government must be congratulated for at least opening debate. However, the scale of the sustainability challenges, including addressing ecological limits, and the gravity of the consequences of not meeting them, need more and broader coverage than they have received so far, especially among the general public. The Government has a clear and central role in awareness-raising of this kind. Progress will require a massive Government commitment to changing values through individual political leadership, straightforward advertising, and building sustainable development into the heart of the education system and national curriculum. Business and the voluntary sector must also play their part.

5.5 Other ways the Government can influence consumption and change consumer behaviour include:

(i) Leading by example through its own procurement policies and those of the public sector, including on international issues such as illegal logging.

(ii) Sending the right pricing signals through internalising external costs. This could include:
- Higher regulation and standards, especially for buildings and appliances.
- More aggressive use of the planning system.
- Liability for damage costs (polluter pays).
- Environmental tax reform.
- Economic systems that minimise waste rather than focus on efficiency.

(iii) Addressing demand management—crucial to transport, water and energy issues and to commodities.

(iv) Facilitate good choice and offer viable alternatives to less sustainable options, for example by provide affordable public transport.

(v) Address upfront and adequately issues of social inequity (such as fuel poverty) to ensure the less advantaged can benefit equally from sustainable choices and are not penalised through low income. This should enable policy to be set along rational economic lines.

(vi) Reflect seriously on the implications of rising gross national product (GNP). As the sum total of goods and services produced by a given society in a given year, it is principally a measure of the success of a consumer society, to consume. It does not say anything about how good or bad that consumption is and in many instances reflects negative externalities and impacts positively. Further to this, a Fabian report, commissioned by the Sustainable Development Commission, cites evidence that rising GDP is now associated with declining well-being. It argues that economic policy should no longer aim at increasing economic growth as measured by GDP, but should use more direct measures of quality of life and environmental sustainability.

What difficulties does it face in encouraging changes in consumption?

5.6 Many of the difficulties in progressing a sustainable consumption agenda have been alluded to above—they are inherently political. Convincing people that they should consume less is obviously difficult, and might have fundamental implications for the economic system, including the possibility of lower incomes, and lower tax revenues necessitating lower public spending. The private sector, which largely depends on our consumption, will also be resistant to change. Progress in the corporate responsibility and accountability sphere will be crucial here, as well as a continuing move from a manufacturing to a service economy that does not depend simply on exporting industrial resource use and pollution overseas.

5.7 It should also be recognised that sustainable production and consumption, as evidenced through UN, WTO and the WSSD processes, has been an issue of North-South tension. Developing countries fear that moves towards sustainability in the industrialised world could lead to “green protectionism” in trade, further declines in commodity prices and new constraints on their lifestyles and development paths. An imperative step towards SPC in the UK is working with and delivering positive benefits to developing countries. This will require efforts towards, for example, poverty elimination, environmental regeneration and conservation as well as resources, technology transfer and capacity building at all levels. These steps are vital if international mistrust and policy deadlock are to be overcome.

6. (Q. E) ORGANISATIONAL STRUCTURES AND COSTS

Do the present organisational structures and policy mechanisms within Government contribute to the effective implementation of the Strategy? What improvements could be made?

6.1 The Sustainable Development Unit must move beyond being primarily a communication centre and would benefit from being given greater political influence. To achieve effective communication and cooperation across Whitehall will require the introduction of a number of components, some of which are currently only embryonic. It would be helpful, for example, to have structures and processes explicitly charged with enabling departments to interact, and to foster a cultural willingness to change, and an openness to new ideas. Departments and other actors should also be held to account if they fail to meet sustainability objectives that have been set and communicated. This could be achieved through the wider use of PSAs and targets, especially shared targets. In this context, the Treasury’s assessment of departmental spending bids for the CSR against sustainability criteria, highlighted earlier, is again a very welcome step forward.

6.2 The Green Ministers group is an example of good communication at ministerial level, but it should be energised to be made more effective. The Civil Service interdepartmental contact group that was convened to prepare for the WSSD was an excellent and highly effective example at the staff level and should be continued and strengthened to support effective implementation of the Strategy on an everyday basis, not just at critical moments or for key events.

6.3 There is also a real need for an active network of individuals explicitly charged with joined up thinking across departments, sectors and issues, including from the Treasury. The Prime Minister’s Strategy Unit, formerly the PIU, and the Sustainable Development Unit obviously have an important role to play in investigating the potential for valuable inter-sectoral integration. Obviously, the Treasury has a crucial role in making sectoral integration a reality, and the sustainability overview of the Comprehensive Spending Review is an important step in this direction.

6.4 The establishment of the UK Sustainable Development Commission, resulting from the Strategy, has helped drive forward the agenda and generate creative thinking. Sponsored within the UK Government by the Cabinet Office and reporting to the Prime Minister, the First Minister in Scotland, the First Secretary in Wales and the First and Deputy First Ministers in Northern Ireland, the Commission has a potentially influential role particularly in ensuring joined up thinking between and amongst the devolved

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administrations and central government. However, there is still the need to see that the Commission’s advice is being taken into account, most notably concerning the over-emphasis on economic growth and consumption.

6.5 Perhaps an intractable challenge in this context also, is the inherently political nature of sustainable development decision-making. Political cycles are short. They discourage long-term goal-setting and disrupt long-term goals when they are set. An interesting approach has been taken in Israel, which has a Commission for Future Generations. This is a professional non-political institution that acts as a special agent for Parliament, to ensure that the country’s primary and secondary legislation takes into account the needs and rights of future generations.

Is there a need for a more consistent approach to incorporating sustainable development as an overarching objective in all Government organisations?

6.6 Yes. At the very least each department should have a sustainable development strategy; this would ideally and perhaps eventually become one and the same as their departmental strategy, embedding sustainability into all areas of their work. As previously noted, a sustainable development duty should also be placed on key government or quasi government actors such as the economic regulators, regional decision-making bodies, agencies and departments.

Has the lack of government financial support for programmes and policies hindered the implementation of the Strategy in any way?

6.7 It is very apparent that additional resources and government financial support could have progressed the Strategy and developed associated projects, programmes and initiatives. Research carried out by the Policy Studies Institute identified the resources required to deliver Government’s existing environmental policy targets (Annex A). As the extract in Annex A shows, significant funds (totalling £1.7–1.9 billion) are required to deliver these targets. Additional spending and the reallocation of resources is necessary, although reallocation to one environmental issue (such as waste) must not come at the expense of others, such as biodiversity or rural spending. If Government is unable to make sufficient resources available to deliver current commitments, then there is little prospect of achieving objectives, such as “the sustainable use of natural sources” (Defra PSA target 2), which are necessary conditions for sustainable development.

May 2004

Annex A

EXCERPT FROM “PUBLIC SPENDING ON THE ENVIRONMENT. REPORT TO GREEN ALLIANCE.” POLICY STUDIES INSTITUTE (2003)

“The table below brings together the public spending proposals for SR2004. The proposals would apply to Defra and DTI, which are the departments with primary responsibility for these policy areas. The total annual figure for each area is the sum of the individually costed ideas set out in each section of the report.

<table>
<thead>
<tr>
<th>Area</th>
<th>Proposal for Additional Spending (£/year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>£300 million per year</td>
</tr>
<tr>
<td>Biodiversity</td>
<td>£175 million per year, assuming the CAP transfers discussed in this report</td>
</tr>
<tr>
<td>Waste</td>
<td>£1 billion per year focused on meeting regulatory targets</td>
</tr>
<tr>
<td></td>
<td>£250 million per year for other related measures</td>
</tr>
<tr>
<td>Marine</td>
<td>£50 million</td>
</tr>
<tr>
<td>Farming</td>
<td>£ – No proposals made but essential that current financial commitments are followed through if momentum is to be maintained</td>
</tr>
<tr>
<td>Total</td>
<td>£1.7–1.9 billion</td>
</tr>
</tbody>
</table>

This would create a total spending proposition of £1.7–1.9 billion. For 2003–04, combined Defra and DTI spending amounts to approximately £8 billion. It should be noted that over half the spending proposition consists of the £1 billion estimated to be required to meet EU requirements in waste management, an area in which the UK is acknowledged to lag behind comparable EU countries and in which a major new source of revenue (the landfill tax escalator) will soon be available. In the energy field, the proposition seems modest, given that it is directed to fulfil the aspirations expressed in this year’s Energy White Paper, and especially in the context of the very large sums of money that continue to be made available to the nuclear industry, which plays no role whatever in the White Paper’s view of sustainable energy developments. This

then leaves the sum required for the related areas of terrestrial and marine biodiversity, and the fishing and farming industries. These are areas in which the Government has already started on an ambitious programme of reform (most advanced in farming, through the implementation of the Curry Report, but also through developments in the Common Fisheries Policy and the establishment of marine protected areas, such as the Darwin Mounds, in the context of its “Safeguarding Our Seas” strategy). An extra £225 million seems very much in line with the kind of policy momentum which the Government has already generated in this area.”

Further to this, we would like to stress that funding for waste minimisation must not come at the expense of biodiversity spending or at the expense of rural spending. Regarding farming, current financial commitments must be followed through if momentum towards more sustainable farming is to be maintained.

Witness: Dr Paul Jefferis, Head of Environment Policy, Royal Society for the Protection of Birds, examined.

Q1 Chairman: We are in a position to start and I am sorry, Dr Jefferis, for the delay. Also I am aware that some of my colleagues need to move on quite quickly so what I am going to attempt to do, with your agreement, is have a dialogue with you for half an hour and then move on to the next witness and give him half an hour as well. If we run out of time there may be questions which we would like to address to you in writing, if that is alright. Thank you. Can I begin by questioning the term and the usefulness of the term “sustainable development”. One of my colleagues said to me in the tea room this morning that the trouble with the word sustainability is that it does not mean anything at all. Indeed, it is now being peppered around all sorts of government documents to such an extent that it may undermine the original purpose of developing the idea. What are your thoughts on that?

Dr Jefferis: I think the words “sustainable development”, like any other words, can be abused by people who wish to cloak whatever agenda they may have under some kind of respectable brand, but I do not think that that necessarily undermines the validity of the concept of sustainable development so long as some responsible authority is prepared to define that concept closely and in, I suppose, a more concrete and tangible way perhaps than it has been, and that authority is obviously government. I think part of the point of the sustainable development strategy review is going to be precisely to try and focus the definition of sustainable development in a way that is useful and I am happy to give you some suggestions as to what direction we think that focus might take.

Q2 Chairman: Please do.

Dr Jefferis: I think we would want to emphasise the notion of quality of life. The goal of sustainable development is not just to enable us to meet our needs without compromising the ability of the future to meet their needs but to meet our needs at the same time as enhancing the ability of the future to meet their needs. And in that context I would seek to redefine particularly the environmental objective within the current suite of objectives, not just to protect the environment but to protect and enhance the environment in the same way that currently we are seeking social and economic growth or progress. At the same time I would recommend considering reviewing the economic objective to downgrade its importance or at least the intensity with which it is expressed. I think the economic objective is qualitatively different from the others in that economic growth is a means to an end, not an end in itself, in the way that social and environmental objectives are, and I think that high levels of economic growth have not been shown empirically to be compatible with sustainable development. On the other hand, I think all four objectives should usefully be placed in the context of the need to respect the carrying capacity of the earth’s ecological limits, which I see again as a qualitatively different form of objective from the other four. Another important concept to focus our understanding is the notion of integration of the four objectives rather than prioritising one or another or trading one or another off against the others. The final thing I would say is that it would be crucially important for the strategy to give a clear commitment to policies that will enact how the strategy defines sustainable development. Broadly speaking, what I mean by that is a commitment to internalising external costs in one way or another. That can be through regulation, standards, or holding various actors liable for the damage they cause through environmental taxation or through setting limits which can be met through various forms of market trading. I think the other part of policy will be education and communication, both through formal education systems and through political leadership and ministerial speeches, to let people know what sustainable development is about and why there is a need to internalise external costs. I think if we can change prices and change people’s values then we will see real change in behaviour.

Q3 Chairman: That all makes a lot of sense and I am grateful to you but immediately you have raised an issue which is one of the problems. Your definition of sustainable development is actually slightly different from that of the WWF, whom we will be meeting next and who set out in their memorandum a definition which is not the same as yours. We have got the Office of the Deputy Prime Minister’s definition of sustainability which will be different again. Clearly the Department of Transport has a very different approach towards the notion of sustainability. I just think one of the problems we have all got in trying to move forward the agenda
you so eloquently describe today is that we do not have a consensus on what it is we are trying to do or a label we can agree to pin to it.

**Dr Jefferiss:** I think that to some extent you are bound to be right. It would be very difficult and it would be unreasonable to expect there to be absolute consonance between various interpretations of sustainable development. But I hope that events like today’s and the process of the review of the sustainable development strategy will enable a dialogue to be undertaken both at a national policy level and at a local level on the ground whereby we can come to more of a consensus, or at least a better understanding of the differences between various interpretations.

**Q4 Chairman:** Is there not another problem which is that the Government’s approach to the whole strategy is based on trying to achieve four different things simultaneously so that is bound to give rise to tensions, is it not?

**Dr Jefferiss:** I think yes and no. If you look at endeavours to achieve four things simultaneously from society’s perspective, and especially over the longer term, then I do not think that there are tensions necessarily, especially if you can identify and incorporate external costs in one way or another because I think in that way you will achieve long-term benefits for society as a whole. It may be that in doing that there are short-term costs for particular groups or particular individuals. But I think it is a mistake to distort policy for the achievement of sustainable development in the short-term interests of particular individuals or groups. Instead, long-term policy for the achievement of sustainable development should be maintained, and the needs disadvantaged groups addressed separately and directly. To give you an example of what I mean, many analyses suggest that energy efficient measures will yield long-term carbon and economic benefits. We [the RSPB] have done an analysis of the ODPM’s Sustainable Communities plan that suggests that if the housing developments in that plan were required to meet the Building Research Establishment’s Eco-Homes Standards for energy efficiency, then it would cost about £130 per house in the short term but the cost/benefit ratio over 30 years would be about one:six. It is in society’s interests to achieve that for environmental, social and economic reasons but it is not going to be in the short-term interests of individual home buyers, particularly poor people. Likewise, putting up the price of domestic fuel will certainly reduce fuel consumption but will adversely affect the fuel poor. However, rather than structure energy and housing policy to accommodate those individual needs it would be more rational and in the interests of long-term sustainable development to set much more stringent building standards, to increase the price of fuel, and to make sure that policy is in place directly to address the needs of socially disadvantaged communities. That would be a more socially, economically and environmentally effective way of dealing with the issue.

**Q5 Joan Walley:** If I can just pick you up on one of the things you said there. You talked about the importance of internalising environmental costs and then you went on and you talked about what is in the long-term interest is not necessarily in the short-term interest and you gave the example of energy efficiency and building regulations. What I really wanted to ask you is how do you see a value being placed on time in all of this, because it occurs to me, for example, when the Government is looking at aviation policy, it may well see a possibility of moving towards reduced aircraft emissions over a period of time but the time is not internalised in terms of cost in any way. With many of these things it is a trade-off between now and later but there is no way of putting a value on time and costing that into the way in which we need to change the way we do things in order to get that long-term viability. I really would be interested in your comments on that.

**Dr Jefferiss:** Economists would say that there is a way of valuing time and that is by using a discount rate. The problem is that the choice of the discount rate crucially determines the outcome of the cost/benefit analysis and, by and large, the discount rate used is that which would be relevant in the commercial sector which is operating over a two to three-year time horizon, rather than a social discount rate which would be much lower. It is interesting that in that regard the Treasury itself has recommended a 3.5% social discount rate for the purposes of calculating the trade-offs between long and short-term benefits, and it was using that discount rate that we arrived at the six:one benefit to cost ratio. Even using a 10% discount rate for the particular analysis we did you would still come up with a 4.5:1 benefit/cost ratio. In addition to the time value of money, there is also the issue of whether we have actually included all of the costs and benefits in the calculations to which we applied the discount rate. The RSPB undertook a study with Cambridge University of the relative economic sense of either conserving wild nature or converting wild nature to various forms of human land use, and found that in all cases we studied—and this article was published in *Science* so it was a credible, peer-reviewed scientific article—it made no economic sense whatsoever to convert wild nature particularly to unsustainable forms of land use and the benefit/cost ratio was at least 100:1 for preserving wild nature. But, even then, the benefit/cost ratio was under-estimated because there were many forms of value that we simply did not incorporate because we could not possibly calculate them. They were fundamental values, various forms of ecosystem service, like climate regulation, water cycling, nutrient cycling, and so on. I think there is the time issue and the question of the scope of the costing and benefitting. Finally, I would say if we do not take account more adequately then there is a possibility that we will create problems that are irreversible or very long-term indeed. Climate change is the most obvious example.

**Q6 Chairman:** You argue very strongly that the concept of equity should become the eleventh principle in this context but what actual role do the
principles play in practice? The first one is putting people at the centre. What is the practical value of these principles and what impact would inserting equity actually have?

Dr Jefferiss: With one exception, which is the economic principle of an open and supportive economic policy (which I can come back to if you wish) I think the principles can serve two functions. One is that they can form a general backdrop to policy decisions that may create a general awareness of a variety of issues that need to be taken into consideration alongside meeting the four primary objectives. However, I think it would be a useful exercise for policy makers to screen their decisions explicitly against the principles. So for example, with the polluter pays principle, we would have had a more sustainable outcome to the EU Liability Directive if decision-makers had considered closely whether or not the final version of that actually met the polluter pays principle, which I do not think it did. So both to create the scene and as a specific screen for decision-making they can be useful. On the economic one I would question its use simply because it is entirely unclear, to me at least, what it means. If it means supportive in the sense of supporting subsidies under CAP or CFP regimes then clearly that is damaging to the economic, social and environmental agenda. If it means open and supportive in the sense of fully liberalised markets that do not take account of external social and environmental costs, then likewise that will lead to environmental and social degradation. So without a much clearer definition of what that principle is about I would simply remove it.

Q7 Chairman: There is another principle which is the precautionary principle. How do you feel that relates to the need to work on an evidence-based approach?

Dr Jefferiss: I do not see any incompatibility between science-based approaches and policy making and the precautionary principle. I think it is quite possible to conceive of situations in which we have more than adequate scientific justification for believing that a problem might well occur but insufficient scientific evidence to know whether it will occur or to what extent it will occur. And it will be rational under those circumstances to wait and try and find out. Examples of that obviously are genetically modified crops where I think it was extremely rational to instigate the field trials. Another example that the RSPB is centrally concerned with at the moment is the impacts of renewable energy on birds. There is scientific evidence to suggest that there may be a problem and under those circumstances we think it would be rational to examine whether there is a problem before proceeding too far and too fast.

Q8 Mr Thomas: That is precisely what I wanted to ask you about because any strategy has to deal with these conflicting aims and, as you just mentioned, the RSPB itself has had to face up to the potential effect at one level on bird wildlife of renewable energy, and I am thinking of wind farm developments, and you have also got to take into account what effect climate change will have on the bird population. How can any strategy deal with an evidence-based approach in that sense, not only from yourselves as an NGO but also from government. You are under pressure from your members who want to see bird life protected and conserved. The government is under pressure from voters; is there any sense that a strategy can seriously address these issues and come above the narrow political constraints that both NGOs and government operation within?

Dr Jefferiss: I think the answer is yes. Again, I do not think those kinds of science-based needs are necessarily incompatible with moving the sustainable development agenda ahead. I do not think the instigation of field trials for GM crops has done anything other than give us a more rational basis for decision making. If it incurred a financial cost and, in the scheme of things, a relatively short delay, then I think those costs are more than adequately compensated for by the benefits of increased knowledge that they yield. In the case of wind specifically I would like to go on record as saying the RSPB sees climate change as the single largest global threat to the environment. Again we contributed to an article in Nature suggesting that 17 to 35% of species may be committed to extinction by 2050 under the IPCC mid-range climate scenarios. So, we recognise that climate change is the worst possible threat to birds over the not so very long term. For that reason we are strongly committed to the Government’s renewable energy targets. We run our own renewable energy product and sell a rooftop PV system to members (and anyone else who wants to buy it). We are building renewables on [RSPB] reserves. But we think it would be rational, on the basis of what we know, to learn more about the effects of large and broad scale deployments of renewable energy before proceeding too fast. We do not think that that would incur an undue delay in rolling out the renewables programme. On the contrary, we are concerned that if we do not understand these effects better than we do now it might precipitate some kind of backlash that in the longer run would do more to delay the development of renewable energy. To give you a sense, I think we could address the problem by simply putting considerably more resources quickly into gathering the kind of knowledge that we do not yet have about bird movements, behaviour and locations and about the impacts of renewables on them.

Q9 Mr Thomas: Are not the effects of climate change, which you acknowledge yourself is the single biggest threat to our environment, so pressing under recent information that we have had (in the reports we have had this week for example) all this debate, in this kind of context is not the precautionary principle that you are advocating now one that de facto will lead to the development
of rather less amenable forms of energy and the Government needs to crack on and not hold back on development of a renewable future?

Dr Jefferiss: On the contrary, as I said, unless we have greater clarity on these issues I fear that the lack of clarity will create the possibility of using it as a lever to slow down the renewables programmes. Parties that are opposed to renewables development can very easily latch on to the lack of scientific knowledge about various impacts to justify delay. What we are saying is that we could expeditiously gather the knowledge which would prevent that from happening. At the moment the government is spending about £350 million on direct grants for renewable development and the amount coming through the renewables obligation will be in excess of £1 billion by 2010. By contrast, the amount being spent on research to gather the kinds of information I am talking about is of the order of tens to hundreds of thousands of pounds. Given the importance of the issues we feel protect the environment and environmental gathering the kinds of information I am talking about and in its various literature it is committed both to obligation will be in excess of £1 billion by 2010. taxing differentials but not as much as we might have hoped on pesticides taxation or taxing diffuse water pollution, for example. DFID is obviously committed to sustainable development and in its various literature it is committed both to the notion of poverty eradication as a means to protect the environment and environmental protection as a means to eradicating poverty. But in practice it has tended to privilege poverty eradication over environmental protection, or at least explicit environmental protection, with the expectation and assumption that environmental protection will necessarily follow from poverty eradication when I do not think there is necessarily the protection that that is always the case. Certainly with respect to biodiversity conservation within environmental protection that has received inadequate attention, not just from DFID but from government as a whole.

Q10 Mr Chaytor: Your written evidence was quite positive about the impact of the Government’s strategy and I think you said that it has kept sustainable development firmly on the table, but does that apply equally to all government departments or do you detect a difference?

Dr Jefferiss: I do detect a difference, yes.

Q11 Mr Chaytor: Are you prepared to name and shame?

Dr Jefferiss: I would not put it in quite such black and white terms as that. I think different departments have shown strengths and weaknesses in different areas. Defra as the lead department on sustainable development itself has done well, by and large, on sustainable development itself, on moving forward on agriculture policy, on sustainable production and consumption strategies, and so on. I think other departments are beginning to engage with the sustainable development strategy but are not necessarily engaging with it in all its aspects. For example, I think the DTI has made important strides on climate change and renewable energy in the last three to five years—really important strides—and I think that needs to be recognised, but some of the balancing aspects of sustainable development that I alluded to in the answer to my last question have not been fully internalised yet. I think the Treasury, which obviously has a very important role to play, and arguably the most important role to play, has made important contributions to sustainable development through its statement of intent on green taxation for example, through its commitment to subjecting departmental submissions under the Comprehensive Spending Review to sustainability assessment, and assessment against their public service agreement targets. But at the same time I do not think the Treasury has necessarily carried through the implications of those reviews into its actual practice. For example, in maintaining momentum on the green taxation agenda the Climate Change Levy was a very welcome introduction but we have not seen very much practical progress since then. There has been some progress on company car taxation and fuel tax differentials but not as much as we might have hoped on pesticides taxation or taxing diffuse water pollution, for example. DFID is obviously committed to sustainable development and in its various literature it is committed both to the notion of poverty eradication as a means to protect the environment and environmental protection as a means to eradicating poverty. But in practice it has tended to privilege poverty eradication over environmental protection, or at least explicit environmental protection, with the expectation and assumption that environmental protection will necessarily follow from poverty eradication when I do not think there is necessarily the proof that that is always the case. Certainly with respect to biodiversity conservation within environmental protection that has received inadequate attention, not just from DFID but from government as a whole.

Q12 Mr Chaytor: That is a very useful survey of the contribution of departments but would those developments not have happened without an overarching strategy? What I am interested in is whether you think it would have been likely that individual departments would have taken individual initiatives on climate change, on green taxation for example, without the strategy, or are we in danger of strategy overload because we have got a UK strategy, presumably there is a strategy in the devolved parliament in Scotland and the Welsh Assembly, we may have regional government and regional government strategies. What is the real purpose of the overarching strategy as against simply encouraging individual departments as agencies to respond on very specific things?

Dr Jefferiss: I think the strategy—I may be wrong and it is hard to prove this—has driven progress further and faster in departmental action than would have been the case without the strategy.

Q13 Mr Chaytor: You do not think we are getting bogged down in too much strategy or too many bureaucratic structures to deliver this?

Dr Jefferiss: As I say, I think the issue of plan proliferation is a different issue and is a serious one, but I think the UK SD strategy has caused departments, like the DTI for example, to develop their own sustainable development strategy to engage in the CO2 agenda. I think PSA targets like the farmland birds target for Defra have
encouraged it to accelerate formal policy in the agriculture sector, for example. So I think the strategy and its associated indicators and targets have had a material effect. The question of departmental strategy proliferation is a different and real one because not only do we have departmental strategies, we have departmental strategies and departmental sustainable development strategies, which are not always the same thing and which do not always mutually acknowledge one another. We have the EU internal and external dimensions of sustainable development. As well as the UK strategy we have regional spatial strategies and planning guidance, regional economic strategies, regional sustainable development frameworks, the National Assembly for Wales, SD strategy and so on. And I think you are right. We have seen an explosion of these, which on the one hand is a good thing because people are engaging with the agenda, but I think there has been insufficient attention paid to making sure that those strategies are joined up, are mutually consistent, and are focused on priority issues. I am hopeful that one of the outcomes of the current strategy review will be the setting of priorities at the UK level which can then be interpreted flexibly but consistently through a variety of devolved means.

Q14 Mr Chaytor: You have also said that the time has come to move on from the incremental approach and adopt some bolder shifts in policy. But is there a danger that when governments do adopt bold environmental policy and come across political resistance, the green lobby suddenly vanishes and is no longer seen in support of it? I think of the September 2000 fuel duty dispute. What do you think the role of NGOs such as yours is in further encouraging and then supporting bold strategies when the Government has the courage to develop them?  
Dr Jefferiss: It is a charge that has been levelled against the environmental NGOs in the past and no doubt—

Q15 Mr Chaytor: —Maybe again in the future in October when the planned increase in fuel duty is on the agenda again.  
Dr Jefferiss: I hope that there is an increase in fuel duty and I hope there are not the same problems, but time will tell. I am sure we bear some responsibility for not having anticipated that particular event or for not having reacted more effectively when it did happen. Having said that, we tried very hard both in individual NGOs and as a group of NGOs—and I do not know what WWF will have to say about this, but we did try hard. We tried to gain press attention. For example, at one of the party conferences we held a joint press event which was attended by almost no-one from the press. It simply proved impossible, even for seasoned campaigning environmental NGOs, to garner much, if any, press attention. Once the protests were underway the protests themselves became the thing of the moment. It was particularly difficult for us to gain any attention when—while NGOs were being quite vociferous—government, as far as we could tell, were almost completely silent on any kind of justification for fuel duty from an environmental point of view. So I think it is a responsibility that government and the voluntary sector should share, with the business sector, for raising public awareness in advance of events of that kind. I think that could be done through the education system and through ministerial speeches and so on. I think it can also be done through an actual policy change, in particular the introduction of green taxation, which is hypothecated back to various forms of activity that yield a positive outcome for the environment. So, for example, fuel duty should very well be recycled back towards sustainable public transport and towards research into lower carbon modes of transport and so on. That does not happen to nearly the extent that it should and I think it would be very useful if the Government were to comment on the fact that environmental taxation is qualitatively different from revenue-raising taxation, in that revenue-raising taxation as historically defined has been precisely about raising money without changing behaviour whereas environmental taxation is the exact opposite; it is about changing behaviour without trying to raise revenue, other than recycling it, and so taxation is actually perhaps not the right word.

Q16 Mr Challen: The RSPB is the largest membership organisation in the country so during those fuel protests what did you actually do to motivate your members to take action in support of your policy that you have just referred to?  
Dr Jefferiss: If I can cast my mind back.

Q17 Chairman: You can write to us with the answer on that.  
Dr Jefferiss: The reason I am hesitating . . . the difficulty I am having is remembering the exact timing of actions we had taken.

Q18 Chairman: I think it would be interesting for us to know. I am afraid we are going to have to write to you with some further questions. We are extremely grateful to you for your written memorandum which is a serious piece of work and which is very helpful indeed, and also to you for being with us today. I apologise for the brevity of this encounter but I hope it will be continued in writing.  
Dr Jefferiss: Thank you for the opportunity.
**Supplementary memorandum from The Royal Society for the Protection of Birds (RSPB)**

*Response to specific questions from the Environmental Audit Committee following RSPB’s Oral Evidence Session, 26 May 2004*

The RSPB is Europe’s largest wildlife charity with over 1 million members. We manage one of the largest conservation estates in the UK with more than 180 nature reserves, covering more than 100,000 hectares.

The RSPB is the UK member of the BirdLife International Partnership, a global alliance of independent national conservation organisations working in more than 100 countries worldwide. The BirdLife International Partnership strives to conserve birds, their habitats and global biodiversity, working with people towards sustainability in the use of natural resources.

The RSPB’s policy and advocacy work covers a wide range of issues including climate change, energy, education for sustainable development, marine issues, water trade and agriculture. The RSPB also provides financial and technical support to BirdLife partners in Eastern Europe, Africa and Asia and supports community based projects to help deliver local benefits from sustainable natural resource management. The RSPB were actively engaged with the World Summit on Sustainable Development (WSSD) and are now working to ensure sustainable development is central to policy, decision making and action at all levels.

**INTRODUCTION**

The RSPB is grateful for the opportunity to submit supplementary comments to its written and oral evidence. We will answer the questions in the order in which they have been posed.

1. **You stress the need to work safely within ecological limits as the bottom line. In the case of greenhouse gas emissions and global warming, the concept of an environmental limit has become widely understood and accepted. How well developed is this concept in other areas?**

   Regrettably, we fear that, while the concept is reasonably well developed in other areas, such as biodiversity loss, and is intuitively reasonably easy to grasp, the gravity of its implications has not yet swayed public opinion, or led to meaningful policy change. For example, in 2002, in preparation for the Johannesburg World Summit on Sustainable Development, the RSPB and Cambridge University convened a panel of internationally renowned ecologists and economists to assess progress on conserving ecosystems since the Rio Earth Summit in 1992. The results of that analysis, published in the journal *Science*, revealed that the total economic value of global ecosystems (wild nature) was at least 20 trillion dollars. The study further suggested that, on average globally, over one percent of undegraded ecosystems was being converted to human each year, incurring an economic loss equivalent to a permanent, accumulating loss of an additional $250 billion each and every year into the future. This was due to the loss of irreplaceable ecosystem services provided by nature (e.g. climate regulation, nutrient cycling, flood defence, water cycling, etc). Conversely, an expenditure of only $40–50 billion per year on conservation could yield economic benefits of around $4–5 trillion—a benefit cost ratio of 100:1. Regrettably, however, rather than investing in conservation at even a fraction of this level, the global policy community invests in (perverse) subsidies (through trade, agriculture, fisheries, energy, etc) of $1–2 trillion a year that encourage unsustainable conversion of wild nature. Some of the economists involved in the study were concerned that we had seriously underestimated the true value of wild nature, and underplayed the gravity of its continuing loss, by calculating total values on the basis of average costs of loss, not the marginal costs that would increase rapidly as surviving wild nature diminished.

   With regard to plan proliferation, you refer in your memorandum (paragraph 3.6) to the tensions and contradictions of various strategies. Can you give some examples?

   Some examples of tensions and contradictions can be found within strategies, others between them. For example, within the UK strategy itself, there is a clear tension between the objectives of “high . . . levels of economic growth” and “effective protection of the environment” (see below). Most tensions, though, occur between strategies. For example, while it is commendable that the DTI has adopted a sustainable development strategy, that strategy, which emphasises carbon reduction and resource productivity, is not wholly consonant with the departmental strategy, which emphasises growth and enterprise. Nor is it clear that two strategies should be necessary; ideally, the departmental strategy would be sustainable. In a similar vein, early drafts of the Innovation Review made scant reference to the DTI sustainable development strategy, even though its purpose, to promote innovation, is closely linked to resource productivity. A similar type of tension is evident at an EU level between the Lisbon Strategy and the (Gothenburg) Sustainable Development Strategy. Even though the latter has now been subsumed into the former, the thrust of the two is quite different, and the amalgamation has largely been at the expense of the principles of sustainability.

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6 Please see a further explanation on this issue on Ev 170–171
In other instances, there is less a tension and more a simple diffusion and blurring of objectives between strategies. For example, within the sixth environmental action plan of the EU, there are four priority areas: tackling climate change; nature and biodiversity-protecting a unique resource; environment and health; sustainable use of natural resources; and management of wastes. The EU Sustainable Development Strategy contains a similar, but crucially different, set of priorities: Climate change; Transport; Public health; and Management of natural resources, including biodiversity. It is not so much that the plan and strategy should not contain different priorities so much as the fact that they contain quite similar priorities expressed quite differently. To complicate matters further, the sixth environmental action plan itself requires the development of a further seven thematic strategies, on: soil; pesticides; marine; waste recycling; management of natural resources; urban environment; air quality. Even more confusing, the so-called Cardiff process called upon all formations of the Council to produce sector-specific strategies for integrating environmental concerns into economic policy. Partly as a result of this kind of plan proliferation, in which plans are rarely cross-referenced, none of these initiatives has so far delivered real change and some, such as the Cardiff process, and even the EU Sustainable Development Strategy, appear to have ground to a halt.

Do you think the UK Sustainable Development Strategy should simply provide an overarching statement of aims and principles, or should it drive progress more actively?

The strategy should at the very least provide a statement of aims and principles. But it could go further, in particular by committing to particular policy measures to internalise external costs in particular sectors, through: regulation and standard-setting; taxation; damage liability; capped levels of tradable permits, and so on. Internalising external costs, combined with a programme of public awareness-raising, would do more than anything else actually to change behaviour.

If the latter, would you welcome the inclusion of specific topic areas (eg waste, energy) and associated targets?

A greater degree of specificity about priority issues, targets for them, and policy mechanisms to be used to achieve them would be very helpful. However, without a considerably longer period of consultation, and in order to avoid a very large and complex strategy indeed, it might be preferable to commit in the strategy to certain priority issues, but to propose developing targets for those issues, and the policy mechanisms to achieve them, subsequently. The strategy, however, should make a firm commitment to making such targets firm, rather than aspirational, and to developing them in a fixed period of time.

What implications would such a focus on specific areas have for other topic-specific strategies (eg the waste strategy) and for the strategies of devolved administrations?

As indicated above, it would be possible to identify priority issues, and to commit to producing issue-specific targets within fixed time frames, without duplicating or making redundant existing or future issue-specific strategies. On the contrary, issue-specific strategies would become the vehicles whereby priorities identified in the strategy would be taken forward. The principal change from current practice would be that the (sustainable development) strategy would make a clear commitment to producing firm issue-specific targets on firm timescales; and the issue-specific strategies would be created or revised (in the timescale specified) to include a much higher degree of specificity than is currently the case both about the target(s) to be achieved and the policies to achieve them. Assuming the sustainable development strategy were reviewed periodically, it would be possible at that time to revisit priorities, and consider whether they needed new targets, or replacing with emerging priorities.

Do you have any specific suggestions for ways to reduce plan proliferation and ensure consistency across different strategies?

Reducing plan proliferation and ensuring consistency are two different objectives, though each would be made easier by achieving the other. By and large the number of plans could be reduced by considering areas and ways in which plans currently overlap or duplicate each other, thereby introducing the possibility of contradiction or confusion. Where overlap currently occurs, plans could either be revised in such a way that their purpose is more clearly differentiated from that of parallel plans, or they could be eliminated or amalgamated. For example, there is plenty of room for the relationship between the Lisbon and Cardiff processes, the EU Sustainable Development Strategy, and the Sixth Environmental Action Plan to be rationalised in this way. If such rationalisation does occur, however, it will be crucial to avoid economic considerations prevailing even more completely than they already do over environmental and social ones. It is this concern that, on balance, makes retention of a separation between HMG departmental strategies and departmental sustainable development strategies advisable at least for the foreseeable future. Where such separation is retained, however, there should be a much greater degree of cross-referencing among strategies, and active efforts to ensure that their content, especially their objectives, are consistent and mutually compatible.
Do you think that changing the way sustainable development is defined in the strategy (in terms of overall definition, key objectives, and principles) would make the slightest difference in practice to the way Government departments implement policies?

Although it would take time for any substantial changes to become fully internalised in the culture and practice of Government, we do believe that an orientation in the definition of sustainable development away from economic growth and towards quality of life or well-being would bring about change. Nor is it inconceivable that such change might be both rapid and significant. For example, had the Department for Transport taken on the Public Service Agreement target that is currently shared between DTI and DEFRA to reduce carbon dioxide by 20% by 2010, it would have been much more (politically) difficult for the DfT to have published an aviation white paper that paid so little attention to managing and reducing demand for air travel. A white paper emphasising demand management would have been a significant improvement.

Apart from your suggestion for a marine indicator, are there any other measures you would like to see included in the indicators to reflect the extent to which the UK is currently unsustainable?

The only other change to the basket of headline indicators that should be considered is the removal of GDP and GDP per capita. Not only is it far from clear that high levels of economic growth are compatible with sustainable development, but it is far from clear that GDP is a complete measure of economic growth. Moreover, to a much greater extent than most of the other headline indicators, it is a complex, heavily weighted composite indicator, with very little transparency about its underlying assumptions. This is not to suggest that GDP should be abandoned for all purposes. It clearly has an important role to play in helping to determine monetary and economic policy. But a strong argument can be made that it is not suitable as an indicator of sustainable development.

Is the Government adequately addressing the issue of sustainable consumption (as opposed to production), and to what extent will the next Strategy be undermined because of the failure to make more progress on this agenda?

It appears to be true for many sectors and activities that cost-reducing efficiency gains yield lower prices and increased demand that offset, or more than offset, initial efficiency gains. As a result, overall consumption increases. It is also true that, while the UK is to be commended for having developed a strategy for sustainable production and consumption, the strategy neither acknowledges nor addresses the magnitude of the problem of consumption or its paradoxical relationship with productivity. Indeed, by preferring indicators that focus on relative (to levels of production) rather than absolute reductions of resource use, it arguably masks the problem.

That having been said, the question of how to reduce absolute levels of consumption is probably the most challenging we face. Certainly, there can be a business incentive to improve productivity, and to produce services rather than goods (so long as the environmental consequences of manufacturing are not simply displaced, or even exacerbated, by exporting them overseas). It is certainly possible to incentivise the move to service provision financially, by fundamental environmental tax reform. Nevertheless, there will still be pressure to consume. For in a free market economy, where success is defined by economic growth achieved through advertising, trade and commerce, there is little incentive for commercial entities or Governments actually to discourage consumption. Profit in the private sector and tax revenue in the public sector would fall. So, unless the rate of efficiency gain outstrips the rate of consumption, resource use will increase.

Nevertheless, a combination of pricing signals that fully reflect external costs, combined with a large-scale effort to raise public awareness and change consumer values, would, over time, and especially if undertaken globally, take us in the right direction, particularly if price and value messages are reinforced by real world evidence (for example extreme weather events) of the consequences of profligate consumption.

Was the potential conflict between sustainable consumption and consumerism fully appreciated when this initiative was agreed at the WSSD?

In two senses, it was appreciated. Just as there is an intuitive understanding of the concept of ecological limits among policy makers and the public, there is an intuitive grasp of the conflict between consumerism and sustainable consumption. But, like ecological limits, the conflict tends to remain an abstraction, rather than a reality, so long as the limits have not yet been reached. For some constituencies at the WSSD, however, especially environmental and social interests on the one hand, and business interests on the other, the potential conflict was more tangible. Given that the conflict was tangible, and that the stakes are so high, the fact that agreement was reached at all suggests perhaps that there is little commitment actually to implement it.

Are there any machinery of Government changes you would like to see in order to reflect better key priorities in any future Sustainable Development strategy?

The publication of the Treasury assessment of departmental spending bids against sustainability criteria and PSA targets would be helpful.
In particular, do you think that overall responsibility for Sustainable Development should remain with DEFRA, or would it and the SDU be better placed elsewhere (e.g. Cabinet Office)?

The keys to effective mobilisation and coordination of sustainable development, including an effective SD unit, are adequate resources, clear objectives, and the ability (and location) to take an overview across Government. Wherever responsibility and the unit are located, they must be given clear political authority from the highest levels, with clear signals and structures for all departments to contribute. In that context, a sustainable development network, similar to the group that formed in the run up to Johannesburg, and similar to the new sustainable energy policy network (SEPN), but run from DEFRA by the SDU, might be helpful, with named participants from prescribed agencies and departments taking part.

During the fuel duty protests of 2000, what action did the RSPB take to make the case for maintaining the fuel duty escalator?

For years and months before the fuel duty protests, the RSPB had been publicly supportive of the fuel duty escalator and had supported it in formal communications with Government. When the protests occurred, the RSPB took action both directly with policymakers, and through the media. Specifically, with respect to policymakers, along with several other environmental NGOs, we submitted (different) letters to both the Prime Minister and the Chancellor, supporting the escalator, and requesting a meeting with Mr Brown.

With respect to the media, we made strenuous efforts to gain coverage for our perspective but, without previous environmental justification for the escalator from Government, or overt commitment to hypothecate fuel duty revenues to sustainable transport spending, and without an environmental justification for the escalator from Government at the time of the protests, environmental groups found it very difficult to capture press attention. For example, the RSPB organised a letter to the press from a group of environmental NGOs, but the letter was not published by the Times or the Guardian, only by the Independent. We also arranged a joint NGO press conference in Brighton at the start of the Labour Party conference, which was preceded and followed by press releases announcing the conference and reporting its results. However, only one or two representatives from the national media attended the conference, and none reported the event. We did gain coverage in the Independent subsequently.

All that having been said, it is probably the case that, just as the Government could have been more explicitly supportive of the reasons for the escalator, the RSPB could have anticipated better the likely opposition to it, and have prepared a more comprehensive response, including alerting our membership to the issue, and requesting their support. In that context, when protests appeared possible again recently we did write to some of our members, explaining the environmental reasons for fuel duty, and asking for their support in requesting the Government to honour its commitment to raise fuel duty by 1.9p/litre in September.

July 2004

Memorandum from WWF

WWF welcomes the opportunity to contribute evidence to this inquiry. Over the last decade, WWF has moved increasingly from programmatic conservation responses towards addressing the underlying drivers of environmental decline. Our biennial Living Planet Report has charted the global environmental impact of our activities in the industrialised world. From this base, WWF has increasingly engaged with the sustainable development agenda, for example as the only environmental NGO invited to present in plenary at the World Summit on Sustainable Development in 2002.

WWF has developed a particular body of experience in areas such as Footprint analysis and new ways of tracking the flow of environmental resources within the economy. We have been working closely with local authorities and the devolved governments in Wales and Scotland to put such tools into practice, shaping decision-making on sustainable development. WWF has led many of the developments in Education for Sustainable Development since the 1990s. We are also developing a programme of work on consumption issues and their global impacts. WWF’s written evidence to this inquiry focuses on those areas where we can contribute perspectives derived from these specific areas of competence. We would welcome the opportunity to elaborate on any of these points at a later stage in the inquiry if the Committee would find this helpful.

1. Definition of Sustainable Development

The definition of sustainable development does matter because it is about living within the carrying capacity of the Earth while ensuring equity and quality of life now and in the future. WWF would therefore recommend the adoption of the Caring for the Earth definition:

“Sustainable development means improving the quality of human life while living within the carrying capacity of the earth. Sustainable economy is the product of sustainable development. A sustainable society lives by the principles of sustainable development.”
Alternative approaches that separate out economic definitions allow space for the delusion that the economic, social and environmental contexts are not interlinked. They would also allow this country to engage in burden sharing whereby being a rich, northern country we can buy our way to prosperity and quality of life without accepting responsibility for the negative social, environmental and economic consequences in other parts of the world.

WWF’s Living Planet Report (2002) showed that, if everybody in the world lived as we do in the UK, we would require three planets to support us. There is no simple link between economic growth in the UK and poverty in southern countries (as the poorest communities in some countries of Africa are now poorer than they were 20 years ago). Any definition of sustainable development must link quality of life and people’s incomes with the social and environmental consequences of development.

If by sustainable we mean “able to continue forever” then purely economic definitions will not do this. By WWF’s calculations, we have been living beyond the carrying capacity of the Earth for about 20 years. Technological breakthroughs and trends in increased resource efficiency are insufficient to outweigh growth in consumption.

The definition needs to be consistent with the maintenance of biodiversity, living within the carrying capacity of the Earth, equity of access to resources and quality of life now and for future generations.

2. Has the strategy acted as a driver or does it occupy a limbo existence which has little impact on departments’ real priorities?

WWF commends the work of the Sustainable Development Commission and their report on progress to date—Shows Promise, Could do Better. WWF supports many of its conclusions.

From our perspective, a significant failing of the Sustainable Development strategy has been that its four key objectives do not relate well together. They could indeed be mutually exclusive: it would be possible to achieve Objective 4 while working against Objectives 2 and 3. A central theme of the Sustainable Development approach is the integration of policy responses, yet the strategy has not worked well to promote this integration across government. We examine this point further in the final section.

In this section, WWF would like to emphasise the lack of international perspective in the 1999 Strategy. There is a chapter focusing on global poverty, MEAs, trade and the environment and debt. But there is a fundamental failure to recognise that all aspects of government policy have global environmental and social consequences. Sustainable development is not a set of discrete policy responses to separate environmental challenges. It must be an integrated approach that balances the social, environmental and economic consequences of all government action, and the underlying perspective on these consequences must be global.

Government departments have not systematically taken the UK Sustainable Development Strategy to heart in their policies and delivery structures. Some key examples of this failure in relation to global issues:

— DFID in its annual report on PSAs (“2003 Autumn Performance Report”) states that “the only target we have dropped from the 2001–04 PSA is the target relating to sustainable development. This target was about donor inputs and processes rather than poverty outcomes, it covered too many issues, and there were no objective means of verifying its achievement. We have mainstreamed sustainable development issues through our new Service Delivery Agreements”.

— Looking at the UK Sustainable Development Strategy 1999, there were some very clear outcomes for sustainable development in international development (chapter 9). It seems that DFID may have given up on trying to make all its development sustainable and has forgotten about the very useful Target Strategy Papers produced in conjunction with earlier White Papers. It also appears that following restructuring in DFID centrally, there has been a decline in the number of staff and the amount of resources given to environmental policy, including water. The lack of staff resources both in country and in HQ will not help the required objective of the White Papers on poverty elimination to mainstream environment into PRSPs, or indeed to reach the MDG on environmental sustainability.

— The 1999 SD Strategy talked about the importance of water and sanitation (Chapter 9). This was also, along with plans for Integrated Water Resource Management, a key UK government objective for WSSD. In a speech at Environment 2003 organised by the Environment Agency, the Secretary of State for Environment, Food and Rural Affairs emphasised the problems caused by lack of access to safe water and to sanitation, and that economic development depends on healthy ecosystems. Yet, a recent report from WWF and other INGOs for CSD12 cites the decline in UK expenditure on water in development aid, from 4.3% in 1998–99 to 2% in 2001–02.

— Reports on the UK Strategy have cited the success in decoupling economic growth from environmental degradation, but this is based solely on UK activities. There is no mention of the fact that UK economy and consumers depend on resources from many other parts of the world.

7 Multilateral Environmental Agreements (MEAs).
8 Poverty Reduction Strategy Papers (PRSPs).
9 Millennium Development Goal (MDG).
world, including developing countries where environmental resources are being lost at an alarming rate. The decline of manufacturing in the UK has been accompanied by an increase in manufacturing elsewhere to support our needs. Of course there are some economic benefits of this change for poor communities; equally, the associated environmental impacts have been exported. The point is not to ignore these tensions and trade-offs, but to ensure that an integrated sustainable development strategy assesses these different kinds of impacts and develops balanced responses to that analysis.

How is this requirement to consider both international as well as domestic resource use being taken forward in government? Social and environmental justice, equity, environmental limits and safeguarding future generations should be principles in any sustainable development strategy. The Welsh Assembly is to be congratulated for encapsulating this sort of thinking within its own objectives and indicators and has set a precedent which others should follow.

Inter-departmental processes

It is to be welcomed that the Spending Review process requires departments to assess their requests in terms of contribution to sustainable development, and that Cabinet Committee papers are required to note their impacts on sustainable development objectives. Public scrutiny of these assessments, particularly within the Spending Review process, would ensure that they make a stronger impact on departmental priorities.

WWF also recommends that the use of Sustainability Impact Assessments or Sustainability Appraisals is made mandatory. This would ensure that all new major policies are subjected to tests for their long-term contribution to UK government’s sustainable development objectives. Defra has initiated guidelines on Integrated Policy Appraisal but there seems to be little take up by other government departments, or indeed any drive from the heart of government to ensure that these guidelines are implemented.

There has also been little success in shifting public opinion on sustainable development. While we agree that this is not just the responsibility of government, more could be done to inform the UK public that a strategy exists and to establish its relevance to individuals. Government should begin to make the public case for new policy initiatives in terms that relate to sustainable development, and to have the courage to lead the public debate around any possible trade-offs this may involve.

3. Indicators of Sustainable Development

The current indicators are useful in order to measure progress on specific initiatives within government departments or business sectors. However, they do not give a broad picture of progress which is politically relevant and can be understood by the public. There needs to be a way to test the effectiveness of the initiatives and policies against sustainable development (and not simply against the four objectives of the current strategy).

Government is accountable for the effectiveness of its work, and this very effectiveness needs to be framed in terms of sustainable development. This cannot be tested except by using the sustainable development definition which WWF believes must focus on:

- carrying capacity of the earth;
- biodiversity;
- quality of life now and for future generations; and
- equity of access to resources.

Crucially, aggregate indicators are required, against which several departments or policies or initiatives would be assessed. Several such indicators are being developed eg ecological footprint, the Green Growth indicator from China, a social aggregate indicator in South America and various versions of quality of life tests, such as happiness indexes. Each initiative or policy still needs its own indicator but we need a period of experimentation and learning from aggregate tests of sustainability, alongside the narrower, policy-specific measures.

The Welsh Assembly has shown how it is possible to make progress in this area through testing a basket of sustainable development indicators, including an aggregate Footprint indicator. The UK government should be assessed. Several such indicators are being developed eg ecological footprint, the Green Growth sustainable development and its measurement, rather than waiting for a complete resolution of all the technical debates around optimal indicators.

The current headline indicators do not add up to sustainable development, nor do the wider set of 150 indicators. The lack of integration is shown by the fact that some indicators are showing progress whereas others are not. If any new policy measure is assessed against a set of separate, narrow indicators, its overall positive or negative impact on sustainable development may be obscured. This failure to adopt integrated indicators, which can demonstrate overall impact, mirrors the failure to develop integrated policy responses across government departments.
4. Consumption and Sustainable Development

The current sustainable development strategy has not driven government action in response to the social and environmental impacts of UK consumption. Consumption issues are seen as politically difficult to manage, and even the new UK Government Framework for Sustainable Consumption and Production focuses largely on the production side of this equation. Decision-makers across government have neglected the importance of three fundamental issues:

— Our overall level of consumption in the UK and across the industrialised world is already breaching global environmental limits. On issues such as climate change, pollution, loss of biodiversity, and over-use of natural resources, the scientific debate is over: global limits have already been exceeded, with consequences that will hit some of the world’s most deprived communities hardest. Current growth in our consumption is inherently unsustainable.

— Much of UK consumption is within a global marketplace, and so the social and environmental impacts of that consumption are overseas. Discussion of “decoupling” consumption and economic growth from their environmental impacts has frequently ignored the export of these impacts, in particular as the manufacture of consumer goods has moved abroad. When these factors are taken into account, it can be seen that “decoupling” remains a myth: increases in GDP are driving net increases in consumption, as represented by material flows through the UK economy.

— The pursuit of GDP growth as an overriding objective sets all government departments on an inherently unsustainable path. There are many ways in which the fixation with GDP growth is in tension with quality of life, the environment, social cohesion and equity—all of which are fundamental dimensions of sustainable development.

The new Sustainable Development strategy will not succeed unless it shapes priorities across government in ways that address these fundamental issues related to consumption. The objectives of government, expressed from PSA targets through to detailed departmental workplans, will need to shift away from an over-arching focus on GDP growth and give equal weight to the promotion of quality of life, environmental sustainability, social cohesion and even happiness (which is famously uncorrelated with economic growth). Departmental strategies will need to give extra weight to the complex interactions between these areas, in particular between the environmental and social consequences of current consumption patterns, which have to date been peripheral in the government’s approach to sustainable development.

The government will also need to begin a programme of engagement with consumers on the impacts of their consumption. Research suggests that consumers are broadly unaware of the impact of their consumption decisions, though the emergent “mainstreaming” of fair-trade products suggests that this can be changed. A valuable step in the short term would be to set up a mechanism to bring together the considerable amount of government, business and academic research that already exists on consumer attitudes and the factors shaping these attitudes.

Public engagement programmes should be one approach to encourage consumers to make more sustainable consumption choices. This is not simply about education: it requires testing methods to bring consumers face-to-face with the consequences of consumption, in a way which leads to new choices being made. WWF’s use of computer-based Ecological Footprinting tools offers one model, already shaping decisions by local authorities, but easily applicable to individual choices. Government could improve its own analysis of priorities for reducing consumption impacts by adopting tools such as ecological budgeting, which tracks the real movement of resources around the economy in a similar way to the value-flows tracked by traditional economic analysis. The government has a wide range of policy and fiscal tools with which it could begin to shape the drivers of consumption. Equally, it has a role in shaping wider ideologies that value conspicuous consumption over quality of life, including through engagement with the media and advertising industries. The government has not begun to accept responsibility for taking on these roles.

The UK Treasury’s 2002 paper “Tax and the Environment” has failed to fulfil its potential to give incentives to shift consumption patterns in a sustainable direction. Weak political leadership has allowed an open door to those lobbying against tax measures that would begin to internalise environmental and social costs within the price of consumer goods. Examples have included the government’s early opposition to London’s congestion charge, failure to make the public case for fuel duty increases, and the recent decision to weaken the UK’s final Emissions Trading cap. Such policy measures are the starting point for any government serious about sustainable development. The failure to drive forward such incentives for more sustainable consumption patterns has arguably been one of the major weaknesses of the current sustainable development strategy.

WWF welcomes the Consumption Roundtable being set up as part of the current consultation on the new UK Sustainable Development Strategy. However, the outcomes of such debates need to be driven by senior champions within government if they are not to sit as worthy recommendations within strategy papers. Over-consumption is a difficult issue for government to address, but no sustainable development strategy can succeed without making dramatic progress in this area.
5. **Structures within Government to support Sustainable Development**

The current Sustainable Development strategy has not made a major impact on departmental priorities outside Defra, particularly over decisions where there are trade-offs between the economic, social and environmental aspects of sustainable development. The recent weakening of the proposed emissions cap for the UK’s National Allocation Plan under the EU Emissions Trading Scheme is only the latest decision to go against sustainability criteria. Weakening of environmental taxation measures, water pricing decisions, and the UK’s role in weakening the EU Commission’s draft chemicals regulation last autumn are other examples.

If the strategy is not shaping departmental priorities in this way, then arguably it is failing at a fundamental level. The reasons for this failure are closely associated with the absence of powerful political backing for sustainable development within government, and the failure of government structures to steer decision-making towards more sustainable outcomes.

There is no structural mechanism in government for resolving potential economic, social and environmental trade-offs in a way that genuinely balances these equal pillars of sustainable development. The basis for a good model exists through the Spending Review process, in which departments must note in their submissions the likely impact on sustainable development. These impacts are then included within the decision-making process. But there is no wider process for adjusting priorities in the light of sustainable development considerations, even where such consideration have to be “noted” (as in Cabinet Committee papers). Even PSA targets and the Spending Review process fail to give incentives to join up sustainable development strategy and actions across government departments.

The current role for Defra of driving forward sustainable development across Whitehall has not been successful, precisely because of these considerations. Where there are trade-offs, Defra does not have the power to effectively influence other departments’ priorities. There is no other political drive behind sustainable development, and in the examples noted above, Downing Street has added weight behind the arguments against sustainability considerations. Green Ministers have also failed to work together to drive through cross-departmental sustainable development priorities; they have largely worked independently as their own department’s environmental representative, which is a quite different role.

There is a strong case for sustainable development to be defined as a core responsibility of government, driven from within the Cabinet Office. This would provide a clear way of balancing the different dimensions of sustainable development in government decision-making. It would also provide the necessary central direction for an area of policy-making that requires co-ordinated action across government. From consumer education to managing global impacts of government activity, sustainable development needs a central steer. Ultimately the right structure is only a part of the solution. The new sustainable development strategy will only be more successful than its predecessor if it is driven politically from the top of government.

*M*ay 2004

*Witness:* Mr Andrew Lee, Director of Campaigns, WWF-UK, examined.

**Chairman:** Welcome, Mr Lee. I think you heard my strictures at the beginning about time so if you could keep your answers as brief as possible we will get through rather more than otherwise, Colin Challen?

**Q19 Mr Challen:** I do not know if you have heard of Professor Lester Brown who is an environmentalist who recently published a book called *Plan B*, but in that book he refers to President Roosevelt in the Second World War who when faced with the challenge after Pearl Harbour told the American motor industry that within 12 months they would stop making cars and start making tanks, so it is possible to transform society very quickly in the face of this great threat. Do you think the scale of the threat now demands similar radical action, perhaps a Marshall Plan-scale effort?

**Mr Lee:** I think it does but of course the threat is very diffuse and this is always the difficulty in terms of the environment. If it was a disease I would describe it as a chronic issue rather than an acute one. If you look at global climate change we know, never mind the extremes of *The Day After Tomorrow*, what these scenarios may look like in terms of the impact on this country or, for instance, the poorest people in the world in many areas which will be threatened. It is not so easy to bring it home graphically in the short term, but the scale of change that is needed is as big. I think one of the key issues we have to do with the definition of sustainable development is to talk about what it is as well as what it is not. There is a tendency to talk about sustainable development, particularly in the environmental bit, as what you have to not do, reducing this and not doing that. Instead we need to talk about what it could mean. It could mean living in a home which is 90% energy efficient and has much lower energy bills and is also a stylish and practical place to live. So we need to link the problem to some of the more positive solutions as well as just preaching the doomsday scenario. Those things are real and we cannot hide from them but those on their own will not achieve change in society.

**Q20 Mr Challen:** Do you think part of the problem is the consumerist message we get from all quarters in Western society whereas people who live in what used to be known as the Third World are already
Mr Lee: I think that is absolutely fundamental because we have said in our evidence—and we would be happy to provide more material—if you actually look at what is happening, the rate or the level of absolute consumption that we rely on for our quality of life, we would say if everybody lived on the earth as we do in the UK you would need three planets, not one. That is the statistic we use. If you break that down, you say where is that pressure from the consumption that we all enjoy manifest? The other point is that over the last 50 years that pressure has been globalised. It is a global economy and it is a global environment, so a great deal of the pressure we in the UK put on the planet’s resources comes because we are part of the global economy, we are importing goods and services, we are exporting products, and we are also exporting pollution around the world. We believe in WWF that you have to look at that broad view first and you cannot address the issue simply by dealing with what the technical people always call resource efficiency. You cannot do it just by being more efficient. Yes, we need to do all of that. We need technological solutions that would mean we can do far more with the resources we have but it is also about the absolute level of consumption. That is something that cannot be hidden in the review of the sustainable development strategy. The challenge obviously is how you then go out and communicate that with people in a way which is about doing something in a smarter way rather than just a negative message about doing less and sitting up a pole with a hessian sack on your head, which is absolutely not the issue. It is about doing things in a smarter way and achieving some of the quality of life issues without always increasing the level of material consumption. At the moment we think the Government’s approach to say we have decoupled GDP growth from impacts on the environment is a bit disingenuous because in fact a lot of it has just been chucked over the garden wall to China or Brazil or somewhere else, and we cannot fudge that issue, we have got to face up to it and take global responsibility.

Q22 Sue Doughty: So you think the Government is right to use sustainability in its use of terminology? Mr Lee: No, I did not say that and, exactly as Paul said earlier, the term is subject to a lot of abuse and it needs to be policed to make sure that when we talk about sustainability, which is better than sustainable development, we are actually meaning something quite precise, and that is why I would argue for these two definitions which bound it because I think we are beginning to know a lot more about global limits, the carrying capacity of the planet, and the impact of the resources we use. We are only at the beginning of knowing a little bit more about quality of life and what material consumption means in terms of people’s own experience of their life and where they are able to find quality, and that is where we should be putting the effort—into being much clearer about those two things within the term “sustainable development”.

Q23 Sue Doughty: Looking at that definition about carrying capacity we have this concept within that about ecological limits and with the debate on energy we have been looking at atmospheric limits. Can you ever take account of things such as biodiversity? If the earth supports humanity, would it continue to do so even with that loss of biodiversity? How far would carrying capacity include biodiversity in those other aspects of it? Mr Lee: There are various ways of looking at it obviously. The kind of approach that we have taken globally is to say you have to take some kind of working assumption. One working assumption, for example, is that 10% of the earth’s surface should remain as wild nature, as relatively pristine ecosystems, but then there are all the services that nature provides. That could be in terms of forests which effectively manage and buffer watersheds in developing countries. It could be in terms of river basins which are the basis of life for people living there. It could be on the basis of marine resources like fisheries. It could be on the basis of the role of forests in mitigating climate change. We can look at the services, if you like, that biodiversity provides but also the idea of a critical limit below which you would not go. The analogy that we find useful (because it communicates it) is to say we should be living off nature’s interest, not off the capital. You can argue about the precise limits forever but the fact is if you were to ask the question if we are living...
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Mr Andrew Lee

Beyond our means what effects would you see in the world, those are the effects that we are seeing. We are beginning to see the extreme weather events. We have got the collapsing fish stocks. We have got the critical loss of biodiversity. If you look around you can see the red lights flashing in terms of the damage we are doing to that natural system which provides natural resources for our economy and also provides services on which we very much rely.

Q24 Sue Doughty: Why do you prefer your definition to the Government’s definition of sustainability?

Mr Lee: From our point of view it just gets across this issue of global limits very clearly and I do not think that can be fudged. We have one planet, we have to learn to live within one planet. It implies within it the equity between generations and the equity between different parts of the world. If we are to live within our means here in the UK when we are living a three-planet lifestyle we have to find a different way of meeting those needs if other people on earth are to achieve minimal standards, a basic level of consumption and quality of life. It is the global limits part that comes through very strongly on that.

Q25 Sue Doughty: Going back to your calculations you say we have been living beyond the carrying capacity of the earth for about 20 years. What are the environmental impacts you base this assumption on?

Mr Lee: They are very much the things I was talking about before in terms of collapse of fish stocks, in terms of critical loss of biodiversity around the world, in terms of the impact on river basins and access to fresh water, and in terms of global climate change and patterns of weather events. These are all indicators we would say at this stage that are pointing towards having overshot these limits already. You can bring those home in terms of our fish stocks here in the UK as one example.

Q26 Sue Doughty: Why 20 years rather than 10 or 50 years in terms of your calculation. You say that we have been living beyond the carrying capacity of the earth for about 20 years.

Mr Lee: If you calculate the overall levels of consumption globally which we did in our Living Planet report—we accept that this is a broad measure and it is based on lots of published sources from the UN and the World Resources Institute and other people—and if you take those figures it is about that point where the lines cross over: where the carrying capacity of the planet starts to be exceeded by consumption levels.

Q27 Chairman: Which is partly a function of the rapid economic development in various parts of the world which were previously not consuming very much, particularly China.

Mr Lee: Absolutely.

Chairman: It is not only a matter for the UK Government.

Q28 Mr Wright: I want to focus on that point for a second. How do you measure the distance from sustainability in using that model? Have you looked at what we need to do to move us to 19, 18, 17 years away, et cetera? How do you do that?

Mr Lee: If you use the methodology that we have used in WWF and if you take this concept of three planets for example, that gives you an idea of the scale of the challenge. What that is saying is at the moment we are living a three-planet lifestyle not a one-planet lifestyle. You can translate that back into an ecological footprint. You can do that statistically. To bring this theory down to very, very practical issues some of the Committee may well be very familiar with BedZED, this housing development in South London, and you may have been there yourself. There is actually a body of evidence now bringing this down to a very practical level saying what kind of lifestyle does that development enable in terms of getting a three-planet down to one-planet level of consumption. It is very interesting what they have discovered because the development itself—the infrastructure and all of the choices people can make within that development—brings you down to the two-planet level. To get down another level to a one-planet level is about dealing with shared infrastructure because everybody living there is using public services, public transport, the Health Service, using food production and distribution systems, and all sorts of other things. So what it is telling us is in a very practical way in the UK you can do a certain amount, in this case through the design of communities and the choices that citizens can make but the other part relies very much on government policy, shared infrastructure and shared services. So that brings it from a very global level down to a very practical level.

Q29 Paul Flynn: Mr Lee, you criticise in your paper the objectives of the strategy and suggest they do not fit well together and you even say they could in fact be mutually exclusive. Do you think there has been too much of a focus on the win/win situation and not enough on managing trade-offs?

Mr Lee: I think if they are win/win situations in terms of delivering improvements in quality of life and environmental benefits then that is a good approach. If you use some practical examples—and you were talking earlier about the fuel tax debate—if you look at the way congestion charging has been handled as an issue, if you look at the recent discussion about the European Emissions Trading Scheme, what we actually see is that the high and stable levels of economic growth criteria, the GDP driver if you like, is taking precedence. I do not think there is a trade-off because that implies that either side may win. What we are actually seeing too often still is an economic imperative which I think is about a short-term per capita GDP growth that comes first in any calculation. When issues are taken from government departments right up to prime ministerial level that is the way the outcome tends to go. We have seen that also with the Chemicals Regulation in Europe. The only time the Prime
Minister has intervened in this was to say this is anti-competitive, it is a burden on business. You can have government departments working very hard to deliver a strong regulation.

**Q30 Paul Flynn:** You made a point about the Government’s early opposition to the London congestion charge and the failure to make the public case for fuel duty increases and the recent decision to weaken the UK’s final emissions trading cap. Can I ask the same question that I asked the previous witness: does your organisation disappear, are your mouths bandaged when these issues come up or when it is unpopular to raise them against the lunacy of the tabloids?

**Mr Lee:** I certainly hope not. The fuel tax issue which you raised, and I thought might come up today, is etched on my brain very, very personally. I drew some conclusions from that. My conclusion was that as an NGO we—WWF—had to be much closer in touch with our members about what you might call these “difficult” environmental issues. It might be climate change, it might be toxic chemicals. We are doing that in the sense that we are now starting to campaign in a very up-front way on those issues and to engage people, but that is at a very small number at this stage. I think there is a long way we have to go in practising what we preach and engaging our own members and supporters in these difficult issues. I accept that entirely. However, if you look at the fuel tax case, there was an absence of any real advocacy by government for why fuel tax rises could be justified in terms of climate change and reducing fuel use and there was one-sided reporting from the media that decided the story was about truck driving heroes going down the M1. There has to be a shared responsibility here. So I do not place the final responsibility on the NGOs at all. However, we do have to communicate these things. In fact, WWF is looking closely at how you do that, and the advertising business and the media. We talk into policy because I do not think public awareness expand on that a little more and explain in what way they were significant?

**Mr Lee:** Certainly. I should say at the beginning that we know there are a group of people within DFID, for example, who have worked very hard to put environment into the Department, but our perception is that the bushfire has not caught into a forest fire, it has not spread throughout the department yet. It is manifest in the fact that the report DFID commissioned itself in 2000 which actually looked at its environmental performance, was very critical. There were then two White Papers on globalisation with lots of good commitments on poverty and environment and sustainable development, but meanwhile in DFID the environmental role has been slightly downplayed in some of these key areas like using these target papers, which were good and set out objectives, or getting environment into the poverty reduction strategy papers. I should say that these are key components or conditions for aid flow into some of the highly indebted countries around the world. Those papers are fundamental in terms of setting conditions for how that aid is flowing and we have not seen a strong enough voice in DFID in those, so we have a long way to go.

**Q32 Paul Flynn:** You also suggest there are not enough bodies in DFID. What evidence can you give for that?

**Mr Lee:** There has been a downsizing in the size of the environment team and its influence within the department.

**Q33 Paul Flynn:** Do you know what the downsizing was?

**Mr Lee:** We can give you the figures. I do not have them here but I am happy to provide them.

**Q34 Paul Flynn:** In relation to shifting public opinion on sustainable development, Government campaigns on raising awareness in this area have not enjoyed very great success, as you know. How do you think we could make progress here from the Government’s point of view?

**Mr Lee:** I think it is an absolutely crucial issue and I do not think simply doing more marketing and things like “are you doing your bit?” is going to work. I do not think Defra harbours any illusions about that either. First of all, we have to get into the marketing business and the advertising business and the media. We talk about corporate social responsibility, for example, and we talk about oil companies and other businesses. What about the media’s social responsibility in how these issues are reported? Also we are going to have to find ways of learning what works on the ground, working with people practically. We have tried to do this in schools in the UK. I mentioned the homes example which is a favourite one for WWF. Rather than just preaching a message we must actually go out and test on the ground what works with people and find out what we can learn from those things and take them back into policy because I do not think public awareness campaigns achieve behaviour change. I think there is a lot of social research out there. ESRC and all sorts of other people know far more about it than I do about what motivates people and what might create change. If we are serious about sustainability we need to get into that and understand it rather better.

**Q35 Paul Flynn:** We have had evidence from the Chief Scientist who says we have not made great progress in convincing the public that there is a catastrophe about to happen. Unless there is a major
disaster like the number of deaths in the heat wave in France last year or the deaths in Britain in 1953 because of smog, do you think there is any hope of changing public attitudes without conducting policy changes that are really radical and painful, increasing insurance premiums and taxes and so on? Mr Lee: To make this shift towards sustainability all of these things will need to happen so it is about regulation, it is about taxes and financial instruments, it is about information, but it is also about consumer choice. It is easy to paint too bleak a picture of this. If people are given choice and choice was made easy, very often people will make these choices themselves. If you ask someone to pay twice as much for an environmentally or ethically traded product it is difficult for them to do it. If you ask somebody to use sustainability as a criteria for buying a home but there are no products available on the market, they are not going to do it. In this sense the congestion charging model is a good one because it has been tested and a lot of the rhetoric surrounding it has changed because it has been tested on the ground and it may be possible to roll out projects like that. It has to be all of those things together. There is talk about a state of denial, people just do not want to know, and I think it is because the issue is presented as so all-encompassing and so difficult to change that they feel disempowered. They just think, “There is nothing I can do,” whereas in fact there are a lot of practical things. We did research called Action at Home when we did a lot of work with households—a few years ago now—and what we found is firstly people are prepared to make changes themselves but overwhelmingly what they were saying to us was that choice was not offered to them. Public transport is not available to get out of the car. The waste recycling facilities are not available from this local authority. These things have to move together. I do not think there is an issue about educating the public more or shouting louder.

Q36 Mr Wright: Just a couple of brief questions on indicators, again returning to that point. You have agreed that the current indicators do not fully reflect the degree to which we live unsustainably at the moment. You have talked about a number of possible alternatives. You have already mentioned today the ecological footprint, the green GDP and social indicators. What specific measures would you want to see used in this debate and is there some kind of all-encompassing aggregate measure that we could use that would be simple for the public to understand, particularly in light of Mr Flynn’s line of questioning which is making it understandable for Joe and Josephine Public?

Mr Lee: I think we need a basket of indicators and they have got to be aggregates. I know there is a lot of controversy in government about putting more aggregate indicators together. I find this very bizarre when we found most of our macroeconomic policy on GDP which is an aggregate indicator. GDP exists, it is well-known, it does a certain job well measuring the flows in the economy. That is fine. I would put alongside it a global measure of pressure on resources which is what the ecological footprint is. That happens to be our favourite way of doing that. I would put it alongside biodiversity and I would put it alongside some kind of compound social indicator. I know this approach has been tested in Wales by the Welsh Government and, interestingly, I think the approach they have taken is to say let us not sit here arguing forever about how precisely to get every last detail of these indicators worked through, let us get them out in the public domain and let us start saying to people, “Oh, look, this is interesting; GDP per capital is going up, footprints are going through the ceiling, skylarks are going down the tube, the social index is going the wrong way. What does this tell us? Does it feel to you, as somebody who is watching the news, as if it actually chimes a chord?” I think the problem we have at the moment is that there is growing evidence in the UK that at the same time we say GDP is growing on a relentless pathway which looks great, that does not necessarily chime with people and how people experience their own environment and their own quality of life. I would put a small number of these indicators together and start promoting them as a group. I would call it GDP Plus and put the other things alongside and say, yes, of course GDP is important, it is a very important measure, but let us look at these other things. This is telling us how much pressure we are putting on the planet. This is telling us something about quality of life. So put the other things alongside and start reporting those. I think politically that works much better because having 150 indicators or even 15 headlines, I do not know about you, but what does it mean? It is fine if you are a government department wanting to measure one thing or one or two areas where you have responsibility and maybe you have targets, that is fine, you need it. If you are a business and you want to focus on certain aspects of your business you will need those sorts of measures. But for the public and in politics I do not think those work.

Q37 Mr Wright: The connection is for people to say, “If I buy the best-rated refrigerator, if I make that step, if I recycle in my household, if I use my composting bin outside, what measure of contribution am I making, what difference am I making?” because people see this as a massive issue and they say it is very, very important and then they go away and deal with their lives in exactly the same way as they are currently dealing with them. So we need some kind of measure that says if 100 people in a neighbourhood do this, this is the impact it makes. If 1,000 people in a neighbourhood do this, this is the impact it makes on that indicator. How do we do that?

Mr Lee: That is why we like the footprint. Firstly it is graphic, you can describe it, you can draw pictures of it, people get the concept very quickly. We have tested that. They have never heard of it before you talk to them but once you talk to them they get it very quickly. The second thing is about the global limits, it gets that idea over, but also, taking up your point, it talks about apples and pears. It actually says there are lots of different things you do in your life but collectively what do they add up to? You can set yourself a challenge. Maybe you can get the footprint down a bit next year.
Maybe you turn that into a more positive way of doing that. It will work for business. You can talk there about shareholder value and the bottom line going up and footprint going down. So it does allow you to compare different things using a standard methodology which is transparent, and which we believe is robust, and which is being set up as a set of international standards now as well, so that is one way of doing that.

Chairman: A final question, I am afraid, from Simon Thomas.

Q38 Mr Thomas: Is there not a huge contradiction in what we have been discussing in the two sessions that you have been present for in the idea that we can have consumer choice actually helping us get out of the mess that consumerism has got us into in the first place? With reference to BedZED you said that so much depended on co-operation and coming together and yet later on you said consumer choice can give the choice to the consumer and they lead the way to sustainability. Let us be honest that does not seem to be the way consumers choose, or vote for that matter either. As a final add-on to that you talk a little bit about a social indicator. If we did an indicator of GDP and an indicator of the number of people on anti-depressants they would go hand-in-hand, would they not? How can we get over to people that the quality of life that you talk about in your definition of sustainability, is not being addressed in the present way we are running our consumerist society? How can we do that if we can only use the tools of the consumerist society? That is the bind we are in, is it not?

Mr Lee: Can I answer the other way round because I will remember it that way. On the social one I am not well-placed to talk about social indicators. What I understand is there have been serious attempts to put together things like an ISEW as a social indicator which links your depression point to the GDP, so there are other organisations well-placed to do that and we would like to work with them and put them alongside. On the consumer point, yes, it is a paradox but it just seems to me that we have worked on sustainable development education for 15–20 years, for example, and we have had a fantastic experience with individual schools and some evidence of mainstreaming of that policy, but those children are in an environment which is shaped by consumerist values and I think we have to start working with the marketers. I spoke recently with someone who is just retiring from Unilever who is very animated about doing this. If you look at how marketing as a profession has developed and how sophisticated it is now in helping to create desires and shape demand, if we apply some of that brainpower to these issues I think we could go a long way.

Q39 Mr Thomas: Making sustainability a consumer product?

Mr Lee: Part of it is about that. Part of it is providing easy ways in which people can make a choice which feels good, it is better for the planet but you do not need to make a big issue about getting it because it is a good product otherwise. There have been a lot of studies on this. The brand has to be strong anyway, the product has to be strong. The fact it has got environmental credentials is almost an add-on but people go for it. If you look at what some businesses are starting to do in terms of moving away from providing goods and towards providing services, I think there are some market opportunities in this to say to people, “Actually you want mobility, actually you want cleanliness, actually you want these different things, and that is what you want in your life. We can give you that without so much stuff. It is a huge challenge.” I am not under-estimating it at all but I do think again with this strategy review we have got to get into advertising and marketing because these things drive so much of how people value things.

Q40 Mr Thomas: Is it government’s job to do this?

Mr Lee: I do not think it is government’s alone. I think government needs to lead with the progressives. In many sectors some businesses are trying to do this sort of thing and there are others who have got their heads in the sand and government should work with the leaders. Certainly as NGOs we have to play a part in talking to our members and trying out mechanisms for change.

Chairman: Joan Walley has an even more final question!

Q41 Joan Walley: I was just intrigued by in your evidence you said: “Downing Street has added weight behind the arguments against sustainability considerations.” If you were an adviser in Downing Street what would your advice be?

Mr Lee: My advice would be there is a real opportunity to show leadership on the environment, and that if you actually look at what people are saying in opinion polls there is evidence that people care about this and people are prepared to make choices. I really think that leadership does have to come from the top. I think I saw that with Johannesburg and the World Summit and we have seen it mentioned earlier with the Chemicals Regulation. If that rhetoric and leadership is not coming consistently from the top it is very difficult, with the best will in the world, for each department to be able to tackle these issues because so much of what is needed is about integrated action across government. The Prime Minister gets it in terms of climate change and we are starting to see strong rhetoric there and there are big opportunities coming up with the G8 next year. We are seeing so many opportunities in terms of modernising businesses and innovations in terms of tackling quality of life issues and helping improve environmental policies. I believe—I would not be in my job otherwise—that there really is a market to go for there, a message for the electorate.

Chairman: Thank you very much indeed for that helpful session and we are grateful to you for coming again to the Committee because you are not a first time visitor. Thank you very much.
Supplementary memorandum from WWF

Response to specific questions from the Environmental Audit Committee following WWF’S Oral Evidence Session, 26 May 2004

1. Do you think the UK Sustainable Development Strategy should simply provide an overarching statement of aims and principles, or should it drive progress more actively?

If the latter, would you welcome the inclusion of specific topic areas (eg waste, energy) and associated targets?

What implications would such a focus on specific areas have for other topic-specific strategies (eg the waste strategy) and for the strategies of devolved administrations?

Do you have any specific suggestions for ways to reduce plan proliferation and ensure consistency across different strategies?

The SD strategy should not simply duplicate areas of existing policy such as those on climate change, waste etc. Rather it should be a lens through which all aspects of Government policy are viewed, applying a series of tests and principles to them to assess the extent to which they make an overall contribution to sustainability. References to specific examples drawn from different policy areas would be useful, but only to illustrate more general points of principle. This will also avoid the risk of plan proliferation.

For example, an effective SD Strategy should apply a framework through which to view many aspects of Health Policy, moving beyond the treatment of sickness to the root causes of ill health in environmental and social factors. It should also view the NHS as a machine whose operation can be transformed so as to reduce its ecological footprint. (See “Reaping the Health Dividend” by the King’s Fund)

2. Do you think that changing the way sustainable development is defined in the Strategy (in terms of overall definition, key objectives, and principles) would make the slightest difference in practice to the way Government departments implement policies?

The definition DOES matter (see our written evidence). WWF believes strongly that it must start from the two realities of environmental limits and the pursuit of quality of life. It is the ability better to define, measure and move simultaneously towards these two which should define sustainable development. It is the inclusion of the third, economic, leg as an end in itself rather than as one of the means by which the other two can be achieved which confuses the issue. This is further exacerbated by the way time and again the pursuit of GDP growth is allowed to overrule the other two objectives.

3. In your oral evidence (Q32-33), you refer to a downsizing in the size of the environment team within DFID, and you agreed to provide the figures.

Two DFID/UK Government White Papers made commitments to mainstream environment in Development Policy.

The previous Environmental Policy Department in DFID with a large budget was dissolved eighteen months ago (in fact following WSSD and the paper produced and promoted at WSSD, with EC, WB and others, on environmental management and poverty reduction). Now there are two teams working on environment/sd in the cross matrix management structure within the policy team but no real budget. (WWF does not have details of the actual budget amounts but presumably the EAC have access to that info if required).

A new role of Chief Environmental Advisor was advertised in the national press a year ago and was lauded by DFID as showing their commitment to environment within development. Within six months of appointing the person, the post was downgraded to Head of Profession—ie no longer a strategic role with access to Ministers.

Now a strong pressure to reduce numbers of advisors within country offices and it is likely that environment will be first to go. From WWF UK observations, this is played out in the fact that there used to be a full time environmental advisor for Southern and Central Africa plus various contracts for environmental advisors for the region. Now there is only a half time post for Southern and Central Africa and whereas before, for example, there was environmental advice for Mozambique, this resource no longer exists.

Clearly, Africa is a continent where the large majority of the rural poor depend heavily on environmental resources and where development opportunities depend on sustainable development of environment from fisheries to forests to agriculture, as well as impacts on health and livelihoods. Therefore it is not a good signal in terms of ensuring that environmental sustainability is enshrined in country programmes.
Furthermore the European Department within DFID does not have any environmental advisor, even though there is a legal obligation within the EU Cotonou Agreement to take into account environment and natural resource management. DFID puts a large proportion of its funding through the EU and the European Development Fund.

We would like to refer the Committee to the enquiry they published in November 2003 on Greening Government which did not give high points to DFID in terms of environment—they were not bottom of the class but certainly needed improvement.

4. You refer to a body of evidence relating to the progression from a three-planet level of consumption down to a one-planet level (Q28). Could you set out which key reports and studies you were referring to—particularly in respect of the step change involved in progressing from a two-planet level to a one-planet level.

Please see the attached document which shows WWF’s One Planet Living in the Thames Gateway Report, which covers all the areas.\(^\text{10}\)

June 2004

\(^\text{10}\) Not printed here. Please see http://www.wwf-uk.org/filelibrary/pdf/thamesgateway.pdf
Friends of the Earth welcomes this opportunity to respond to the Committee’s inquiry. Our response focuses on the headline questions posed by the Committee.

1. Progress since 1999

Friends of the Earth have always viewed the development of a Sustainable Development Strategy (and the supporting tools and structures) as being absolutely necessary (if not sufficient) to achieving sustainable development in the UK and abroad.

Since 1993 Friends of the Earth has actively contributed to the debate on what would constitute an effective sustainable development strategy; in particular promoting the core concepts of equity and environmental limits as an overarching rationale for policy and target setting; which necessitates a reframing of economic policy.

We believe that each successive strategy has been a marked improvement on the previous version, both in terms of the content, and the mechanisms to implement and monitor progress across Government. The accompanying reporting on sustainability indicators has also been a major step forward—the UK is ahead of other nations in this respect.

In our view there are however three major obstacles to the sustainable development strategy delivering its stated aim of “a better quality of life for everyone, now and for generations to come”. Tackling these should be the priorities for the strategy’s revision.

First, the strategy, and indeed Government as a whole, treats the economic growth objective as its overriding priority. This often has major conflicts with the environmental and social objectives, and must be addressed. We return to this issue in section 2.

Second, the environmental and social objectives are narrowly or weakly defined. Environmental limits—such as climate change—are not seen as an absolute constraint, but instead something which can be traded off against other objectives. There is also very little definition of what the Government means by or will do about the third objective: “prudent use of natural resources”. There has been considerable progress on the social objectives, but the focus is primarily on social objectives in the UK. Our impacts on people in other countries (for example through the UK’s large ecological footprint), and people in other generations (for example from the release of persistent bio-accumulative chemicals) are currently accorded less weight in the social objective. Mechanisms such as “per capita equity” in the climate debate should be used to address these international and intergenerational social concerns.

Third, delivery of the strategy is severely hampered by its location within Government. Sustainable Development is an overarching objective, requiring the active participation of all Government departments. It needs to be delivered from the centre. This is not a criticism of DEFRA—it would be equally inappropriate for the strategy to sit in DfT, or DoH, or the Home Office. The strategy should be delivered from the Cabinet Office. We return to this issue in section 4.

2. Defining Sustainable Development

The definition of sustainable development in the Strategy is critical, because it should provide the context for all Government policies.

The Government’s use of four key objectives has provided enough room for interpretation to allow wide political support. However, the main problem which has arisen is that it fails to recognise or analyse the relationships and interdependencies between these objectives. Too often, measures or policies are justified because they deliver on one objective, without regard to the effects on the other objectives. There is a focus on “balancing” or “trading-off” of objectives, when instead the aim should be to meet these objectives together.

This ambiguity has allowed for progress to be made in familiarising some areas of Government policy with the need to improve, by accounting for each of the three basic elements of sustainable development. But if the Sustainable Development Strategy is to make a meaningful contribution in the next decade and...
2.1 ECONOMIC ISSUES

This is all the more important because evidence from key areas of policy making demonstrates that the Government already regards conventional economic growth as its primary objective with social and environmental justice playing beneath this. We wholeheartedly agree with the Sustainable Development Commission’s description of the current situation and the shift required to achieve sustainable development:

“We see a society and a Government whose primary objective is still the achievement of economic growth as conventionally understood and measured, with as much social justice and environmental protection as can be reconciled with that central goal. We envisage a society whose primary goal should be the wellbeing of society itself and of the planetary resources and environment that sustains us all, with economic objectives shaped to support that central goal rather than the other way around.”

The logic of this shift is to recognise that the economy is one of the key means to achieve the goal of social wellbeing and that it must operate in a way that protects the environment upon which we and future generations depend.

Elevating this “means-to-an-end” to a standing well above the overall end itself and the real-world limits it has to operate within has had perverse and disastrous consequences. Aiming for simply more, not better, economic growth has:

— powered the burning of fossil-fuels at a scale that has brought the environmental limits of the planet within touching distance and made real the threat of dangerous climatic change;
— stimulated the development of chemicals, materials and organisms that are toxic, bioaccumulative and threaten human health and living systems both in the short and long term;
— driven the irreversible destruction of habitats around the world resulting in the loss of biodiversity on a catastrophic scale;
— widened inequalities between rich and poor between and within nations, and between regions in the UK;
— and—according to the New Economics Foundation’s recent publication “Chasing progress”—failed to increase the happiness of people.

In defining sustainable development to underpin a strategy that will actually deliver the transformations required by these urgent challenges the Government must recognise that the elements it currently lists as objectives are in essence an overarching goal (“social progress which recognises the needs of everyone”), a real-world framework based on environmental limits within which to achieve this goal (“effective protection of the environment” and “prudent use of natural resources”) and a powerful method for achieving it (economic activity).

Under this definition dynamic economic activity remains central to achieving sustainable development but critically it has to become more effective by focusing on delivering its goal—the wellbeing of society—and by avoiding damaging the resources and environment upon which society and the economy itself depend. In short, for significant progress to be made toward sustainable development economic policy has to be firstly about quality and secondly about quantity. At present it is about quantity full-stop.

The 1999 strategy contained good rhetoric from the Prime Minster on this point: “But focusing solely on economic growth risks ignoring the impact—both good and bad—on people and on the environment. Had we taken account of these links in our decision making, we might have reduced or avoided costs such as contaminated land or social exclusion. Now, as we approach the next century, there is a growing realisation that real progress cannot be measured by money alone . . . We must ensure that economic growth contributes to our quality of life, rather than degrading it”. This approach has also been endorsed within the strategy: “The quality of growth matters, as well as the quantity. Some forms of growth are more sustainable than others”. However, in practice there is no strategy for quality growth—quantity still remains the priority.

Below are four examples of how at present the Government’s interpretation of the relationship between society, environment and economy plays out on the ground.

AVIATION

The December 2003 Aviation White Paper is a clear example of how the Government trades off environmental and social concerns for economic growth, rather than promoting economic activity which meets environmental and social goals. In particular:

— it predicts its policies will lead to a tripling of aviation’s carbon emissions, in the context of a 60% reduction target for the country as a whole;
it suggests that price signals could be used to tackle aviation’s carbon emissions through economic instruments. However, the models it uses to forecast demand assume that there is no effect of such instruments on price and therefore demand. The need for increased capacity is based on demand forecasts that assume a 1% annual fall in prices when merely keeping prices constant removes the need for any additional capacity (and also does not price people off the airlines);

— it asserts that “not providing that additional capacity would significantly damage the economy and national prosperity” when passenger numbers can increase 60% without additional capacity;

— having made it clear that even the potential of slowing quantitative growth in this sector of the economy is not acceptable to the Government it treats the environment as a secondary concern where it will “seek to reduce and minimise” damage to the environment and communities.

We agree with the Environmental Audit Committee that the increases in emissions predicted from this approach of placing quantitative economic growth as the prime objective is likely to render the Government’s carbon reduction target “unachievable”. We also note that on economic instruments on the one hand the Government commits itself to externalising the substantial external costs of aviation and on the other hand failed at Budget 2004 to use the one current tax measure at its disposal to make progress on this (Air Passenger Duty) despite record passenger numbers passing through BAA’s seven UK airports in the year up to March 2004.

TRANSPORT SPENDING

Currently, large revenue streams are diverted into road building, in a relatively futile, environmentally damaging and socially regressive attempt to tackle congestion. The 2004 spending review and the review of the Transport 10 year plan offers an opportunity to realign transport priorities so they meet environmental, social and economic objectives together. Friends of the Earth and 30 environment and social justice groups are advocating the Way to Go Manifesto—13 policies to transform UK transport policy. The Way to Go Manifesto advocates that transport funding should prioritise providing decent alternatives to motoring, by promoting safer streets for walking and cycling and providing quality public transport. This would meet three Government objectives together—it will reduce environmental impact, it will reduce social exclusion (by providing decent alternatives for the 28% of households who do not have access to a car) and it will reduce the need to travel. These measures are also financially progressive, unlike current transport spending (see figure 1 and 2).

These policies would also help to meet nine different Public Service Agreement Targets—across Government (DEFRA, DfT, DTI, Home Office, DoH). They would also be good for the economy—in many instances better for the economy than road building (for example public transport investment creates more jobs per pound than investment in road infrastructure).

Figure 1—Who benefits from Way to Go spending increases

The proposed measures for funding are also progressive: as Figure 2 shows, 7% would come from the poorest households, 37% from the richest.
Economic policies designed to meet environmental and social goals together are better at meeting the Government’s 4 sustainable development objectives together. This is a more effective approach than pursuing economic growth first and hoping that the revenues created can offset the gross environmental and social damage caused—the central theme running through the last 20 years of transport policy.

**Science Policy and the Case of GM Crops**

Science and innovation is identified by the Government as an important method of increasing the quantity of economic growth but it has also proved to be a double-edged sword for the environment and society. The Wellcome Trust, for example, found that only 43% of the public thought the benefits of science are greater than any harmful effects. Innovation trajectories that have powered the phenomenal growth in fossil fuel burning, the spread of chemically intensive farming systems, the widespread use of toxic chemicals and development of nuclear power have all resulted in clear and significant negative impacts upon the environment and society. Redressing these will require, amongst other things, strong on-going economic and industrial policies and fundamental technological transformations that radically alter production and consumption.

Yet the Government in both its policy initiatives and its treatment of particular technologies clearly sees the prime objective of science and innovation is to drive quantitative economic growth. Although it accepts that public involvement with science is required it presents this as being about smoothing the progress of all science and innovation rather than the public being able to both more clearly identify which innovation trajectories are most likely to enhance the wellbeing of society and adequately assess the risks and uncertainties to society and the environment. It characterises society’s involvement with science as having the potential to “inhibit the future development of science and innovation in the UK to the detriment of public services and the economy”.

One clear message from the public debate about GM foods was that people not only had serious concerns over the risks and uncertainties involved both human health, biodiversity and living systems, they also seriously questioned the public benefit of the application of this area of science to crops as opposed to, for example, medicine. Yet the Government has been bullish in trying to speed the progress of GM crops, even characterising those in society who correctly questioned the quality of the science supporting this technology and the assessments of uncertainty as “anti-science”.

If the Government did not regard economic growth as the primary objective for science and innovation it would not only avoid the long list of crises from BSE to GM crops but could install a precautionary approach where means that risk decisions must embrace different possible assumptions, recognise the incommensurability of many risks and acknowledge the full uncertainties at stake. In the longer run and in terms of sustainable development this would be far more efficient.

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11 Wellcome Trust, 2002. Public attitudes to science, engineering and technology in Britain. www.wellcome.ac.uk
12 HM Treasury 2004, Science and innovation: working towards a ten-year investment framework, paragraph 5.17.
INTERNATIONAL TRADE

Friends of the Earth has been at the forefront of calls for the persistent drive for trade liberalisation to stop, in order to assess whether the assertion on which it is based—that it increases the wellbeing of all people—is correct (because there is strong evidence to suggest it increases inequality, environmental destruction and environmental injustices). Once again the issue is whether this economic policy is succeeding in increasing the wellbeing of society and doing so within environmental limits.

A few years ago the UK Government was one of the main cheerleaders for new “investment” laws in the World Trade Organisation to make it more difficult for countries to screen foreign companies and prioritise protecting the environment and the poor. After a concerted NGO campaign and the collapse of the Cancun WTO talks last September (largely due to investment laws being so unpopular with developing countries) they seemed to change their mind. But this month the EU is reported to be pressing ahead with Bilateral deals with South American Countries which would effectively force them to take on the same investment rules.

Each of these cases demonstrates that defining the role of the economy in achieving sustainable development as operating within environmental limits, and with the purpose of increasing well-being, in no way underplays its importance or suggests it should be anything other than dynamic. As the European Economic and Social Committee states:13

“Sustainable development can mean further development of the market economy linking environmental, employment, competitiveness even more closely with issues of distributive justice and intergenerational justice . . . for some sectors, this will give a new boost to growth while for unsustainable activities it will mean economic decline.”

In other words sustainability is an opportunity for a different economy.

2.2 SOCIAL EQUITY ISSUES

We believe there is a need for strengthening and broadening the scope of the social objective. The strategy rightly notes that the objective should be “social progress which recognises the needs of everyone”, however we feel that there is less of a focus in the strategy on the needs of people beyond the UK, and people in future generations; there are also wide inequalities in environmental impacts and access to environmental resources even within the UK, which have only recently been recognised.

The Sustainable Development Commission’s report points out:

- In the UK inequalities between rich and poor people and between regions are increasing.
- Concentrations of combined social and environmental disadvantage continue to cause blight.
- We work longer hours and with bigger income inequalities and wage gender gaps than any other country in Europe.
- Poorer people still die younger.
- Housing for the poor is still below standard and housing is getting much more expensive for the poorest quarter of the population.
- People without access to a car have more difficulty accessing amenities but are also more exposed to damage and pollution from traffic.
- We draw in large quantities of natural resources and manufactured goods and services from other parts of the world and our footprint thereby adds to the pressures on other countries’ resources and their environment (if our patterns of consumption in the UK were repeated around the world, by 2050 we’d need an extra eight planets).
- Our policies on trade, aid and investment can have an adverse impact on the prospects for sustainability on other parts of the world.

We believe that the revision of the strategy should place a stronger emphasis on ensuring that everyone is able to live in a healthy environment, in the UK, other countries and future generations. This would mean:

- Reducing disparities in environmental impacts in the UK.
- Taking into account the impact on future generations (eg through using precaution).
- Considering the impact on people and resources across the world—in a world of limited environmental resources (to protect the rights of future generations) it will be unacceptable for the UK and other developed countries to continue to appropriate the enormously unequal share of the world’s resources we currently do. All countries should have fair shares, in order to reduce the over-consumption in the north and reduce the poverty and allow for growth in the south.
- Ensuring citizen’s rights—to get information, to participate in decisions that affect them and to have access to justice and redress.

13 Opinion of the European Economic and Social Committee on Assessing the EU Sustainable development strategy—exploratory opinion 29 April 2004 NAT/229.
We also think there is merit on working with the definition the Sustainable Development Commission suggests:

“Sustainable development involves advancing the well-being of society as a whole, remediying injustices or inequity and protecting the planetary resources and environment that sustains us all. It presents a large and urgent challenge, which should unite everyone on earth and the interests of present and future generations.”

This approach is strong for several reasons:

— It is explicit about protecting resources, ie environmental limits.
— It goes beyond a vague notion of social and is explicit about remediying injustices and inequity.
— It has a global focus.
— It has an intergenerational focus.
— It talks about wellbeing rather than a blunt notion of economic growth.

3. Organisational Structures

We believe that the strategy needs to be delivered from the Cabinet Office. Sustainable Development needs to be a core concern for all Government departments, in decisions as diverse as the WTO Ministerials, the review of the five year transport plan, the review of the climate change strategy, the spending review (all due this year), the budget, and the UK presidencies of the G8 and EU in 2005. To achieve this will require central delivery. It will not be as effective in doing this if it is in DEFRA, or indeed any Department other than in the centre.

We note that there are strong precedents for this central approach in other European countries. France, Finland, Portugal, Malta, Estonia, Latvia and Lithuania have all placed the responsibility for coordination of sustainable development directly under the Prime Minister’s office.

4. Indicators

The publication of Quality of Life Counts—the Government’s indicators strategy—and subsequent update was a major improvement and achievement. But the major area where change is needed is in the economic indicators.

The most important advance in Quality of Life Counts (QOLC) and the accompanying sustainable development strategy A Better Quality of Life (ABQOL) was the recognition that the quality of economic activity is critically important, not just the quantity.

However, QOLC then failed to reflect this thinking in its choice of indicators. In our view this is the major failing of the indicators package. This section outlines the problems this causes, and suggests changes to overcome them.

First, QOLC does not include measures of the quality of economic activity or of how well the economy meets needs. Worse, it persists in the flawed use of Gross Domestic Product (GDP) for these purposes. There is a pervasive implication that—despite statements to the contrary—the strategy treats GDP as an indicator of economic welfare. Despite the excellent words, GDP is still the first indicator in a headline set called “quality of life counts” which aims to measure quality of life.

GDP (among other failings):

— takes no account of how total welfare is distributed (yet ABQOL argues that the reason for high economic growth is “so that everyone can share in high living standards”);
— counts the erosion of environmental capital as a benefit;
— does not count large quantities of non-conventional economic activity—such as voluntary, self-help and mutual activity.

The use of GDP systematically undervalues all of these issues. However a greater problem with continuing to use GDP is that there are no tools or indicators to allow us to choose more sustainable types of growth.

The one type of measure of “quality” allowed by this continued use of GDP is a narrow measure of economic “efficiency”—this is the environmental impact per unit of GDP, or “doing more with less”. This measure is undoubtedly useful—and a programme to reduce the energy use, water use, pollution, and waste per unit of economic output from all industrial and business sectors will lead to major sustainability benefits. However, it is not the whole story. True eco-efficiency is reducing the environmental impact per unit of welfare gained, not per unit of economic output. True eco-efficiency reflects two components:

(i) choosing the most environmentally efficient means to meet needs;
(ii) ensuring minimum environmental impact per means chosen.

14 Environmental impact per unit economic output would be a true indicator of eco-efficiency only if economic output was directly equivalent to economic welfare.
So the current narrow focus of eco-efficiency means that all the options to improve welfare from a different sort of economic activity—type (i)—are foregone. One illustrations to highlight this is road transport—one of the most difficult sectors for reducing carbon dioxide emissions.

Fuel efficiency is a narrow eco-efficiency indicator, of how environmentally efficient a car or bus is at travelling a mile. But the need being met is not travel but access—and access can be influenced in many ways. Car sharing, land use planning to reduce the length or number of journeys needed, teleworking and making cycling and walking more attractive are all ways of delivering the need (access) with far less environmental resources. Reducing fuel costs per unit of access offer greater potential improvements than reducing fuel costs per mile travelled by car or bus—yet these risk being ignored with a narrow approach of “doing better with less”.

It is worth stressing that this issue is important because narrow eco-efficiencies will not be sufficient to ensure the Government’s aim of more growth while staying within global environmental limits. For example, to meet the global Intergovernmental Panel on Climate Change (IPCC) recommendation of 60% carbon dioxide (CO2) cuts by 2050, when there will be a global population of 9 billion, implies global per capita emissions of 1 tonne of CO2 or less. So assuming global fair shares in allocations will require around a ten-fold reduction in UK CO2 consumption (currently nine tonnes per capita). At 2.5% growth a year, the UK economy will have grown three-fold by 2050. This implies that a factor 27 improvement in the GDP output per unit of CO2 will be needed by 2050. Existing eco-efficiency trends—relying on greening existing economic activities—will not be sufficient to achieve such a rate of change. Different sorts of growth will be needed. Much growth is heavily environmentally and socially destructive, these types of growth should not just be made more efficient, there should be less of them.

A final problem with the continuing high profile focus on GDP with a low profile focus on the quality of growth is in the signal it gives for new developments. For example, Regional Development Agencies and their strategies all have GDP as the headline indicator—with GDP even equated in the regional section of QOLC with “vitality”—and many RDAs aim to be in the “top 10” in Europe, where “top” is determined solely by GDP per capita. These regions are in danger of all competing with each other for inward investments to boost GDP growth whatever the environmental or social impact—as witnessed by the regional airport expansion plans.

We have argued broadly that the economic section of QOLC needs major revision to reflect its analysis of the need for quality economic growth. Otherwise we do not see how the indicators can guide the Government’s to deliver economic actions and policies without damage to welfare and the environment. Initial steps should include:

- Removing GDP from the headline set, and putting it in an economy core set as a contextual indicator.
- Commissioning research and developing sectoral strategies which look into ways to meet needs with least environmental impact.
- Development of an overall resource use indicator—which should compare UK use with other countries. We advocate the Total Material Requirement indicator, and that an indicative target is also set for it—to reflect the need for reductions in overall resource impacts—“absolute decoupling”. Overall resource use can also be represented in an indicator of ecological footprint—which has the advantage of being easier to visualise than other indicators—and we support measures to develop footprint indicators. We also support the recent work on sustainable production and consumption decoupling indicators.

May 2004

Witnesses: Mr Tony Juniper, Director, Ms Claire Wilton, Senior Campaigner, Resource Use and Waste, and Mr Simon Bullock, New Economics Co-ordinator, Friends of the Earth, examined.

Q42 Chairman: Good afternoon and welcome. We are very grateful to you all for coming and thank you very much for your memorandum1, which we appreciate. As you know, we are looking at the whole question of the review of the Government’s Sustainable Development Strategy. One of the things we have been focusing on is whether the current definition of the four key objectives is basically all right and maybe needs a bit of tinkering, or whether it needs to be fundamentally revisited. In this connection, are you broadly content with the Government’s current definition of sustainable development?

Mr Juniper: Definitions are important, Chairman, and they are necessary in guiding the debate in the correct direction. However, we can perhaps spend too much time dwelling on the detail of them, rather than appreciating some of the broader principles that have to apply to any definition. As far as we are concerned, there have to be several key components which, however you write it, have to appear in the definition of sustainable development. The components which should be in the definition are about improving people’s quality of life, while respecting environmental limits, and doing that largely through economic policy. There are strong moral dimensions that must also be reflected in any definition of sustainability, regarding the future and

1 See above
the impacts that decisions we are taking now will have on generations as yet unborn. Future generations cannot speak in these kinds of meetings, so we have to take a moral view of what they will want—and we can make some guesses about that. The other part of the definition, which I think is often neglected and frequently excluded from these kinds of policy discussions, relates to public participation and recognising how pulling together economic, environmental, and social concerns raises very many choices and dilemmas. To make those choices and dilemmas acceptable to society, people must participate in decisions that relate to sustainability. To that extent, there is a very important question here about people’s rights of participation, access to justice, access to information, and rights to be involved in decisions that affect the environment, but also other aspects of sustainability. That is something which needs attention. There are opportunities, for example through the implementation of the Aarhus Convention in this country, where the Government can take steps to advance that agenda. I suppose what I am saying is that this is a wide-ranging discussion. The components are more important than the definition. However, everybody who has a credible view on this is saying that the same components are there: it is a question of how we move them to implementation.

**Mr Bullock:** Perhaps I may add a point to that about the four objectives. I think that we would see the need to reorder them in any new strategy, particularly the current focus on the economic growth objective. From our point of view, economic growth is not an end; it is a means to an end—and often not even an effective means. Growth can be both good and bad. There is currently no distinction between good growth and bad growth, and some of the growth does need to be avoided. We support the Sustainable Development Commission’s work on this. They have a good example, where they say that building growth on policies or projects that involve a lot of synergies between the environmental, economic, and social aims that we would have. Currently, if you just pursue any economic growth, you could damage your environmental and social objectives. This is the reason why we feel that the Government does need to put the social and environmental objectives first and pursue economic policies which deliver upon them.

**Mr Juniper:** Rather than the other way round.

**Q44 Chairman:** No government that I have come across so far, in Britain at any rate, is advocating building the economy on crime and pornography. **Mr Bullock:** I think that the analogy is that it is equally a problem for us to base our economy on the use of oil, coal and gas, because of the damage that they will cause to the climate on which we all depend and, in the long term, having an economy which is based on this sort of very destructive growth will be a bad policy for us all to take. It is an extreme example of the way in which poor-quality economic growth can damage the quality of life that we all depend on, as an example of how economic growth, as and of itself, should not be the prime objective of the strategy. So what we would like to see is a reordering of the four objectives, to see the social goal for people in this country, future generations, and people in other countries, to be the end goal; the environmental objectives, based round environmental limits, are the constraints in terms of the way in which we achieve that goal; and economic policy is the way that you achieve it.

**Mr Juniper:** But part of the problem is that economic growth is seen as an end in itself, rather than the means to an end. The end, we would say, in this discussion about sustainability are the environmental and social outcomes, with economic policy being the means to deliver that. At the moment, we have a separation whereby economic policy and growth in the economy are seen as a separate but overriding objective which tends to squash promotion of the other two. The other problem we have with economic growth as one of our principal measures is that we are often measuring growth in the economy which is directly related to environmental harm. For example, cleaning up oil spills, the sale of chemicals, and the activities needed to clean up the oil, count towards positive growth—even though the environment has been grossly damaged. There is a whole range of examples that fall into that kind of category, where the wrong signals are being sent.

**Q45 Chairman:** Is not the difficulty that, if you do change the economic objective to an objective about well-being for example, you cloud the whole issue? You wreck the purpose the Government had in mind when they set up the four parallel objectives, which they are trying to attain at the same time. It muddies the whole thing.

**Mr Bullock:** I think that it recognises that there are a lot of synergies between the environmental, economic and social aims that we would have. Currently, if you just pursue any economic growth, then you could damage your environmental and social objectives. This is the reason why we feel that we have to put the social and environmental objectives first and pursue economic policies which deliver upon them.

**Mr Juniper:** Rather than the other way round.

**Q46 Chairman:** More widely than that, do you think that fiddling with the words in a government document to enshrine the sorts of values which you have talked about, and which many of us here would share, makes a blind bit of difference anyway? **Mr Bullock:** An example of that would be the Aviation White Paper, where we have seen the Government defending a policy to expand the airports on the grounds that it delivers economic growth, and that this is a balanced policy because the economic gains that are purported to come from this activity are worth it for the environmental and social damage that you cause.
Q47 Chairman: We do not want to go down the aviation route particularly today but, as an example of government behaviour, is that not a particularly good one of how signing up to however many worthy aspirations in terms of sustainable development does not mean a thing when tough choices are being taken about the future of industry? The wording of any strategy is therefore pifflingly irrelevant.

Mr Bullock: I think that the question there is the location of the strategy. If you have the wording right and it was located in the correct place, with enough central government drive behind it, then it might have had an effect. One of the problems that we see with the strategy at the moment is that it is located in one department. This is not a criticism of Defra or DoH or any other department where it may be housed but, if that strategy—which is meant to be an overarching strategy for the whole of government—is not delivered from the centre, then it will not have the effect that it should have over departments like the Department for Transport.

Chairman: We are coming on to the structure of government issues in a minute.

Q48 Mr Challen: I want to ask one question about definition, which has changed over 30 years from the Brundtland definition, referring to people’s needs now and in the future, to the quality of life for everybody now and in the future. Is that not where economic growth has been allowed to creep into this debate? Moving the environment and everything else sideways, allowing governments to get off the hook in terms of sustainable development—because they can talk about the quality of life for everybody from the very top to the very bottom, and that is where the economic growth comes in and takes over?

Mr Juniper: The point you are making is that the needs aspect, transforming into quality of life, has enabled the growth agenda to dominate?

Q49 Mr Challen: Exactly.

Mr Juniper: That is possibly partly it, in terms of how the words are operated; but it is also how some of the debates have been conducted. One area where I saw the economic agenda seize complete control recently was in Johannesburg at the Earth Summit, where the free trade policies of the WTO and some countries’ wish to expand those policies and laws into investment, competition, and other areas, was being equated directly with sustainable development. The environmental and social components were being assumed to follow directly from an expansion of world trade rules. That was being backed up by our own Government, to the extent that the environmentalists were being accused of holding back the interests of poor people by talking about the environment at the Earth Summit. I think that was one of the most visible cases of where the agendas became completely lopsided and back-to-front. The idea that the economy is a means of delivering something rather than being an end in itself is where we have to locate this discussion about the definitions. We should be seeing the social, environmental and quality of life objectives as part of that agenda and as being the place we want to get to. Then the economy, and how you design economic policy, is one of the very powerful vehicles that can drive us there—including world trade policy. At the moment, however, the words have been twisted to, “Our policy is sustainable growth”. The Chancellor says this a lot.

Q50 Gregory Barker: Do you think that when the Chancellor says “sustainable growth” he actually means environmentally sustainable?

Mr Juniper: No.

Q51 Gregory Barker: Has it not been totally corrupted, so that when we keep hearing that, he is actually talking about economically sustainable?

Mr Juniper: I think that the Chancellor uses his words very carefully and the environment is rarely mentioned when he refers to sustainable growth.

Q52 Gregory Barker: He does not mean environmentally sustainable, does he?

Mr Juniper: I think that he does not.

Chairman: I think that he does not.

Q53 Gregory Barker: Growth is going to keep on growing!

Mr Juniper: Yes, that is right.

Q54 Chairman: Can we touch on the question of equity, which clearly you lay much emphasis on, both in terms of international equity but also generational equity—the possibility that we have for future generations? How do you think this can more effectively be incorporated into the strategy?

Mr Juniper: One of the things that has been disappointing since this strategy was adopted is that there is still this conceptual separation between social justice and environmental policy. This is now hopefully changing, and some of the things that we have seen government ministers and government agencies writing and reporting in recent months encourages us to think that there is a moving-together of these agendas happening. However, perhaps the approach would be to start at home and work out, in terms of making the point through policies in this country that improve the quality of life of people who are suffering social exclusion, by improving their environment and then using that as a way of building a policy platform for global action. One of the things that we think is quite limiting in the present approach is how action inside the UK is rather separated and hived-off from a global context that looks at the way in which actions here are affecting the quality of life and the opportunities for people worldwide. There are many examples we could talk about. Maybe Simon would like to touch on a couple of the things we have looked at, in terms of how the social justice equity agendas link into environmental policy in particular.

Q55 Chairman: As briefly as you can.

Mr Bullock: One very positive thing in the consultation document is in the foreword, where Margaret Beckett and others say, “We would need
three planets’ worth of resources to maintain our current level of consumption in the UK across the world”. I think that sort of analysis is very good and needs to be translated into targets and actions through the strategy, because it directly mentions the inter-generational equity point, and then the distribution of resources between nations in this generation. If the UK and western countries attempt to consume resources at the rate they currently do, then it either means that we go over global environmental limits or we are denying people in developing countries their equal right to their share of the resources they need to develop. So getting that sort of language into the foreword is very good. If it is now translated into targets which link the social element within the UK and in other countries, then that would be a very positive step forward.

Q56 Joan Walley: I am still not very clear. You have given examples but what would that mean, for example for urban regeneration policies and the delivery of urban regeneration policies, if you are going to be making that international connection?

Mr Juniper: The two are related, but to make a conceptual link between them might be too big a jump in how we present this and how you write it in a policy document. However, in terms of some of the linkages in the UK that we have identified—good places to develop policy to start making these linkages clearer and to act on them—it is, for example, in relation to chemical pollution. We mapped the worst sources of industrial pollution in this country and there is a very high correlation between the sources of worst pollution and the poorest neighbourhoods. It is almost a one-to-one relationship.

Q57 Joan Walley: But what I am getting at is, what is the implication of that for urban regeneration strategies, which the Government are currently very involved with?

Mr Bullock: It has a major implication. It crystallises the enormous challenge we will face by dealing with the inter-generational and inter-country issues. If you say that globally we need to cut carbon emissions by a half by 2050, which is about right, and then say that, to give everybody their equal right to develop, you share that resource equally between countries, that would mean that in the UK we would need a reduction in the amount of carbon we use by, roughly, a factor of nine or ten. That is a much bigger, steeper set of targets than the ones we are currently facing. The implications for urban regeneration are that, if you are wanting to redevelop areas—which is desperately urgently needed in many places—it has to be done with much lower environmental impact than currently. It is not an impossible task. The BedZED development in London shows that you can redevelop areas at very low environmental cost. I think that is why you need the overall strategic framework, to say that there is no point in building houses that will lock us into 30 years of high carbon intensity lifestyles. We have to plan and design them now, so that the regeneration we do is of a very low environmental impact.

Q58 Joan Walley: In the light of this strategy that is presently under review, where do you see the imperative for the delivery of these actions coming from—given that you have already made the criticism that just within Defra it cannot deliver? That is, the whole mechanism to deliver government policy?

Mr Juniper: A strategy should be strategic. It should be based on principles and long-term aims and, to that extent, should be located at the centre of government, with departments interpreting the strategy and the aims in a way which makes best sense for their brief. That would include not giving the go-ahead for massive airport expansion or for spending money on roads, when in fact people who are suffering most transport exclusion do not own cars and will not benefit from roads. It is really a question of embedding the equity principles at the strategic level and then making sure that cascades through decisions taken across government. In terms of the equity idea, at Friends of the Earth we try to encapsulate this in the idea of ecological space. It is essentially an analysis based upon the total global capacity to provide a sink for greenhouse gases; to provide timber, soils, whatever else we are talking about; and then to calculate what there is available, on a roughly fair basis, globally. That gives you your policy targets for action at home, in terms of greenhouse gas reductions, materials consumption, resource efficiency, and so on. That needs to be a very strategic analysis, which is then passed across government departments for delivery. That is not happening right now and goes back to a different question, which we will talk about later on. It is a question of principle. Are we developing our sustainable development policy on the basis of equity or not? If it is not on the basis of equity, then we would say that it is not a genuine sustainable development policy or strategy.

Q59 Chairman: What you have just been talking about there—the ecological limit to our activities—how well defined is that? Global warming is fairly well defined. In terms of biodiversity, how well advanced is the science, the knowledge, about ecological limits?

Mr Juniper: Various organisations, including our own, have done various calculations to work out what would be a rough estimate. Not surprisingly, in this country we are way over most of what look like ballpark figures for pretty much all resources, ranging from metals, to imported food, to timber, and to the release of greenhouse gases.

Ms Wilton: There are various tools you can use to illustrate the impact that our consumption has on the earth. Sometimes, talking about a kind of per capita consumption and how much is our fair share is a bit more powerful in terms of driving change than trying to prove where the environmental limits are—because, as you say, it is quite well established on climate change but in other areas there is a lot of research going on, and it is not yet so well established. Footprint is one of those tools that can be very useful in communicating to people the impact of their consumption and how big an area it
takes up to sustain the kinds of lifestyles that we are living, particularly in the West. Equally, Friends of the Earth approach towards environmental space is a similar thing. What we are recommending, in the absence of the detailed proof about where the environmental limits lie at the moment, is to look at our per capita consumption and to say that, given that the world’s population is expanding and that we will not want to hold back development of developing countries, we will have to cut down the amount of resources that we are using. That environmental space target, or looking at a footprint in a different way, is the lever that we use to set policy targets for reductions. We can do that now, while we are waiting for better scientific evidence that shows us how close we are to exceeding some of those environmental limits, particularly on issues like biodiversity.

**Q60 Chairman:** Who is doing the science on this?

**Mr Juniper:** We have done some. IIED² did some. Who else has done some?

**Mr Bullock:** The World Wildlife Fund.

**Mr Juniper:** They have done their Living Planet Index, which is very good.

**Mr Bullock:** There is an organisation in America called Redefining Progress, which is the leading body on ecological footprinting.

**Mr Juniper:** Bioregional Group do some, do they not?

**Ms Wilton:** The Wuppertal Institute is also looking at impact.

**Chairman:** That’s enough science!

**Q61 Mr Challen:** In your memorandum you highlight several areas in which you do not think that the strategy is having enough impact. Are there any where you feel that it has had a positive impact?

**Mr Bullock:** I think that the indicator set has been a very useful exercise and a very positive thing that the Government have done. It is probably the leading country in the world on developing these indicators. They are not just for their own sake, when they get some media coverage, but they are and have been drivers for some change. They are linked to the Public Service Agreements for some departments, and we think that they are a good launching pad for bringing the issue of sustainable development to public and policymakers’ attention.

**Q62 Mr Challen:** Could you highlight any particular departments or PSAs that have struck you as having been particularly beneficial in that way?

**Mr Bullock:** The Department of Trade and Industry put in place a sustainable development strategy which was very good. That has led to the work on sustainable production and consumption, which has also been a major step forward. I think that has therefore been a very positive step. Defra has done some good work as well. The Treasury did some good ecological tax work a few years ago. However, as I think we said in our last evidence session, we felt that had stalled somewhat since then.

**Ms Wilton:** We have started to see some progress on sustainable consumption and production, which was a missing piece from the last sustainable development strategy. So that is very encouraging. Watching where that goes will be a particularly useful thing.

**Q63 Mr Challen:** Do you think that we need an overarching strategy—something that seems to be all-encompassing and universal—or would it be better to focus more tightly on key, specific environmental objectives, and drive those forward? Perhaps if you had an overarching strategy, it would sit on a shelf more than it should.

**Mr Juniper:** We would say that the strategy is essential and it is really a question of how much bearing it has on policy decisions. To take a random selection of environmental targets, even if they are good ones, probably would not be sensible, because they would be out of context. Inevitably, when environmental aims are being pursued through policymaking or decisions, there are always choices. If there is no context in terms of a social and economic background for why those environmental policies are presented as they are, then we are likely not to achieve the environmental targets. Experience shows us this. So we do need a strategic place within which we can take environmental decisions, which is beyond simply an environmental context and does need to be something which is centrally owned at the highest level within government. Yes, you are right: there are many strategies that do not go anywhere. I do not think that is because they are not good strategies; it is because people did not own them and did not see them as the thing they were really working to.

**Q64 Mr Challen:** Do you think that some departments—for example, I might mention the MoD as a possibility, and only as a possibility—do not have this sense of ownership yet about an environmental strategy?

**Mr Juniper:** No. They have got some old ships though, that might compel them one day to look at the wider issues linked to disposal of old MoD property. Yes, it is true. Some departments historically have not had a very strong environmental component to their work, for different reasons. With the MoD, they have had major conservation programmes on some of the land they have.

**Q65 Mr Challen:** I think of them in particular because they seem to be a main obstacle in preventing wind farms being developed all over the place, on land and at sea; whereas in Germany the defence ministry does not seem to be a problem. That is why I ask the question.

**Mr Juniper:** Yes, it underlines the ownership of the strategy being essential for its effective delivery, and it needs to come from the highest level within government. That is something that needs to be debated, in terms of where is the best place in the bureaucracy for it to sit; but it needs to be owned at the very top and to be something that, as a result, all

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² International Institute for Environment and Development.
departments take notice of when they are making decisions. And it is evidently not happening. That is another example, yes—the wind farm development. The other one that we think is a very strong illustration, and which Simon has already mentioned, is the Aviation White Paper.

**Q66 Mr Challen:** We obviously have the UK strategy. We have particular topic strategies dealing with, for example, climate change and so on. Devolved administrations have strategies, as do regional government offices, and so on. No doubt, if we have RDAs, they will have their strategies too. Do you think that there is a surfeit of strategies, or that these are being linked up in any coherent way?

**Mr Juniper:** I do not think that we would say it is a surfeit of strategies, as long as they are coherent and going in the same direction, and not working against each other. It is also an opportunity right now, in terms of regional delivery of sustainability, to be looking, for example, at how regional assemblies might be given duties to advance sustainable development, as the legislation establishing the Welsh Assembly did. Delivering sustainability at all levels is obviously something that has to flow from this strategic review. Whatever level of delivery makes most sense for different kinds of action has to be available for different bodies and institutions. That is happening right now. I do not know if Claire has any reflections on the RDAs, in terms of how it is working at the regional level right now. However, we have been pleased to see that this debate is getting out of central government and into different layers. As long as it is going in the same broad direction, that will help us rather than hinder us, we would judge.

**Ms Wilton:** What would assist even more is to even out the mismatch between the amount of attention that the different bodies have to pay to sustainable development. As Tony mentioned, there is a duty on the Assembly in Wales to promote sustainable development, and the RDAs also have this duty; but the non-elected regional assemblies at the moment do not. There was a proposal to give the duty to the assemblies when they become elected. I think that is resulting in different approaches to sustainable development. Some of the things are quite creative. Seeing each region start work on something like its own footprint study, as the South East did, is very useful and illustrates the impact the South East is having. However, quite often it is not being followed through into policy. So there are not any specific policy changes in the South East region that have been identified for the RDA or the assembly to take forward, as a result of the work they have done to look at their environmental impact. Tightening up those areas and removing some of those mismatches, therefore, will mean that there is a strategy which flows from the top, through the devolved assemblies, down to the regional level, and then perhaps down to local level—where some cities are already doing their own analyses regarding their sustainability.

**Q67 Mr Challen:** Without a huge electoral backlash, do you think that the Government could be more radical? Can you think of one area where it could be much more radical, without perhaps a response from the electorate—who tend to be a little unhappy about fuel price increases and things of that sort?

**Mr Bullock:** One example related to fuel prices is that the Government have an opportunity, in the upcoming spending review and the review of the Transport Ten-Year Plan, to put in place some decent alternatives to people travelling by car. It is almost inevitable that there will be a backlash against fuel price rises if the alternatives to going by car are inadequate—and for walking, cycling, and public transport they are. There are an awful lot of cost-effective measures you could put in place—safer routes to school, cycling routes, bus priority lanes—which would not cost a lot of money and would be very popular. If the Government chose to do that, then I think it would make their battles on things like fuel prices much easier to win.

**Q68 Gregory Barker:** To what extent do you think that all these strategies in different tiers of government are a way of bureaucracy placating the various interest groups or the electorate by presenting, in the best possible light and the fashionable language of the day, the easy things that they can do and, in a way, persuade the electorate and interest groups that they are taking these things seriously? To what extent are strategies, by the Government marketing back to the electorate, masking the things that we are not tackling?

**Ms Wilton:** They can be used in that way. However, there are enough people in local communities who are very alert to the fact that they can be used in that way. Once the strategy is written, it can be very effective for residents to use that to push for the kind of change they want to see. For example, if you have a local authority following a waste strategy which does not seem to be working on the lines of sustainable development, and yet they have a sustainable development strategy, then there is something they can wave in front of them to say, “This doesn’t match up with the principles that you have staked yourself to”. Again, tightening up the responsibility not just to write a strategy but to monitor it and to report on it—which you clearly do if you have a duty to promote sustainable development—will take away some of the risk that strategy can be empty air.

**Q69 Gregory Barker:** There is quite a big difference, is there not? Given that the issues we are talking about have a very long time lag in many cases, and politicians have a relatively short-term timeline, typically four years’ maximum, it is very easy to say, “Let’s have a strategy, then that looks like we are doing something”—and then forget about the delivery element.

**Mr Juniper:** The strategy is one thing, but if it does not lead to action then, you are right, it potentially is redundant and may be used as a public relations tool. But I do not think that there is any alternative
we have yet seen, in terms of how we can set a long-term view for subjects like sustainability, in the context of the short electoral cycle we have in our democracy.

Q70 Gregory Barker: If you have a blizzard of strategies—getting back to the Chairman’s point on whether there are too many—if you have a list of them, you cannot see them through. If you have one or two, very clearly and neatly defined, it becomes much more difficult to dodge.

Mr Juniper: The point would be that they have to work at the right level. If they are confusing and overlapping in a way which is not creating clarity, then we have a problem. At the moment, however, I do not see a major problem in terms of how we are conducting our work and pressing our advocacy for sustainability—in terms of the documents that are available for us to reference back to as statements of government intent. I do not get the feeling that we feel there is too much. What there is a lack of is legislation and real follow-through, in specific ways that make the strategy stick. That is the thing that is lacking, and something that will probably always be the case.

Q71 Chairman: Will it be the case because that type of legislation would end up being incredibly unpopular? I notice that you quote with approval a statement from the Sustainable Development Commission’s report—and maybe we will talk to Mr Porritt about this later. “We envisage a society whose primary goal should be the well-being of society itself and of the planetary resources and environment that sustains us all, with economic objectives shaped to support that central goal rather than the other way round.” I sometimes wonder whether any of this is attainable within the context of our current democratic system.

Mr Juniper: Yes, it is. Our reaction to that would be that all governments have to do unpopular things, and they probably can do a certain number of unpopular things before the unpopularity becomes a problem for them. I think that the question is, which things do they choose to be unpopular about? What level of priority is attached to sustainable development is the thing on which they really wish to show leadership and about which they wish to persuade people. Government is surely more than simply doing what is popular. There is an element there of persuasion and taking people to the next stage in their understanding of big questions. In that respect, it was very disappointing, during the fuel tax protests of 2000, not to see the Chancellor or the Prime Minister making the environmental case for that particular policy instrument. Instead, they presented their case for it simply as a means of raising revenue. That was the message which came back to the public from what was said, by people whom we would have hoped would have more robustly defended something that had proved to be unpopular but which was not being defended in a way which might have improved its popularity—especially had it been seen, as Simon suggested, as the means of creating resources to do something that would be popular, namely alternatives to the use of the car. There are win-wins to be had here and they can be presented back to people in a popular way. It needs some imagination and some creativity but, most of all, it needs some leadership and decisions being taken at the highest level about what is important.

Q72 Joan Walley: That brings us back to the present Sustainable Development Strategy review. I am interested in what you said just now about leadership. How do you see education for sustainable development fitting into that? Where do you see education for sustainable development fitting into the review, with the process coming out of it—in the context of what you have just said about the opportunities missed and getting an informed, educative position across?

Mr Juniper: Are you thinking about education in the broader sense or are you thinking about—

Q73 Joan Walley: Every sense.

Mr Juniper: It does not receive the attention it needs. These issues are complicated and they need a very careful and well resourced communications programme to get it across in any way which will make a difference to public opinion on a large scale. That has not really happened. In the years that sustainable development has been high-profile discussion in these kinds of circles, I have only seen one major publicity campaign from government, namely the “Do your bit” campaign, which I think was about half the cost of a tank.

Q74 Chairman: Rather less fire power!

Mr Juniper: Yes, you noticed it less!

Q75 Joan Walley: Turning it round from the Government doing an information campaign to the Government being presented with real issues, like the fuel campaign, like what policy it should adopt on aviation—which could well be enormously unpopular in the short-term with the public—what would your advice be, in the course of this review, to the opportunities that the Government could have to put across a very strong message in terms of the long-term issues that we are dealing with here?

Mr Juniper: We could repeat endlessly the points that we and others have made during the course of this review. It is about making the point that there are some major global issues that need to be dealt with and they require some actions to deal with them that may be uncomfortable in the short-term. At the same time, however, there are wins that can be gained down the road—in some cases quite quickly.

Q76 Joan Walley: What should the Chancellor actually say in respect of the fuel?

Mr Juniper: I have not heard him say “global warming... climate change... greenhouse gas emissions” once during this discussion. I have heard the price of oil talked about, which is a different environmental resource constraint. However, in terms of what the policy instrument was originally conceived to do—which was to change behaviour
and improve technology in order to meet an environmental goal—that has not been part of the discussion which has occurred in recent weeks, as far as I have heard. The Chancellor and his communications people have not put the message across to the public that global warming is urgent and, the Prime Minister’s words, the “most serious long-term threat facing the planet”. That has not been put to the public in the context of the discussion now going on about fuel. The other thing in relation to the fuel price is that the resource constraint is now becoming real. Supply and demand will soon cross each other, in terms of global oil production. Surely the message has to be that efficient use in the future makes us competitive as a country? To that extent, any instrument we can use now to make that happen in the future will bring long-term benefits. I am not hearing any of this.

Q77 Joan Walley: Are you providing that information to the Chancellor?

Mr Juniper: It is government policy. He should have it already.

Mr Bullock: Friends of the Earth, the Green Alliance and the other Green groups sent a letter to the Chancellor last week, setting out these arguments. A third argument to use would be that a policy to reduce our dependence on oil would make us much less vulnerable to future oil shocks in very volatile areas—an issue that probably will not go away for a number of years—and a policy to use energy efficiency to reduce that dependence would be a very strong and useful thing for him to do.

Q78 Joan Walley: I want to move on to the whole issue of consumption. It is not something that you have touched on in the evidence you have given to us. Looking at the Johannesburg Summit outcome, what do you think should be included in the review at the moment in respect of consumption?

Ms Wilton: It was very promising to see the indicator set which came out along with the sustainable consumption and production framework earlier in the year. I think that should become a part of the Sustainable Development Strategy. It is important to get those indicators right, so that they are meaningful and that they measure something meaningful. It is relatively easy to measure flows of materials into the economy—how much are we consuming in terms of volume—but it is harder to measure the impacts that consumption is having. Work on the indicator set would therefore be very useful, if it looked at environmental impacts. We are starting to come to some conclusions about what are the most damaging ways in which we use resources in the UK economy, and how do we put measures in place to transfer that use or, better still, to reduce the use of those resources. We are doing work on consumption, although it did not figure largely in our evidence. It is because at the moment this debate is still in its infancy in the UK, and that applies to Friends of the Earth as well as to other places. However, it links back to your earlier question about education and awareness. There are a couple of ways of looking at that. One is that, where people are already starting to get the message about sustainable ways of living, it is important that the Government use that opportunity to build on that awareness and to push the behaviour which results from it. I am not sure that the Government always make the most of that opportunity. One example would be something like dealing with waste from resources. There is virtually nobody in the country who thinks that recycling is wrong. It would be very easy for the Government to do more to support recycling, and it would be a vote winner rather than a vote loser. The other way of looking at the situation is that people need to be encouraged to be aware of the global and the UK impact, but particularly the global impact, of what they consume. That is very difficult, because most people’s sphere of awareness is relatively limited and relatively local, because it is what impacts on their day-to-day life. I think that the strategy must therefore look at how to motivate them about environmental impacts in particular, but also social impacts, in order to make people change their behaviour. You can start with education and awareness, but it does not necessarily lead to behaviour change, and that is where the measures the Government can introduce come in—to build on that awareness and then to create behaviour change.

Q79 Joan Walley: It is difficult to address consumption. Are you confident that it will be adequately addressed in the review?

Ms Wilton: I have not seen enough yet to be confident. I think that the round table on sustainable consumption could be very productive. I will be very interested to see what that group of people come out with. I would be concerned that the emphasis on consumption does not drive us too far away from the emphasis on production, because I do not think that you can separate the two. There has been a lot of opinion polling and focus group research done with people which shows that an individual does not necessarily want to make the choice between something on a shelf that is green and something that is not green. Sometimes that is a very complex choice, even if there is labelling. An individual wants to be able to know that, whatever they choose, it will not damage the environment. That responsibility has to lie with producers, with retailers, and the people who dig our resources out of the ground and extract them. You therefore cannot separate consumption from production and both need to be equally addressed in this strategy.

Chairman: It does not stop them going on holidays using cheap flights, does it?

Q80 Mr Chaytor: Could I ask about the work of the Sustainable Development Commission? They are witnesses before us today. What has their contribution been? And perhaps a word or two about the structures of government generally. Do you think that we have the right structures for the driving forward of the strategy?

Mr Juniper: On the Commission, we very much welcomed the work that it has done, both in terms of the detailed, more technical analysis it has done in different sectors, but also some of the more strategic
The comments it has made, for example about the role of economic policy in delivering sustainability. So we think that it is doing an extremely good job, and it should have the resources and space to be able to continue to do that. In terms of the structures of government, we made the broad comment earlier that anything that seems to be a sustainable development strategy needs to be at the centre of government rather than in the periphery, in one department.

Q81 Mr Chaytor: Does that mean in the Cabinet Office or in the Treasury?
Mr Juniper: Treasury is obviously the place with the power, but again the single-department problem emerging probably applies there as it would to Defra. So probably somewhere where there is a strategic view across government rather than a particular departmental perspective. I do not know where that would best be. At the moment, I think that the Cabinet Office sounds like the place where people should look.

Q82 Gregory Barker: I want to go back and ask you a question about the oil price. Do you have a view on whether a high oil price is good or whether a low oil price is good? It is $40 now, compared to less than $10 six years ago. The higher the oil price goes, on the one hand it encourages people to consume less, but it also significantly extends the life of the oil industry. Whole swathes of the planet are now becoming available and economic to develop for oil use that could stretch for decades ahead of us. Do you have a view therefore on whether a high oil price is good or bad? The reason I am interested is because the Chancellor is obviously lobbying for a lower oil price.
Mr Juniper: Indeed. The high price evidently has led to some very important discussions taking place about the future of that particular industry and about how we rely on imported fossil energy. To that extent it has been a helpful way of catalysing some discussions about the long-term. However, I think that the life of the oil industry cannot continue in a way which would lead it to exploit all the resources in the ground. The atmosphere simply cannot absorb that level of carbon dioxide without crossing thresholds that would lead to very serious and very damaging climate change. So the price issue will not be the thing that will get us out of the fossil fuel energy sector. As you say, it will stimulate further exploration. We have seen documents—and I think that one or two Committee members have seen them—emerging from a transatlantic energy dialogue between President Bush and Prime Minister Blair that took place last year, which essentially sets out a strategy to enable British and American oil companies to work with countries to get the remaining oil and gas in the ground into use, into the economy. So there is some very worrying long-term thinking that appears to lie behind the present resource issues concerning oil and gas. The price volatility issue is helping to focus attention but probably will not, by any means, lead on its own to the development of new technologies. As you say, it will lead to people looking for profitability in exploiting reserves that remain.

Q83 Gregory Barker: What was the answer to the question?
Mr Ballock: High oil prices will mean that some reserves are more economic, but high oil prices also mean that the alternatives and efficiency will be much more attractive options.

Q84 Gregory Barker: That was the premise of the question. The question was, are you in favour of a high or low oil price?
Mr Juniper: High.

Q85 Gregory Barker: High?
Mr Juniper: We are in favour of higher prices but associated with behaviour changes and the effects that new technologies may have. It is not a gratuitous punishment against people who use oil, petrol and gas, but a matter of changing the behaviour of the users and encouraging efficient use through better technology.

Q86 Gregory Barker: So should the Chancellor be lobbying OPEC to take measures that will reduce the oil price, or should he be standing back and welcoming this? That is what I am trying to get at.
Mr Juniper: He will not welcome it, because he is a finance minister—but perhaps the environment minister should be welcoming it, as a counterpart to the—

Q87 Gregory Barker: So it is good?
Mr Juniper: Yes.
Mr Ballock: High oil prices are an opportunity for us to go down a low-carbon path.

Q88 Gregory Barker: Which outweighs the exploration element?
Mr Ballock: We should be going down other energy options anyway. If high oil prices give us the opportunity to do that, then there is a larger incentive to do it now, so that we are not caught out in five years’ time when the next major oil shock comes.

Q89 Gregory Barker: I feel that we still have not got your answer.
Mr Juniper: The point that Simon is making is that, the more we make efficiency gains and shift to new technologies now, the less likely we are to suffer economic stress as a result of a future oil shock. So the less we are reliant on large quantities of cheap oil, the better our economy will be—in a world where oil supplies are going to become less certain and probably more expensive.

Gregory Barker: I did not quite get the clear answer I was hoping for.

Q90 Mr Savidge: On the matter of the fuel tax protest, I think that bears on a very big philosophical issue.
Mr Juniper: It does.

Q91 Mr Savidge: One talks about how government has a set of principles. In fact, not just government but almost every major political party in this country has a set of principles. However, once pressure started to build up, almost every party started shifting towards the populist position. A lot of that pressure of course came from our popular media, and our popular media tend to go for the short-term effects. It tends to make a position where it is very difficult to go for sophisticated arguments to the effect that, relatively speaking, the cost of private motoring has gone down while the cost of public transport has gone up. To what extent does one have a problem there, not just for the politicians and the media but possibly for the public itself—which tends to be increasingly fickle, if asked to weigh up the short-term against the long-term?

Mr Juniper: Yes, absolutely. The recent events on the question of fuel prices make that point very well. We do have a major communications challenge—all of us who are concerned with sustainability, whether we are in the NGOs or whether we are in government, trying to defend particular policies, or whether we are in opposition, trying to advocate sustainability policies. The communications side of it is absolutely key to creating the support for changes, which in some respects can be presented as very negative. I do not know if there is any short answer to how one deals with that, but it is about coming up with clear arguments; about presenting the big picture; about investing in real communications, unlike some of the half-hearted things we have seen. We need some real money behind some strong, long-term, consistent messages being put out about questions like climate change, as the backdrop then for presenting policies that deal with it. At the moment, we have policies coming out without the context, and then they are not backed up when the backlash comes. It is not surprising that we finish up where we are now, I would say, on questions like fuel tax protests.

Q92 Chairman: Thank you very much. That has been most informative.

Mr Juniper: Before we leave, Chairman, could I say how much we have welcomed the Committee’s recent work and how valuable we have found it in stimulating discussion about issues that otherwise might not have had the scrutiny that they needed? We are therefore very pleased to be here today, contributing to what we hope will be another major contribution to these important issues.

Chairman: Thank you very much indeed.

Letter to the Chairman of the Committee from Jonathon Porritt, Chairman, Sustainable Development Commission

THE SUSTAINABLE DEVELOPMENT STRATEGY: ILLUSION OR REALITY?

I understand that the Committee is currently engaged in an inquiry into the UK Sustainable Development Strategy.

This is a subject of central importance to the Commission. As you may know, we recently completed our own review of progress made since publication of the Strategy, entitled Shows Promise. But Must Try Harder. And we are helping the Government, in a variety of ways, to develop a new Strategy.

I hope you will forgive us if we do not submit fresh written evidence to the Committee for its inquiry. Instead, I enclose a copy of our report, together with the report we commissioned from consultants assessing progress against the Government’s Headline Indicators.

May 2004

15 Note: not printed here. Please see www.sd-commission.gov.uk/pubs/index.htm
16 Note: not printed here. Please see www.sd-commission.gov.uk/pubs/index.htm
Q93 Chairman: Thank you for coming along and listening in on the previous session. You will not be surprised to know that we would be interested in picking up on some of the ideas we were discussing with Friends of the Earth. If I may also thank you for the copies of your report, which we have looked at with interest. Can we go back to the whole question of the definition, the Government’s definition, of “sustainable building development” and its adequacy and fitness for purpose, so to speak, and, in particular, whether you think that the economic objective should be there at all?

Mr Porritt: On the definition stuff, it is important that we begin to focus a little bit more on some of the rigor behind the concept of sustainable development as well as some of the all-embracing inclusiveness, if you like. It has been interpreted in a very liberal way over the last few years, and that has probably not been a bad thing because it has encouraged a lot of people to think they have a stake in that concept of sustainable development, but we are very keen now to start moving towards much more rigor in the way it is defined and in the way in which it is used. In that respect we are particularly interested in the debate about the four strategic objectives and the way in which they are interpreted by Government. We actually attach considerable significance to those objectives and how they are used, and they are actually used very widely. It might surprise you, Chairman, to know that lots of organisations have picked up on those objectives and used them as a guide to their own behaviour; so there are a lot FTSE 100 companies in the UK that have seen in economic growth in itself does not necessarily part in enhancing the sustainable development objectives through the process of this strategy review, and, to be fair, I think we should go through that process before we finally decide or commit to a final form of objectives or our allegiance to, in particular, a form for the prosperity objective—what we call the prosperity objective—the objective of higher stable levels of economic growth and employment. Our argument goes something like this, that there are four quite strong reasons for reconsidering and perhaps enhancing the language of that objective. One is that there is evidence to suggest that it raises potential conflict with the first objective, the objective of social progress. There certainly is evidence, for example, that over the period that we have had sustained economic growth we have also had an increase in income inequality and social inequality, and there is evidence to the effect that crime levels have risen over that period. So the suggestion is not that these are necessarily related to the pursuit of economic growth, but that we cannot categorically say that it is possible to maintain the high and stable levels of economic growth irrespective of the demands of social progress. That is reason one. Reason two is that the same thing can very much be said about environmental goals; that there is potentially an inconsistency, an incoherence, in maintaining the goal of high and stable levels of economic growth and reaching the environmental goals that are absolutely vital in maintaining the environmental limits. The third reason is well-known, that economic growth in itself does not necessarily deliver well-being as shown in the Cabinet Office’s report. The fourth, which has been mentioned by others, is that growth, far from being an end in itself, is in some sense a means to an end. So those are four very powerful reasons, we believe, why it is worth revisiting the fourth objective. We also acknowledge that there are strong reasons to keep some allegiance to, some concept of, prosperity within the objectives, and that is exactly why we are framing the debate around enhancing a prosperity objective as part of the sustainable development objectives.

Q94 Chairman: It is all the more important, therefore, to get it right?

Mr Porritt: Indeed, and that is why the Commission will be addressing the fitness for purpose of those objectives as part of the review. We have already given a signal to Government that we particularly want to engage on the fourth objective, the prosperity objective, and I am going to ask my colleague, Tim Jackson, to say a little bit about that, as he is helping us with that piece of work in his role as Chairman of our Economic Steering Group on the Commission. So we are very keen to take that up fairly actively and to pursue it as part and parcel of how we think those objectives can be enhanced (or improved) to make them more useful during the process of this strategy review, and, to be fair, I think we should go through that process before we finally decide or commit to a final form of objectives or our allegiance to, in particular, a form for the prosperity objective—what we call the prosperity objective—the objective of higher stable levels of economic growth and employment. Our argument goes something like this, that there are four quite strong reasons for reconsidering and perhaps enhancing the language of that objective. One is that there is evidence to suggest that it raises potential conflict with the first objective, the objective of social progress. There certainly is evidence, for example, that over the period that we have had sustained economic growth we have also had an increase in income inequality and social inequality, and there is evidence to the effect that crime levels have risen over that period. So the suggestion is not that these are necessarily related to the pursuit of economic growth, but that we cannot categorically say that it is possible to maintain the high and stable levels of economic growth irrespective of the demands of social progress. That is reason one. Reason two is that the same thing can very much be said about environmental goals; that there is potentially an inconsistency, an incoherence, in maintaining the goal of high and stable levels of economic growth and reaching the environmental goals that are absolutely vital in maintaining the environmental limits. The third reason is well-known, that economic growth in itself does not necessarily deliver well-being as shown in the Cabinet Office’s report. The fourth, which has been mentioned by others, is that growth, far from being an end in itself, is in some sense a means to an end. So those are four very powerful reasons, we believe, why it is worth revisiting the fourth objective. We also acknowledge that there are strong reasons to keep some allegiance to, some concept of, prosperity within the objectives, and that is exactly why we are framing the debate around enhancing a prosperity objective as part of the sustainable development objectives.

Q95 Chairman: This is a question I asked Friends of the Earth. Is not the problem that if you start reformulating the economic or prosperity objective in the sort of way that you have suggested, you start clouding the whole issue; and is there not a case for keeping it clear and distinct so that you can focus more precisely on the other objectives that have been set and have that one there as well, rather than spreading, with a tendency to become murky, across all the other objectives?

Professor Jackson: Yes, the question that you ask, “Should it be there at all?”, is a kind of framing issue for a debate that we hope will play a very important

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consistent criticisms of the sustainable development strategy from the academic perspective is that those four objectives as they stand do not respect or address the trade-offs that lie between them and that therefore they appear as a sort of rhetorical discourse rather than a meaningful strategy in pursuit of a very difficult goal. You used, possibly entertainingly, the concept that it was pifflingly irrelevant to change and to mess with words in that way, but I would argue, on the contrary, that it is sort of pifflingly relevant: it steals bit by bit the credibility of a strategy which is based on incoherent objectives.

Q96 Chairman: I wonder whether there is not a tension between trying to develop some sort of overall strategy to deal with all of this and the natural governmental desire to break down the concept of sustainable development into different bite-sized chunks that can easily be identified?

Mr Porritt: I think that is an issue, but I do not think you could enunciate and work to definitions of sustainable development that did not have an economic objective in it. The power of sustainable development when it was first introduced in the mid-1980s was precisely because it got us through some of those very narrow vertical policy silos of environment, social justice or economic growth and said, “You have to think about all these things in the same frame at the same time.” I would be wholly opposed to any version of sustainable development that did not have a prosperity objective in it, wholly averse, because, by definition, it would have missed the point about sustainable development, which is development that is sustainable. There are some environmentalists, and, I dare say, some social justice campaigners, who do not see it that way; they think that the key thing is to go on pressing for a narrower focus on environmental outcomes or social justice outcomes without acknowledging that you cannot achieve those without a sustainable prosperity process, an economy that delivers those things.

Q97 Chairman: But I think you have developed and certainly used the idea of economic welfare to cover this aspect?

Mr Porritt: Well-being, yes.

Q98 Chairman: Okay. We know what GDP is. That is established, easily measurable and out there. How is it possible to measure well-being? What mechanisms are in place to do it?

Professor Jackson: There are a number of mechanisms. Let me go back one step.

Q99 Chairman: There is only one mechanism for GDP?

Professor Jackson: There is only one.

Q100 Chairman: Which makes it crystal clear?

Professor Jackson: There is a crystal clear accounting framework for production output that was put together in a relatively brief historical period when the system of national accounts was developed in the late war and post war period, that is absolutely true, and to an extent I think the most legitimate claim for acknowledging that something further is needed is that the relatively short historicity of that system of national accounts and the importance, the increasingly relative importance of the issues that we now have to face; and that brings me to your point about tension. I think this is a real tension that lies at the heart of sustainable development, and that is precisely why we believe that addressing the fourth objective is a critical component of input to this strategy. In the first place it is absolutely critical to get the signals the Government is putting out right in relation to prosperity and what prosperity might mean. In the second place, it opens up what is a vital and essential debate about the nature of prosperity. To come to your question of indicators, we do not yet have a consistent framework for providing a relevant indicator for something that would measure economic well-being. What we have is a series of attempts to do that which have been severely under-resourced, not mainstreamed in any sense, nor brought into a framework which might lead to a credible, robust system of national accounts in the way that GDP now provides, and it is a critical opportunity, and a very important one, I think, to begin to unpack that possibility and to develop such an indicator.

Mr Porritt: More specifically, whether we come up with one of those aggregated indicators or whether we recommend that further work is done to decide which is the best of those, there are a number in existence. As Tim was saying, the index of sustainable economic welfare is the best known of these aggregated well-being indicators, but there are others, and other countries have gone a long way further down this route than we have as yet in the UK. So it still looks a bit radical and a little bit risky for us here in the UK. In fact, other countries are well into this debate and have looked at using indicators like that in parallel with the GDP indicator. This is not a question of out with GDP and in with some brand-new, all singing, all dancing alternative that will do the GDP job and the economic well-being job. I do not know anyone who argues that.

Q101 Chairman: Does it not fit the objective?

Mr Porritt: No, I think that in the wording of the objective you can capture this understanding of sustainable prosperity. The indicator set would need to change though.

Q102 Mr Challen: Can I press you a bit more on what you mean by “prosperity”, because on page 11 paragraph 62 of your report, “Shows promise. But...”

4 Not printed here, but can be found at: http://www.sd-commission.gov.uk/pubs/index.htm
and the inequalities between the rich and the poor remain in place even though the poor might be raised from the floor of poverty in this process of economic growth. I am not sure what you mean by “prosperity”. I wonder if you could provide a usable definition in terms of sustainable development?

**Mr Porritt:** Logically I might say “economic well-being”, but I probably would not be allowed to get away with that. I think that you raise a very interesting question about the disappearance of the concept of needs from some of the renderings of sustainable development today. I think that is a really interesting phenomena that has happened; and that is partly because the debate about needs and how to define needs and differentiate between needs and wants and aspirations became very vexed; it did not really end up with the kind of clarity that you might be able to use as a policy-maker because any one person’s definition of what constituted a need was instantly challenged by the next person’s interpretation of that, saying, “That is not a need, that is just a latter day aspiration”, if you like; so that has become a muted part of the debate but not to the extent that the equity issues have been eliminated from this debate. I want to come back to this kind of power of sustainable development and the way it obliges people to look at all of these things in the same framework. You cannot leave social justice out of that framework any more than you can leave economic prosperity out of it. So any working definition of “prosperity” would have to say that that is a kind of economic well-being that shares the proceeds of that prosperity more equitably between people in any society and pays attention to the sharing of that wealth between generations. Does that mean an instant leap into outright egalitarianism where prosperity is shared on a literal equal per capita basis? I cannot tell you what the Commission thinks about that because the Commission has never come to a view on it.

**Q103 Mr Challen:** Is it safe for a politician to go out to the electorate and say eventually to the worldwide electorate, “We will all share the same level of prosperity”, bearing in mind what Ghandi said about that?

**Mr Porritt:** It is extremely difficult to know on what basis you would suggest to people in developing countries that they did not have a right of access to prosperity of that kind. I cannot think of a moral basis on which you would tell people in China that they do not have as much right to that level of prosperity, if you like, as we might have. That poses all sorts of issues about how you then generate that prosperity for nine billion people without busting the life support systems on which that prosperity depends; and it may well be that you cannot, as the WWF and Friends of the Earth have said, you could not possibly generate a UK level of prosperity for nine billion people, let alone a Californian level of prosperity, but that would not mean to say that we had in place permanent inequity divides and inequity gaps, it would mean that we would have to converge levels of prosperity towards something which would minimise those divides rather than go on maximising them.

**Q104 Joan Walley:** You said that it was important to get this whole issue within the same framework; that it must be looked at within the same framework. I wonder if you would elaborate a little more on what you mean by that? Are you talking about a legislative framework where you have a principle commitment to economic growth and all the other things as well, or what sort of framework are you really suggesting?

**Mr Porritt:** In the first instance it is a conceptual framework, and I would hate anybody to pretend that that is not really very important, because explaining this and demonstrating how big a departure it is from conventional approaches to economic social environmental policies is a very significant part of the job. So we put a lot of store on that conceptual framework and the ways in which it allows people to understand better the nature of the challenge of living in a world with limits. Most of the modern history of human kind has been premised on the assumption that there are no limits in the world. Sustainable development will not pander to that illusion, and it puts up-front that there are limits and that we have to learn to accommodate our own models of progress within those limits. So the conceptual framework in the first instance is very important. From there you can begin to look at ways in which you operationalise that in different policy-making processes and different approaches to legislation. For instance, to take the very current concern about planning, you can come straight down out of the conceptual framework into a series of recommendations, of guidance, to planning committees, to plan-makers, to development control officers, in such a way as to enable them to interpret that conceptual framework operationally in what they are doing. So I do not think you can do it... You cannot do without the conceptual framework, but it is only valuable once it begins to translate through operational tools, guidance, whatever it may be.

**Q105 Joan Walley:** As the conceptual framework then filters through, where does the legislative framework fit in all of that, given the way in which, as you have yourself said, we have guidance, we have regulation, we have legislation. How do you see that operationally filtering through?

**Mr Porritt:** I think we are at the very early start of that process, if I can say so: because we have just come back from Wales today, and, I must say, it was extremely interesting sharing with the First Minister in Wales and some of the officials who are dealing with this whole question of a statutory sustainable development scheme in Wales and looking at what they are having to do. One thing that we picked up on there is that they have now what they call this integration tool. What that means is that any new policy coming forward from any bit of government—that is the important thing to say—needs now to be processed through a formal integration assessment. That is a more proactive
version of the integrated policy appraisal that Defra has been trying to persuade other departments to take up. It is definitely a tougher route than the regulatory impact assessment, which has now recently taken on board some of the social and environmental issues. The reason I was so struck by it is because it is not a post hoc process; it is very much up-front, suggesting to policy-makers in each department that there is a way of achieving their policy outcomes specific to that department which simultaneously serve the goals of sustainable development. How that works out in practice I do not know. I might add in there that part of the effectiveness is that they train civil servants, they train policy-makers, in the Welsh Assembly Government to handle that level of integration. I think that is a very interesting thing as an experiment. I do not know where that will go, but we were really intrigued by that notion, that integrated policy-making does not come naturally to civil servants whose entire lives are spent in vertically structured policy silos where the amount of attention you have to pay to your neighbouring silos of work is the minimum you can get away with to secure your policy outcome.

Q107 Chairman: Very briefly, you will have heard us asking Friends of the Earth about how we measure ecological and environmental limits. Do you have anything to add to what they have said?

Mr Porritt: I was interested in that answer, because I was not sure that it was quite the answer that you were looking for in terms of the concept of environmental limits as such, which is a very important part of the conceptual framework: because that framework minimises the need for unthinking trade-off but ultimately acknowledges that you have to come down to trade-off processes. There is no way in which sophisticated modern economies can achieve what they want to achieve without trade-offs being made. So the concept of environmental limits is critical because it ought to help decision-makers to know that which is in play and that which is not, because if we are talking about sustainable development being development within the bio-physical constraints of our natural systems, then we have to have mechanisms to define what those constraints and thresholds are, and I thought that in addition to the climate change issue, which you have mentioned is already there, there are other mechanisms which scientists have been helping us to bring forward. The concept, for instance, of critical natural capital which English Nature now have brought forward. The concept, for instance, of critical natural capital which English Nature now have taken to an interesting level of sophistication, looking at those sets of natural capital assets which on no account should be brought into play as fungible tradable assets in any process of that kind. There are limit thresholds, for instance, beyond which we know we should not go if we are to protect human health or the productivity and resilience of natural systems; there are concepts of sustainable yield and sustainable asset management of that kind where you know what the maximum productivity is of any natural system, and if you exceed that yield every year you know the capital asset is going to be diminished to the point maybe where you cannot get any yield off it any longer. So there are critical concepts coming into play for policy-makers which help us understand the concept of environmental limits, but I think any natural scientist, which I am not, will probably say we do not have this developed to the point where we can say to a policy-maker, “Look, here is the line. Up to that line you are into optimisation of outcomes, but hopefully minimising the trade-offs. Beyond that line you cannot go, because if you go beyond that line you are trespassing into irreversible damage to natural systems which can then not be repaired.” I think we are a million miles away from that. I am not sure we will ever get to that point of definition, but I am not sure we are, I do not feel we are the natural scientists, the experts that you should be asking about that.

Q108 Chairman: I am very glad I asked the question anyway. It is a very interesting answer. Finally from me, this is something also we touched on before. We have got from the Government, if we are to believe them, a sustainable housing strategy, sustainable communities, a sustainable growth policy. We have even got a sustainable education policy, we are led to
believe. Are we not using this word far too often, is it not becoming debased and what can we do to try and constrain its use?

**Mr Porritt:** It is becoming debased, and I think that is a real worry to everybody who is interested in securing a more sustainable economy and a more sustainable society. We counsel a lot of caution in our advice to Government about the way in which they use the notion of sustainable in whatever they say, and we have been very critical, in particular, of the Department for Transport over what we consider to be flagrant abuse of the concept of sustainable development in the Air Transport White Paper. Flagrant because there was no serious attempt made to use a deeper more profound understanding of sustainable development in the process, if you like, the audit trail, the decision-making process, let alone in the final recommendations and decisions. So we take this quite seriously, as the Government’s adviser on this. We want to engage with the Government because we can see what their aspirations are. They genuinely like to think that what they put out, for instance in the sustainable communities plan, will help us to get to a less unsustainable way of regenerating economies, bringing about new levels of housing and so on. 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.

**Q109 Mr Savidge:** I rather think this question may fall directly from your last answer. In your recent report you make the criticism that some departments have not taken the strategy fully on board. Would you like to expand as to which departments and which policies you feel would be the worst offenders?

**Mr Porritt:** It goes up and down a bit, and one has to be careful about making judgments of that kind which are then recorded for all time! I am not sure that we would have much difficulty in arriving at the obvious candidate for worst offender, and we have been worried about the reluctance of the Department for Transport to engage more proactively in that discussion; because there must be an assumption somewhere in the Department for Transport that adopting a more sustainable conceptualisation and framing of its policy responsibilities would somehow make their life impossible, but were they to begin to think in those terms, it just would not be possible to square the various policy circles that they are juggling with at any one time. We do not share that view. We believe that if you take the concept of sustainable government seriously, it would help decision-making and certainly produce better decision-making within the Department for Transport. So there is a disappointment on our part that there has not been serious intellectual engagement within that department to work out how it would genuinely make a better policy in that area. In terms of the rest of government, it is quite interesting. We do not have a category of truly awful offenders, and things do tend to go up and down. I noticed, for instance, that the Friends of the Earth submission praised the Department for Trade and Industry as one that had got on top of this quite early and produced its own sustainable development strategy; and so it did; and we were all very glad about that. 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. I am worried that the Department of Trade and Industry has lost something of its energy on sustainable development. So the funny thing is that at any one time you need to be quite careful about where things are because you get an effect where you get a sudden rush of energy, something happens, and then you think, “God, we have got a process. We have done it.” We are all going to be looking, for instance, very carefully at the Department for Education and Skills: a genuinely important new development with personal leadership from Charles Clarke around the action plan for sustainable development and a serious step forward. This Committee has been very involved in that, going back many years, as we know. We really welcome that, but, quite clearly, Charles Clarke will not expect to be measured on the fact that he produced an action plan. He will expect to be measured on the degree to which the action plan produces action. So we would not want to make a judgment now as to the degree to which DfES has genuinely made that kind of progress that we think is now possible, and I am sure we will both be revisiting that in due course over the next year. I think it is quite difficult. The only thing I would say, and I want to counter some of the cynicism about the use of the strategy in this respect. More has happened because of the strategy, the over-arching strategy, than one might think. I think that the strategy had a big impact on DfES, for instance, in terms of helping them to come to the point where they said, “Okay, we are really and truly going to have to do something about this at last.” The Ministry of Defence got a bit of a hammering, quite rightly, on its position on wind farms. Nonetheless, the Ministry of Defence has taken the UK Strategy quite seriously and has sought ways of beginning to bring it into some of its own decision-making processes. One may be tempted to dismiss that as irrelevant in comparison to some of the things they are not doing well, but we take a line here, probably too pragmatic, some might even say compromised, that every department has to start somewhere, and I see a lot of departments starting somewhere. I could point you, for instance, to the Prison Service and the Home Office; an odd place to point you to, but, nonetheless, a quite important one: because if you look at their annual strategy and the way they use the strategy to drive performance improvement, you can see year on year in the last four annual reports how the strategy really has enabled the Prison Service to improve. I want to hold that stuff up at the same time as saying a lot of it is pretty tokenistic and does not go terribly deep.
Q110 Mr Savidge: You have really in the last part of your answer answered the next question I had intended ask you: in what way you felt the strategy had been effective. Can I therefore move on from that to say: how would you respond to the suggestion that the strategy is not so much and perhaps feasibly cannot in future be so much a driver as more an over-arching statement of principles?  
Mr Porritt: I think that is the crunch point for Defra now as it looks at the next strategy. The feeling that we have at the moment is that Defra wants to secure two things out of this review process: one is to define a new UK framework and to take proper account of the fact that now, in a very different UK constitutional system with a lot more powers passing to the devolved administrations, we have to have, like it or not, a new framework that helps people to understand the fit between international obligations, UK wide obligations, what is going to happen at different levels, Scotland, Wales, Northern Ireland, England (which is the problematic bit) and that which is best done at the regional local level; and a framework document of that kind is now very badly needed. Certainly, coming hot-foot from Wales, and we were previously in Scotland, they are really up for a framework document of that kind. The second thing is much more geared to implementation: defining priorities, looking at ways in which one can drive, change processes, change behaviours, I hope setting serious targets for improved performance in those areas. If the next strategy comes out target-free, as if were, I can tell you the Sustainable Development Commission is going to be pretty irked, because strategies without targets are questionable organisms, to be honest, and having a set of indicators is not the same thing as having a set of targets against which your performance can be measured.

Q111 Chairman: Does it matter if you are irked?  
Mr Porritt: No, in the great span of things it has to be said it probably does not matter if we are irked. What does matter is if we cannot bring those points, that opinion, to bear with Government at the point when the strategy is being formulated with a view to bringing about an improved product, in this case an improved strategy. Whether we get irked or not, I am not using that in terms of our great significance in this stuff, but I guess the Government is more mindful of the fact that it has created some bodies now, including the Sustainable Development Committee and, dare I say it, the Environmental Audit Committee.

Q112 Chairman: I am wondering whether it matters if we get irked!  
Mr Porritt: It seems to matter to some people, but there we are. They have created these bodies. By and large they are seen to improve the whole structure of decision-making, accountability, auditing, and so on, and I happen to subscribe to the view that most Government Departments, and certainly Defra in this case, want to take that new architecture seriously; that does not mean to say that all bits of Government do, but I do believe that Defra does.

Q113 Mr Savidge: How far do you feel that progress is made more through a bottom-up approach with specific public issues? Does that have more effect on the strategy, do you think?  
Mr Porritt: There is a big issue right now about how empowered the bottom-up bit, if you like—so let's look at it at community level, local authority level and new structures like local strategic partnerships—how empowered are they to bring about change in their own areas. You will see an extremely uneven picture across the country with a great deal still going on such as successor initiatives to Local Agenda 21, but I am sorry to say there is a great deal not going on because they say, "We cannot do this because of what is happening up here"; and because we now either get muddled messages from central Government about what is required here or we get contradictory messages about what we need to do down here, or there is no real incentive for sustainable development processes at the community or grass roots level, I would say right now the situation at the local level is worse that it was five years ago.

Q114 Mr Savidge: Following on from that, how do you feel we should deal with the proliferation of both for topic specific strategies and the situation arising from various levels of devolution when we talk about Parliaments, assemblies, English regions, councils, or do you in fact see it to some extent, as Friends of the Earth have said, that regional diversity can be created?  
Mr Porritt: That is a really difficult one. I am thinking now with my involvement in the South-west. I am on the Board of the South-west Regional Development Agency. Every region now is suffering from strategy proliferation, there is no question about that, and they do not all converge or mutually reinforce each other; they just do not at the moment. Though I am very conscious that at certain points in the system too many ad hoc initiatives have created a sense of incoherence, I hope that one of the goals that Defra and the Government have for the new UK strategy is to facilitate a much tidier cascade of the critical elements of sustainable development all the way through the system so that as we go through from a national strategy to the devolved administrations to—let's hypothesise here for a moment—directly elected regional assemblies to RDAs, through to unitaries, through to parish councils and communities, that there is a much clearer sense of what can be cascaded through all the way down that level. That is not to say that I am saying that is so much more important than the bottom-up bit, but if you do not structure the bottom-up to give people a real sense that what they are going to do makes a difference, they will not do it because they can see it ain't going to go anywhere because somebody higher up the system is going to not make sure, but what they do at that level will limit the efficacy of what they are doing at their level.  
Professor Jackson: Just on that point. I think that there is a sense in which you can look at the incoherence of bottom-up strategies as some kind of
indicator of the coherence of the message of the top-down strategies, and I think from our perspective that mirrors the importance of getting those indicators right at the top level, and it does seem to me that the existence, the proliferation of strategies, some of which are considerably more radical than the Government’s sustainable development strategy has so far envisaged, is an indication of a willingness at the local level to engage in sustainability that as yet we have not quite seen at government level.

Q115 Mr Challen: Along with the National Consumer Council you are establishing this Round Table on sustainable consumption. I wonder what you think that might achieve?

Mr Porritt: Could I ask Tim to answer that because he is sitting on the round table as one of the three commissioners on the Sustainable Consumption Round Table.

Professor Jackson: What I hope it achieves is the opening out of an absolutely vital debate in relation to the importance of consumption, between consumption and prosperity, the way that consumption drives the economy and the extent to which it does and does not deliver well-being. I would certainly agree with the comment from Clare Wilson that one cannot divorce consumption from production, but there is a sense in which past strategies and policies and legislations have been more clearly geared to production, and there is a sense in which the influence on consumer behaviour is a vital but relatively unknown territory for government intervention, at least for conscious government intervention. In terms of what the Round Table itself sets out to do, it has two principal work areas and one of those, to an extent, is feeding into business and the production side and is an attempt to grow, to highlight and mainstream the importance of sustainable consumption in the eyes of business; and I think that is a very important endeavour. The second main strand of the work is to engage in a debate, a visioning process, the opening out of the beginnings of a dialogue about what sustainable lifestyle is, about how consumption contributes to lifestyle and the extent to which lifestyle and consumer behaviour are influenced by existing policies, could be influenced further by different kinds of policies and, in some cases, are presenting government with very intractable debates but ones which do have to be addressed if sustainable development is to become a reality.

Q116 Mr Challen: It sounds to me a bit like you are at the same stage of development as the Christians in early Rome. A lot of work to be done there, I suspect, and perhaps that is going to happen too late for this current sustainable development review. The Government is not going to be able to take on board sustainable procurement in the public sector.

Professor Jackson: I think it is going to be . . . My fear about the Christians in early Rome is that the same thing will happen to the members of the Sustainable Consumption Round Table, but in terms of the review that is absolutely right. What I would like to see indicated, certainly in relation to consumption, in the review is the importance of that work as an on-going process and perhaps even raising the question of whether it is sufficiently resourced to open out that debate.

Q117 Mr Challen: Do you have any optimism that it will be? If you look at the debate on obesity which is taking place at the moment, which has been, if you like, the flavour of the month, the Government is very wary of being presented as a sort of nanny state or some kind of Orwellian state. Can we go anywhere down this road as a government telling people that their values and attitudes have to change, or should we just tell them what to do to change their behaviour without asking, so to speak?

Professor Jackson: I think we can go not very far at all down the road of telling people how they should behave, but I think the important thing to draw attention to in relation to the influence of Government on behaviour is that the Government does clearly have and does intend to have a direct impact on specific behaviour, such as, for example, in relation to smoking and food and drink-driving and has engaged in those processes as important social debates. The extent to which that can be carried forward into a more general sustainable consumption debate is very difficult, but I think that the key point to make here is that Government also has a vital indirect impact on the context within which consumers make decisions, and all the evidence—there is a great deal of evidence, sociological evidence, psychological evidence, that most consumers do not feel that they are in a context in which they have choice. They do not feel, in the words of the National Consumer Council, that a Green choice is any choice at the moment, and that is in part because of the fact that they are institutionally locked into certain patterns, it is partly because of the economics of Green choice; the high price of alternatives; it is in part because of an inconsistent set of values and messages which are propagated by Government through the implementation of its own policies and legislations, and that is why, in fact, it is important to recognise that the Government has a key influence already on the ways in which consumers make choices, by looking, for example, at the legislative issues, the issues of advertising standards, product standards, trading standards, the liberalisation of certain kinds of markets, that they are in essence propagating very clear signals about the institutional context within which that choice is negotiated. The biggest single thing, it seems to me, that the Government needs to open up in that respect is the extent of government influence on consumer choice; and one of the clear signals it can send to consumers is through sustainable procurement in the public sector.

Q118 Mr Challen: Would you agree with the proposition of Friends of the Earth that alternatives to the car would be popular simply if they were there and presented to people? Do you think that would have any effect on behaviour in a big way? I do not
mean just a few people who are a bit “green” inclined; I mean the vast bulk of the consumer of that particular product?

Professor Jackson: There is evidence to suggest that those kinds of consumption decisions are largely dictated on the basis of social norms and habits, and those social norms and habits are in themselves structured according to alternatives; so that changing the institutional alternatives, availability of public transport systems, sponsorship of, for example—a very simple example—school buses, the development of planning applications which reduce the need for mobility, and so on and so forth, are incredibly important elements of a government strategy to reduce car use.

Q119 Mr Challen: What implications do you think sustainable consumption might have for our consumerist society and for that particular objective of economic growth? Surely there is a contradiction inherent . . . The Government, I think we already might predict, would prefer the latter because that is what brings us this nebulous concept of prosperity?

Professor Jackson: That is a very real trade-off, a very real conflict. The hope behind the redefinition of prosperity is that it is possible to develop a concept of good growth which relies on consumption patterns which are light in terms of their impact on the environment, heavy on their contribution to social progress and well-being, and so on and so forth. I think the position of the evidence at the moment is that we are not yet in a position to say that good growth is unequivocally possible under the constraints that are being set. What is clear, quite obviously, is that consumer values and the messages that are propagated about consumer society, over which the government does have some control, are a driving force in the kind of consumption that do have. So, again, the point comes back to the extent to which it is possible to influence those images of consumer society; those values, the extent to which it is possible to regulate how counter-sustainable images and values are propagated through, for example, advertising in the media, and so on and so forth. Those are all critical issues in relation to getting beyond the impasse of saying growth relies on consumption, consumption relies on consumerist levels, that is all unsustainable.

Q120 Mr Challen: Do you think the Government should start doing some work on developing a happiness indicator? Many other people have done it. I think the New Economics Foundation have done work on that. Should the Government do it and would they look ridiculous if they did, do you think?

Professor Jackson: Just to comment briefly on that, because I had some involvement in the New Economics Foundation work. Some of that work is not a happiness indicator per se, it is an attempt to adjust economic indicators for environmental and social analysis, and, as we have already discussed, I think that is an important avenue for exploration. The happiness debate, the Kingdom of Bhutan, for example, is attempting to produce an index of gross national happiness, and there are long-standing indicators of life satisfaction in the United Kingdom. One of the interesting things that those indicators tell us is in the United Kingdom in particular the life satisfaction index is resolutely flat in spite of the growth in GDP.

Q121 Mr Challen: That comes down, as I understand it, to the lack of equity. It is the keeping up with the Joneses. It is the difference between our status and somebody else’s material status that is the main cause. Despite the rising trend in prosperity, that is the main cause of unhappiness.

Professor Jackson: There are a number of causes of unhappiness: one of them clearly is chasing status and keeping up with the Joneses. Another problem—and this is a very difficult point for the Government and for the debate about sustainable consumption—is the loss of job security, unemployment, and so on and so forth. So those two things point in different directions in policy terms, but opening out the debate about life satisfaction and trends in life satisfaction I think would be very important.

Q122 Mr Chaytor: Can I ask about the process of the review of the strategy? Are you confident that the Government has given sufficient attention to the representations you have made? You have produced two substantial documents with significant criticisms. Are you confident that the Government has properly evaluated the achievements of individual departments, which vary hugely, according to your views? What is your general view on the effectiveness of the process, the integrity of the process?

Mr Porritt: I think the process is sound and the consultation, the actual attempt to get out there and bring ideas back in, is, in our opinion, fine, and there are always limitations in those processes. We think it is going to do a reasonably good job on that score. In terms of listening to the way in which we define the challenges, we have had an explicit commitment from Margaret Beckett that those challenges will be looked at and will be factored into the way in which the strategy is now taken forward to the next stage, and I think that is as much as we can look for in that regard. In terms of the Government’s readiness to analyse the behaviour, the performance of other departments, I think you can say that is not a big part of what is happening at the moment. Defra’s Sustainable Development Unit would rely on your own reports and the Sustainable Development Commission’s review or audit, if you like, to come to those conclusions as well as its own understanding of how well sustainable development bites in those departments, but they certainly will not give any public voice to that in the interests of securing the buying from those departments into what they hope is going to be a more proactive process.

Q123 Mr Chaytor: What more needs to be done in terms of government itself evaluating performance?
Mr Porritt: I think there is going to be a critical stage. When the consultation ends at the end of July some key themes will definitely have emerged. At that point Defra does intend to go to other departments and say, “Here is the outcome of this process and here is how we are beginning to factor these priorities.” So they might, for instance, to take a department we have not touched on yet. They might think about DCMS and say, “DCMS has a critical role on sustainable development delivery through all the NDPBs that it is responsible for, through a host of different mechanisms, through the tourism sector that it has a responsibility for, which is a huge sector for sustainable development.” What I am then hoping is that Defra will then go to DCMS and say, “What are we going to do to make sure that DCMS is plugged into these generic priorities and objectives for the sustainable development strategy and also contributing to the indicators which are emerging, the big themes? How can you help us deliver?”, and to secure some sense of departmental commitment to that new strategy before it is out and about in March, whatever it is next year. So instead of it arriving then, Defra, with its PSAs in mind, going to the Department and saying, “What are you going to do about that?” “Hey, look, we have just crafted this wonderful thing and you are involved in it. If you are not involved in it we cannot deliver it.”

The idea is to get in there in advance.

Q124 Mr Chaytor: On a scale of one to 10, how confident are you that that will happen?
Mr Porritt: It depends on which department you are going to ask me that question about.

Q125 Mr Chaytor: Shall we go through each?
Mr Porritt: Must you? I am really nervous about you asking me that question.

Q126 Mr Chaytor: In terms of progress across departments, are you more confident or less confident than you were six months ago?
Mr Porritt: I am more confident than I was six months ago, genuinely.

Q127 Mr Chaytor: Is this issue of the work being led by one department and led by Defra a serious issue for you, or do you share the view that it would be more effective to have the Sustainable Development Unit centrally located?
Mr Porritt: It is an issue. The choice is a difficult one. If it is going to go into one department or another department, in our opinion it might just as well be in Defra as anywhere else as long as Defra is beginning to deliver as a department in Governmental terms. One has to think here about the status of the department and its capacity to buy in from other departments. So Defra needs to be performing well in its own departmental remits to be able to secure buy-in through PSAs and other government departments. It is a very big thing, and one has to say that improvements in Defra’s performance recently in some key critical policy areas are beginning to help in that process. The alternative is to put it in the Cabinet Office. As the SDC we are sponsored by the Cabinet Office. We are not persuaded that would necessarily deal with all the complexities that we see about cross-governmental machinery, that it would automatically secure a better joined up policy, that it would help remove some of these things. We are not persuaded that that shift in the architecture would make a difference.

Q128 Mr Chaytor: You have referred in your comments today, and you have a significant section in your report about the work being done in the devolved assemblies and in the regions, and you are very optimistic about the potential for a regional government in England. You are not obviously going so far as to urge people to vote, yes, in the regional government referenda, but why is it, do you think, that there seems to be more of a drive in the devolved parts of our government machinery than in the centralised ones? Is it just the accident of political commitment in Scotland and Wales, or is there something about devolution that has better impact?
Mr Porritt: I do not know the answer to that question: because it might just as well have been that the devolution processes would have happened without much emphasis being paid to sustainable development. The fact that the Welsh were given a duty to promote a scheme is very interesting. There is a little bit of history to work out how that happened, but it could have happened completely differently. What we notice in Wales is the sense of the size of the unit of government that you are talking about helping a great deal, being able to buy in across departments much more easily, and the scale seems to make a difference and the ability to communicate more easily with a smaller number of people and to front-up on the benefits of sustainable development to them as consumers and citizens. Those two things seem to help. I think there is more energy at the regional and devolved level simply because sustainable development is bit of a bigger thing in people’s lives now than it was when some of these White Hall structures were first enjoined to deal with it, and, let’s face it, they did not much like being enjoined to deal with it because it was just a bit of a hassle frankly, and there are still people in government who still see sustainable development as a hassle.

Q129 Mr Chaytor: So small is beautiful?
Mr Porritt: It certainly helps get a sense of how that unit of government, the Welsh Assembly Government... What does sustainable development mean for us? It means this. It means as much about health as it does about access to the countryside. That is their priority. You will not find that at the moment in England, let me say that right now.

Professor Jackson: We actually had this conversation. We had an interesting meeting with the Welsh Assembly people yesterday and round dinner the conversation came down, in fact, to precisely that question; and the outcome of the conversation was a sense that, certainly in Wales at least, Wales had not been served as well by conventional development as perhaps the South East of England has, that they have perhaps more
severe problems in terms of the social equity debate, but they have a greater dependence on their natural resource base and the importance of their natural resource base, and those, I think, are strong driving factors for the local community and regional involvement.

Q130 Mr Chaytor: Finally, is there any one major change in the structure of government that you would like to see that you think will actually put more flesh on the bones of the revised strategy?

Mr Porritt: Only one is difficult. At the risk of adding to the capacity for strategy proliferation, I would definitely like to see every government department mandatorily, if I can use that word in that context, being obliged to have a proper sustainable development strategy with a set of annual targets against which each department would be audited separately at the end of the year. I do believe we have reached a point now where the Green ministers and yourselves, with due respect, are not able to get that level of transparency in terms of performance changes going on in departments; and the only way for me of doing that is to lock the Government departments in through PSAs, through departmental strategies, through the spending review, as is starting to happen, and use the whole machinery of government to make sustainable development an unavoidable reality in the lives of senior civil servants; and I have to say at the moment that is not what is happening. There are many senior civil servants who manage to avoid any encounter with sustainable development whatsoever throughout their lives, and I am not happy about that.

Chairman: I notice when you were given the theoretical opportunity to become minister for a day you opted for the position of Chancellor of the Exchequer, which makes appealing reading.

Q131 Joan Walley: I think we are reaching the end of this session, and it is not coincidental that when we do finish tonight many of us will be going back to our constituencies because of the elections tomorrow. The point that I wanted to ask you about is that you have really said in your submission to us that you feel that we have now reached the stage where a step change is needed. To have a step change there needs to be a political legitimacy for that to happen, and, short of someone like Lester Brown coming over and saying that the time has come for plan B and for there to be the kind of emergency arrangements that were needed for the Second World War, what is your view about the present political machinery and how adequate it is to deliver the step change rather than the incremental change that you are suggesting is needed, and, I suppose, in view of the comments that we have just had as well in relation to senior civil servants, who appear not to have sustainability printed upon all that they do in a very integrational way, what is the role of government as well and making sure that not just the electorate are in tune with this whole new step change but senior civil servants as well?

Mr Porritt: On the political front, I see this as an evolutionary process.

Q132 Joan Walley: But have we got time for it to be evolutionary?

Mr Porritt: I do not think we have any alternative, is my honest take on it. This stuff is quite difficult for a lot of politicians for some of the reasons we have been talking about. It is having to persuade people that things are going to be a bit different. Some bits of it are going to come at a higher cost. You cannot internalise costs without paying more. Some economists seem to think that cost internalisation is a bit of magic where you just internalise and you pay the same. There are really difficult things to be done in order to bring about some of these changes. They are not all painful, but some of them are really quite difficult. So for me it has to be evolutionary, it has to be incremental. The funny thing is that I am rather encouraged by what I call a pattern of distributive leadership across government. So although it is true that the Prime Minister has taken up elements of the sustainable development agenda, particularly climate change and some of the issues to do with Africa, and so on, and although it is true that Gordon Brown has picked up other aspects, particularly his concerns about debt and trade, and so on and so forth, you can see a sense in which almost every element in the sustainable development agenda, wrat large, is being engaged with, in leadership terms, by one or other of our senior ministers. That does leave a lot of people saying, “That still does not add up; that is still not the leadership we need, which is much more focused, much more coherent and gives people a much more real sense of where this agenda is going to go.” I agree with that, but I am quite interested to see how the distributive leadership model will help bring about a pattern of change across the whole government. There are limitations in the top-down model of political leadership, as I suspect some people would acknowledge in different contexts, and maybe the model that we are working up here in the UK is one that might be quite resilient to some of the shocks in the system.

Q133 Mr Challen: A very quick question. I was just wondering whether you have come across or become familiar with the domestic credible quotas concept and whether you have had a chance to evaluate that and determine if that has a potential to contribute to a future sustainable developments strategy?

Mr Porritt: Is that just a quick one?

Q134 Mr Challen: Yes, no or maybe?

Mr Porritt: We have come across it. We have not got an opinion on it officially as a commission, so I am not going to answer your question because I cannot. I am genuinely interested to see whether that is going to open up some new energy in what has become a rather constipated policy area.

Chairman: On that happy note, thank you very much indeed for your time and your thoughts.
Memorandum from CAG Consultants

1. CAG Consultants provide support, policy advice and training in sustainable development, regeneration and stakeholder involvement. Our recent work includes:

- Currently investigating how well the Scottish Executive is structured to deliver sustainable development for the Environment and Rural Development Committee of the Scottish Parliament.
- Assessed the effectiveness with which the National Assembly for Wales is fulfilling its statutory duty to promote sustainable development.
- Assisting the English Regional Assemblies to pilot sustainable development scrutiny of the Regional Development Agencies.
- Conducted a review of the experience and effectiveness of Regional Sustainable Development Frameworks (RSDFs).

2. More information about our work is available on our website at http://www.cagconsultants.co.uk/.

The Government’s Overall Approach to Sustainable Development

3. The Sustainable Development Strategy should be viewed as just one component of an overall approach to good “sustainable development governance”. Following their research into sustainable development governance,17 the OECD published in 2003 a “Checklist for Improving Policy Coherence and Integration for Sustainable Development.” The checklist has five headline criteria shown in the box below, and includes a total of 33 questions.

OECD Checklist for Improving Policy Coherence and Integration for SD

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Description</th>
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<tbody>
<tr>
<td>I</td>
<td>Is there a common understanding of sustainable development?</td>
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<td>II</td>
<td>Is there clear commitment and leadership?</td>
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<tr>
<td>III</td>
<td>Are conditions in place to steer sustainable development integration?</td>
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<tr>
<td>IV</td>
<td>Is stakeholder involvement in decision-making encouraged?</td>
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<tr>
<td>V</td>
<td>Is the diversity of knowledge and the scientific input to problems adequately managed?</td>
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4. As far as we are aware, the UK government has not commissioned any research into the effectiveness of its sustainable development (SD) governance structures, which we find surprising. The current review of the Strategy is an opportune time for such research, and both the National Assembly for Wales and the Scottish Parliament have set an example of what can be done.

5. Given the absence of systematic research, the evidence must therefore rely on piecemeal impressions and anecdotes. Below we provide our impressions on the weaknesses of the UK government’s approach to SD governance, and how this compares with the OECD’s checklist. Our recommendations are shown in bold.

A. The definition of “Sustainable Development”

6. The definition of sustainable development does matter. A clear and widely understood definition enables stakeholders and individuals to grasp what sustainable development is about and how it is relevant to their lives and their work.

7. The aim should be to define sustainable development as an agenda that seeks to integrate economic, social and environmental progress and, where possible, to resolve conflicts between competing goals. It also needs to take on board the need to consider inter-generational and international impacts of actions taken today within the UK.

8. The Bruntland definition still represents the clearest and most widely used definition of sustainable development. It encapsulates all the main elements of the concept within a succinct phrase.

9. It is unclear as to why the government views Bruntland as being either “narrow” or placing “undue emphasis on environmental concerns.” Bruntland defines sustainable development very much as about meeting the needs of people today but stresses the need to ensure that this is not achieved at the expense of environmental capital. It is hard to see what sustainable development is about if it is not about this.

10. The Strategy should continue to be based on a requirement that the four objectives should be met at the same time. Failure to do so is likely to lead to a less integrated approach and enable justifications for actions that, for example, improve the environment but damage the economy and quality of life, or improve the economy at the expense of the environment and social goals.

11. It is accepted that at certain times there may be a political will to address one of the objectives as a priority, despite negative impacts on one or more of the other objectives. For example, major expansion of air travel in the UK may deliver employment benefits to some communities and assist the growth of the UK economy, but such decisions should not be viewed as being part of the sustainable development of the UK.

12. Recommendation: It is important that the new UK Strategy is based round a clear definition of “sustainable development.” The Bruntland Commission’s definition remains the clearest, most commonly used and most widely understood definition of sustainable development and it should continue to be used.

13. Recommendation: the Strategy should continue to require that all four objectives are met at the same time. This will help encourage integrated decision making.

B. Has the Strategy acted as a driver or does it occupy a limbo existence which has little impact on departments’ real priorities?

14. The Strategy has done little to help the integration of economic, social and environmental objectives. It effectively treats each sustainable development objective separately, and therefore has allowed government departments to continue to operate in silos, with little regard for their impact in other areas.

15. Many of the actions reported in the annual reports on the Strategy are in fact derived from other government initiatives. For example, the 2003 progress report Achieving a Better Quality of Life reports that the government has:

- put in place a framework for macroeconomic fiscal and monetary policy (5.5);
- delivered the largest sustained increase in public sector investment for over 20 years (5.8);
- raised standards in education at all key stages through, for example, improving the quality of teaching and learning in primary and secondary education (5.60);
- established community-wide programmes such as New Deal for Communities (NDC) (6.11); and
- established 26 Health Action Zones and 10 “Associated” Health Action Zones (6.20).

16. The Annual report provides no evidence that the above initiatives are supporting, or at least not working against other sustainable development goals.

17. There are of course other initiatives that do derive from the Strategy, for example on sustainable consumption and ethical trading, but there is no evidence that these are sufficient to overcome the inherent unsustainability of UK policy and life-styles.

18. Essentially the Strategy failed to face up to the inherent conflict between many sustainable development goals, and therefore while there has undoubtedly been plenty of development since the Strategy was published, there is scant evidence that it was sustainable.

19. It is an administrative nightmare to assess every way in which proposed new policies and legislation impact on social, economic and environmental goals, even though the Government’s guide to Regulatory Impact Assessment suggest that this should be done. But even if such a systematic approach is followed, this rarely helps policy-makers to resolve the inherent conflicts. This should be the task of the Sustainable Development Strategy.

20. Recommendation: The new UK Sustainable Development Strategy should identify the most significant conflicts between different sustainable development goals, for example between:

- meeting the need for affordable housing, reducing travel, and protecting greenfield sites;
- meeting demand for unseasonal and exotic foods and reducing energy and chemical inputs into food production;
- meeting demand for local airports to support local economies and reducing CO₂ emissions;

and set out its proposals for resolving these conflicts.
C. How effectively do the indicators reflect the UK’s “sustainability gap”?  

21. The Government should have made stronger links between the headline/national indicators and its wider work. Using indicators to help define departmental business plans and Public Service Agreements (PSAs) would have helped to integrate sustainable development into work across the government and into the work programmes of other stakeholders.

22. The current headline indicators do address most of the economic, social and environmental issues that are of particular importance in promoting a sustainable society, although the issue of stakeholder involvement and/or public participation has been excluded from the headline set.

23. Other tools can also be a useful means of illustrating the extent to which the UK is sustainable. These include alternative ways of calculating the economic health of the country (such as the Index of Sustainable Economic Welfare (ISEW)) and tools that show the extent to which we are exceeding our share of global environmental resources (such as Footprinting and Environmental Space). The Scottish Executive and Welsh Assembly Government have already undertaken a number of useful footprinting exercises.

24. Recommendation: the new Strategy should commit the government to develop a stronger link between its indicators and the workplans of its departments and the other organisations that it works with, through mechanisms such as PSAs.

25. Recommendation: other tools such as the ISEW and Footprinting offer alternative means of demonstrating how sustainable we are. Their wider use would help enhance our understanding of the sustainability of the UK and its constituent parts and would serve to complement the headline indicators.

E: Organisational structures and costs

26. Drawing on the OECD’s criteria for good SD governance, we have identified several areas in which the current UK government structures perform badly. They are summarised in the box below, along with our recommendations for improvement.

<table>
<thead>
<tr>
<th>OECD Criteria</th>
<th>Weaknesses in UK Government Performance &amp; Recommendations</th>
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<tr>
<td>Clear commitment and leadership</td>
<td>Although A Better Quality of Life included a number of actions listed in each chapter, these did not amount to an Action Plan with a clear list of activities, responsibilities and target dates. <strong>Recommendation: The new Strategy should be accompanied by an action plan that is monitored and updated annually.</strong></td>
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<tr>
<td>1. Is leadership expressed through a sequence of priorities over time?</td>
<td>Although there is a cabinet sub-committee of Green Ministers, there is only spasmodic information on their activities. In contrast the sustainable development sub-committee for the Welsh Assembly Government regularly publish the minutes of their meetings. <strong>Recommendation: The new Strategy is accompanied by an annual action plan which specifies the responsibilities of each government department. The action plan is monitored by a cabinet sub-committee, and the minutes of this committee are made public.</strong></td>
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<tr>
<td>2. Is there a clear commitment at the highest level for the formulation and implementation of sustainable development objectives and strategies?</td>
<td>Responsibility for the Strategy is hived off into DEFRA, giving the impression that sustainable development is not the responsibility of all government departments and agencies. DEFRA does not have the authority to enforce the Strategy in other parts of government. In contrast responsibility for sustainable development in the Welsh Assembly Government is located centrally in the Strategic Policy Unit. <strong>Recommendation: Responsibility for co-ordinating and acting as a catalyst for the Sustainable Development Strategy is located within the Cabinet Office. This will also allow Cabinet Office staff to work closely with the cabinet sub-committee on sustainable development.</strong></td>
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<tr>
<td>Specific institutional mechanisms to steer integration</td>
<td>The Regulatory Impact Assessment (RIA) guidance refers to sustainable development, but does little more than suggest that all social, economic and environmental costs and benefits should be weighed against one another. This approach is highly likely to lead to trade-offs between sustainable development goals. Sustainable development demands innovative approaches that reduce the potential conflicts, and such approaches are only likely to be progressed if they are identified well before the legislation is being drafted. We have therefore suggested in our first recommendation that the new Strategy identifies key conflicts and...</td>
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</table>
OECD Criteria | Weaknesses in UK Government Performance & Recommendations
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5. Is there a clear framework for assessing the performance of public organisations with regard to sustainable development? | In addition we recommend: that Regulatory Impact Assessment includes an exercise within the options assessment to identify major conflicts with the goals of the new Sustainable Development Strategy, and innovative ways of reducing these.

The performance of local government is now closely scrutinised through Comprehensive Performance Assessment (in England) and Best Value. Yet despite numerous debates on this subject, the Audit Commission does not systematically consider the sustainable development performance of local authorities in England. In Scotland by contrast there are now proposals for external auditing of local authorities' sustainable development performance. Similarly we are not aware that the National Audit Office systematically scrutinises the sustainable development performance of government departments and public bodies. In contrast the Canadian government has an independent Commissioner of the Environment and Sustainable Development who audits the government's performance and submits an annual report to the House of Commons. **Recommendation:** Audits of national, regional and local government, and of public agencies, regularly consider and propose improvements in their sustainable development performance.

June 2004

**Witnesses:** Ms Joan Bennett, CAG Consultants, Mr Phil Matthews, CAG Consultants and Mr Trevor Houghton, CAG Consultants, examined.

**Chairman:** Good morning. Welcome, and thank you very much for coming. Also, thank you for your memorandum, which I thought was admirably concise, to the point and clear; also, for the papers which you sent us on Wales and the other regions. What we are going to do this morning is to begin by looking at the Welsh situation, move on to Scotland, take a look at the regional framework in England, and then look at the whole of the UK Strategy. Let us start with Mr Thomas and Wales.

**Q135 Mr Thomas:** One of the interesting things about the report that you did on Wales is that you seem to have pointed out that the scheme and the action plan were secondary to the commitment of Ministers and senior civil servants. Many of us from the UK perspective see it as the other way round, that at the UK level it is the scheme that drives forwards any change that happens at all. Can you explain why you think that has come about and whether you see there is any purpose for a scheme at all if you have committed Ministers taking it forward anyway?

**Ms Bennett:** Part of the reason was that we were looking over the previous four years of the Assembly. If you remember, it was a very new Assembly, it had just been formed, and the Scheme did not actually get into place for about 18 months. But clearly before that the Ministers were very well aware that they had this duty and were working with their senior staff and saying, “We have to look at our policies,” et cetera. So that is one of the reasons why the political leadership at that time was more important, and we were looking at how policies have changed, for example the agricultural policy, which changed before the Scheme, or had started to change before the Scheme came into place. Is the Scheme important, though? I think what you have seen in the most recent review—as you know as a result of the very much for coming. Also, thank you for your memorandum, which I thought was admirably concise, to the point and clear; also, for the papers which you sent us on Wales and the other regions. What we are going to do this morning is to begin by looking at the Welsh situation, move on to Scotland, take a look at the regional framework in England, and then look at the whole of the UK Strategy. Let us start with Mr Thomas and Wales.

**Q136 Mr Thomas:** I was going to ask you in more detail as well, because in your recommendations in your report to the Assembly you listed some of the areas that you felt were missing from the Scheme, first of all, and one of those very important areas, to my mind, is Sustainable Consumption. You also said that climate changes only related to the UK and it was not a specifically Welsh-based thing, which is important in terms of public perception, I would have thought. You have just mentioned it, but can you tell us in a little more detail about what the Assembly has taken on board from your report? The Scheme has been revised but it is the Action Plan that has changed more significantly, has it not?

**Ms Bennett:** I have to admit that because we wrote that a year ago I am not fantastically up to date with what they have built into the new Action Plan. The Action Plan is out for consultation at the moment, but they have, undoubtedly, for example with climate change, now built that into the Action Alan and said what they are going to do and what is...
different about the Action Plan now. I think it is clearly saying that certain departments will lead on certain things more clearly and also involving other stakeholders. That was there a bit in the original action plan, but one of the big weaknesses of the first Action Plan is that about 50% of the actions were the responsibility of the Sustainable Development Unit within the Assembly.

Q137 Mr Thomas: Remind us of how many people that is?
Ms Bennett: It is about five now. The Sustainable Development Unit is now part of the Strategic Policy Unit; there is no such thing as the Sustainable Development Unit now in the Welsh Assembly Government, it is the Strategic Policy Unit of which I think now up to about seven staff are responsible for sustainable development. I think that is one of the key differences that have come out, partly because lessons have been learned—to spread out these actions right across the department and across what they call Assembly Supported Public Bodies, and other bodies such as the NHS, et cetera, and more clearly feeding responsibility out across the public sector.

Q138 Mr Thomas: Within that context the report highlights a couple of areas where, whether it is the Scheme, the Action Plan or the ministerial leadership, there are failures and the failures are on what you call on several occasions the “crunch issues”—transport, infrastructure, and I think in the context of work, which we will come to later on, about regional development, is aviation, for example. There are these crunch issues, are there not?
Ms Bennett: Yes, we all know they are there, do we not?

Q139 Mr Thomas: Yes, we all know they are there, and the tendency is to bypass them, and I think you have put your finger on it that they were very much avoided in the initial scheme and action plan at least. Are those being addressed now, to your mind?
Ms Bennett: Time will tell, will it not, because they are currently consulting on their Action Plan? I think they have certainly tried harder this time to say, “Okay, what are the big important issues that we have to address in Wales, and let us look at how we can do that?” So I do think they are trying harder, there is no doubt about it, and time will tell. In four years again they had to have an Effectiveness Report, which is an interesting issue in itself because the UK Strategy does not have to do this, but under the Act that introduced the Welsh Assembly they do have to have an Effectiveness Report. So only time will tell whether they really do tackle those issues, but certainly that is what they say they are intending to do, and that that will be led by a sub-committee of Ministers—the Sub-Committee on Sustainable Development will drive that.

Q140 Chairman: The Effectiveness Report will be a Welsh Assembly document, it will not be done by objective consultants?
Ms Bennett: This time they employed us to do it.

Q141 Chairman: So they might do that again?
Ms Bennett: It has to be done by an independent body, yes.

Q142 Mr Thomas: And reported back to sub-committee Ministers?
Ms Bennett: It is slightly complex in Wales in that the scheme is the National Assembly’s responsibility, the whole Assembly, although obviously the Welsh Assembly Government Executive drives the scheme. So it was always confusing when we were doing it—was it a report for the National Assembly or for the Welsh Assembly Government? It was never 100% clear.

Q143 Mr Thomas: What did you decide upon in the end?
Ms Bennett: The final title cover of the report said a report to Welsh Assembly Government, although the original brief to us said that it was a report for the National Assembly for Wales.

Q144 Mr Thomas: That brings me on to my next question because in reading the report and also the Learning to Live Differently, the actual Scheme itself and so forth, one is struck by the fact the Assembly or the Assembly Government, whichever way you want to look at it, has done quite a lot of work in this area. Then reading your reports you point very much, as I said earlier, to ministerial lead, but of course it was put in statute that the Assembly should have an obligation to promote sustainable development. Looking back, how important do you think that was, that it was there from the beginning? And if I may jump just a little bit to ask what lesson does that have for regional development within England?
Ms Bennett: It is difficult for me to answer that one because I was not terrifically familiar with political commitment in Wales before we went in. You might be able to answer this more easily than I can.

Q145 Mr Thomas: I have never been that side, actually!
Ms Bennett: For example, I know that the Minister of the Environment is in fact a planning academic from Cardiff University, who was very, very committed to sustainable development long before that duty appeared. So did the duty really change the political commitment? I am not sure, is the answer to that one; I just do not know. Perhaps you have an answer to that one?

Q146 Mr Thomas: At some stage, perhaps?
Ms Bennett: However, I would say the duty certainly did no harm, and it meant that they knew that they had to report in four years on how well they had done, et cetera.

Q147 Mr Thomas: It is this split, is it not, as you said earlier, that the Assembly as a corporate body has this duty, but then the delivery is by a government, which is in the traditional Westminster sense, a
government against an opposition and so forth, and there is the difficulty there. One of the things in your report that either one could say is quite refreshing or even strange in the Welsh context, is that it does not mention the need for powers to deal with this. In the context of the debate in Wales at the moment, particularly with the Richard Commission, everyone points to the need for different new powers and legislative powers or whatever, to deliver different objectives. Did you come to any conclusion at all about whether the Assembly, in trying to deal with some of these crunch issues, like infrastructure, transport, needed a different set of powers in some way to try with those? Or were they trying to avoid those crunch issues because they could not deal with them anyway?

Ms Bennett: I suppose the answer depends on how much the UK legislation tackles these issues. If they were really tackling some of those issues probably Wales would not need those legislative powers. If the UK is not tackling those issues in the way we would feel was necessary, then clearly it would be preferable if Wales has legislative powers. On the other hand, one argument that I heard was that Wales, because it was less preoccupied with legislation, because politicians were less preoccupied with those issues, were able to buckle down and get on with a review of issues on sustainable development, because sometimes one can be a bit distracted by legislation because that is certainly not the whole answer at all in respect of sustainable development, and the Welsh Assembly Government have done a lot, for example, on guidance to local government without legislation. In Scotland they have passed a Local Government Act, but the Welsh Assembly Government have done a lot also through their guidance interpreting UK legislation for Welsh local authorities; they were able to adopt it quite a lot and build in sustainable development. So I am sure that there will be some areas where legislation is important, but it is certainly not the whole answer.

Q150 Mr Thomas: You did look at similar tools in the regional development bodies in England. How do they compare across the board? Are they ones that now seem to be working, for example, put it that way?

Ms Bennett: For the regional assemblies we did a review of sustainability appraisal, which is a more general idea, and one of the clear messages that came through is that it is often very ineffective, because if it is not done well and it does not follow good practice then it is often ineffective, and we all know it can become a "tick box" exercise where you say, “This policy seems a bit unsustainable here and fairly sustainable there, so, okay, passed,” and carry on. If you follow good practice on sustainability appraisal what you do is stand back and say, let us really think about the alternatives; could we come up with alternatives which would do better on sustainability? That is the good practice. I do not know whether the Welsh tool is following that approach. One of the things we said in our report, one of the things we were told, is that it was not going to be a tick box exercise, it was going to involve having workshops with staff actually sitting, throwing around ideas, thinking okay, how can we really improve on this, how can we make it more sustainable? Then I think it becomes effective. Whether Wales is employing that approach, I do not know.

Q151 Mr Thomas: One of the examples of the tick box exercise that you mentioned, or you append to the report, is the Objective 1 Sustainable Development, where it is simply based on the applicants coming back from the Objective 1 saying whether they have met the environmental requirements or not. Considering that this is a massive injection of European money, the aim of which is to raise the GDP of Wales, which of itself might have environmental considerations, of course, that seems to me to be a considerable area within the Assembly’s framework, which is not being properly appraised at the moment from the point of view of sustainable development.

Ms Bennett: We should say a year ago.

Q152 Mr Thomas: A year ago. I would say it still is not, but if you tell me differently.

Ms Bennett: To give them credit, they did their own review and concluded that, and I think what our report clearly said was that it was turning policies into practice, and that is where the Assembly—and not the Assembly alone—was weak. They have changed some of their policies. Their agricultural policy sounded really great—“We are really going to concentrate on quality products, serving local communities,” and all the rest of it—and then when you looked at what they were funding through farm grants it was the usual stuff. There was a lovely quote, which perhaps I should not really say, which was about “throwing up sheds”, and that is what they were funding. You have to make that link from the policy to practice, and that is what we hope the Assembly will do in the next four years. That is what they have said they are going to be committed to do,
to make sure that the policy is leading to changes in practice. That is where we also argue that you have to be closely monitoring; you have to be making sure that it is not just lots of words, and it is really turning policy into practice.

**Mr Houghton:** There is some experience in the English regions relating to Objective 1 and 2 projects where appraisal is being done more effectively and it seems to have changed some of the projects. So I think that is starting to happen, but people are learning—this is a new area.

**Q153 Mr Thomas:** One of the things that struck me as missing very much from your report, and also from the Assembly’s *Learning to Live Differently* and the work it does, is Local Agenda 21, which used to be flavour of the month five or six years ago. It does not seem to be used very much any more either by the Assembly or by local authorities as a way of driving the local sustainable development. Were you able to get down to that local authority level to see what was happening at the local authority level?

**Ms Bennett:** We looked at one local authority because obviously we could not go out and look at all local authorities, but there has been a survey—I am not sure if I have seen it since—done of local authorities in Wales by someone attached to the University of Cardiff, looking at what had been going on in the Welsh authorities, and, understandably, I think LA21 was not driving things, but that is partly because of UK policy, as I said—and this also applies to Wales and Welsh guidance—that Local Agenda 21 should be subsumed within community strategies. That is what is being said now. I would argue that if that is done properly, if community strategies are genuinely taken on board sustainable development, that is the way it should go because we know that is where the power and resources rest, in community strategies, not in Local Agenda 21.

**Q154 Mr Thomas:** Does this not show that governments of any particular colour just change the name that they put to their pet projects and change the resources that they put to them, and is there not a danger of the environment in particular being rather overlooked in all of this, because it is dominated by poverty, deprivation and crime?

**Ms Bennett:** There is, and that is where I would come back to the issue—and I am sure that somewhere in the UK Strategy or since, an annual report will say that we will now be driving through sustainable development in community strategies at a local level. The English guidance on community strategies clearly says that they should be pursuing sustainable development and it should be integrated—social, economic and environmental integration. It all sounds great, but is anyone actually checking that that is happening? No. So some local authorities are doing it but you can be sure that some are not, and that is the big issue, following it through into practice. Ideally that is what you would want, community strategies that drive sustainable development.

**Q155 Mr Thomas:** In general there, because the Assembly, with the powers it has, has to work very, very closely with local authorities. It has a scheme, an interface between itself and local authorities in Wales. Did you see any evidence of sustainable development as a duty for the Assembly actually being passed down to a local authority, or indeed to the quangos in Wales?

**Ms Bennett:** Yes, we looked at that, but I think you could almost quote the Sustainable Development Commission’s report—must try harder; shows promise but must try harder. Perhaps you know about the Wales Programme for Improvement, which is equivalent to best value, a performance management framework for Welsh local authorities. They clearly built sustainable development into that and said that Welsh authorities should look into sustainable development within their whole authority analysis, *et cetera*, but, again, that was not followed through. In fact when I interviewed the senior person within the Assembly responsible for local government she quite openly said that they had not got the resources to go out and check that local government were really doing that.

**Q156 Mr Thomas:** So as well as the gap that you identified in issues that were not being addressed, there is perhaps an implementation gap as well?

**Ms Bennett:** Yes.

**Q157 Mr Thomas:** Or there was a year ago?

**Ms Bennett:** Yes, and similarly with the Assembly Sponsored Public Bodies.

**Q158 Mr Thomas:** We call them quangos!

**Ms Bennett:** They have tried to put sustainable development into remit letters for ASPBs—because the National Assembly when they award a grant they provide a remit letter setting out, “This is what we expect you to be doing to meet the National Assembly’s priorities.”—they did build in sustainable development priorities within those, but at that time they tended to be quite marginal, so for example they might be for the National Health Service, you will look at energy consumption in your properties. Very valid, of course, but it was not looking at the whole issue of health improvement, *et cetera*, although in fact the NHS is driven by that anyway. So it tended to be quite marginal. Again, I think it is time. The Assembly had been going four years when we looked at them.

**Q159 Mr Thomas:** You are very kind!

**Ms Bennett:** They had got structures in place to start thinking about how they were going to build sustainable development and make sure that it was really feeding out to their public bodies. The question again, I think, is we have to see. They have now said, “We are really going to decide what the crunch issues are. We are going to feed that into remit letters; we are going to feed that down through to our public bodies.” Another point I should make is they have said that now their Action Plan for sustainable development, attached to the Scheme, is going to feed through into the corporate plans for
Mr Matthews: My analysis in general of what the Executive has done since 1999 on Sustainable Development is that it started off really affording it very low priority in 1999—lower than, for example, the Welsh Assembly Government did. From about 2002 onwards there has, I think, been a significant improvement in the Executive’s performance in Sustainable Development. This is partly because of outside pressure; there was quite an interesting report from WWF Scotland, which seemed to start quite a lot of political discussion in Scotland. Also the current First Minister appears to have had a clearer understanding and a clearer support for Sustainable Development than the previous two First Ministers had. So we have seen a number of mechanisms come into place. As Joan said, like in Wales, there is a Cabinet Sub-committee on Sustainable Development. There has been a Sustainable Development statement, Meeting Needs, produced, and there have been a number of policy making tools introduced, and so on, to facilitate the consideration of sustainability across the way the Executive works. So I see those as the key element of the current approach.

Mr Savidge: You mentioned an Executive statement, Meeting the Needs. Do you feel that that amounts to a Sustainable Development Strategy? And if not, why not?

Mr Matthews: No. The first reason I say that is because the Executive themselves do not claim that it is. The Executive themselves do not claim that it is a Sustainable Development Strategy, so I do not think anyone is putting it forward as such. I think in terms of why it is not a strategy, there are some clear reasons. First of all, it has a general vision which alludes to economic progress, and it alludes to social justice and to environmental sustainability, but it is very vague and very short. For example, around economic development it essentially says that the Executive’s vision, as set out in Smart Successful Scotland, which is the vision for the enterprise networks in Scotland, will be their sustainable economic vision. Anyone who has looked at Smart Successful Scotland would not feel that that is really a vision for sustainable economic development within Scotland. It also links to the Social Justice Strategy and talks about the work on health, but there is no sense of trying to bring all these issues together and, as Joan said in the Welsh context, try and resolve crunch issues, try and identify work where the key pressures are within Scotland. I think there are other failures with it; it has no clear action plan linked to it, as in Wales as well; it was not really the result of a debate which identified priority issues; and it has no measurable outcomes in a clearly defined sense for Executive departments and so on.

I think we would accept that it has clearly moved on from what was there before, and that it was useful at the time, but it is not really a coherent strategy. The final point I would say as well, that the key areas for action are all around environmental issues,
resources, energy and travel rather than trying to seek a broad approach integrating economic and social issues.

Q166 Mr Savidge: Leading straight on from that, to what extent do you think a strategy would make a difference, given that the Scottish Executive have already identified certain priority areas for action. Do you think it would matter?

Mr Matthews: Yes. I think we are all agreed that strategies are not the only element of a coherent approach and strategy is not necessarily connected to delivery, unless it is properly formulated and clear actions, which are monitored and evaluated, independently if possible. I feel that it would particularly have made a difference around issues, for example economic development. There is a review on currently of the FEDS—the Framework for Economic Development in Scotland—which will inform what the enterprise networks do. That is currently being reviewed and I understand that the consultation document will come out later this year. So there is an acceptance that there needs to be movement around economic development linked to sustainability. There is also consultation out on a Green jobs strategy for Scotland. But that link has not been made as yet, and I would have liked to think that a proper strategy could have made that link at an earlier stage.

Q167 Mr Savidge: Where is the responsibility for Sustainable Development currently positioned within the Scottish Executive? Do you think it is in the right place?

Mr Matthews: It is within the Environment and Rural Development Department. There is a fairly well resourced team there—14 staff currently—and the Environment and Rural Development Department does currently have responsibility for Sustainable Development across the Executive, and the Minister, Ross Finney, sits in the Cabinet sub-committee. So there is a link across the Executive, through the sub-committee and through the various policy mechanisms that they have established—for example, there is a policy memorandum in Bills and people involved in the development of Bills in the Executive do appear to be consulting this centralised resource, even if they are not within the Environment and Rural Development department. However the OECD research, which we have been looking at, which is looking at good sustainable development governance, would see that the central Sustainable Development policy people should be centralised within the bureaucracy rather than in a department. Again, you could have a debate how important this is. For example, equalities issues, which is another cross-cutting theme within the Executive, is located with the Development Department, and I do not think people feel that that has necessarily affected its ability to engage with staff across the whole bureaucracy. However, I think in terms of what would be the ideal location for it, possibly one would say within the Office of the Permanent Secretary, within that centralised bureaucracy, as it is in Wales, or as it is in a number of other governments across the world, that are seen as exhibiting good practice.

Ms Bennett: Interestingly, Wales did shift theirs; it was out in an Environment Department and they did move it into the Strategic Policy Unit at the centre of the Welsh Assembly Government.

Q168 Mr Savidge: Your study concentrates on the issues of governance rather than implementation. How far do you think it might be argued that governance is not so important, given that the Welsh study seems to imply that it was the commitment of the actual individual officials and the Ministers that really drove progress?

Mr Matthews: We work with national government and regional government as a consultancy. One of my key conclusions is that if you have people who are committed to this agenda and who are able at the top of an organisation, and have committed and able people in key positions within that organisation, committed to Sustainable Development, that is probably more important than just about anything else in driving this forward. I do though think that strategy and frameworks are also important. The Executive is a large bureaucracy with thousands of staff working on a whole range of issues, and I think you need a coherent vision and you also need mechanisms and frameworks which enable staff, who may not be aware of this agenda, to consider how it might integrate into their particular area of work. Clearly the Ministers and senior executives within the Scottish Executive cannot be responsible for all policy development, policy generation and policy synchronicity across the whole bureaucracy of the organisation. So I think governance is important but we would not claim that it is a panacea; we would not claim that it is the only element of a coherent approach. Clear, deliverable outcomes are essential to what any organisation, any government should be finally judged on, rather than whether they have the right frameworks and strategies in place.

Q169 Mr Savidge: We are going to be meeting some of the Members of Environment and Rural Affairs Committee next week. Are there any particular issues that would be interesting for us to raise with them, and do you think it would be an idea for us to suggest to them that they might consider having an Environmental Audit Committee that could look at the work of the whole Executive, if we put it very politely?

Mr Matthews: I actually came here on the back of meeting the Committee yesterday to talk about progress with our research, so again I am maybe in a difficult position in terms of what I should be saying to you on the record about what you should be saying to them. Obviously they undertake the scrutiny role of the Executive themselves. It was actually raised by somebody yesterday about the need for some sort of auditing committee, or possibly an external audit. One thing I think might be useful would be what is done in Wales, which is some form of external scrutiny, possibly after four
years, of how the Executive is doing. That could be done through the Sustainable Development Commissioners in Scotland—three Commissioners with particular Scottish interests—or it could be done, as you say, through the Parliament, through some sort of Environmental Audit Committee. I think it is one of a number of different mechanisms that could be used and I would not want to get too involved in that.

Q170 Chairman: Before we move on from Scotland, you have said—and many others have said to us as well—that the commitment of individuals is in the end more important than any number of structures or strategies, and I was wondering how effective you think the Scottish Executive have been in communicating a vision through the individuals who are signed up to this, to the rest of the governance in Scotland?

Mr Matthews: There has been some research work on awareness of, not necessarily the terms of Sustainable Development but the need to look within environmental limits, which I think is referred to in Taking It On. It seems to show that there is a higher awareness of this concept in Scotland than in the rest of the UK. There have been advertising campaigns around particular issues like climate change and energy and waste, which seem to have had a high level of public awareness. I am not aware whether the Executive commissioned independent research on whether these campaigns have had an impact. In terms of the wider selling of the message, in terms of the five to 14 curriculum, the school curriculum in Scotland, there is quite a good education for citizenship strand; there is also an environmental awareness strand within that. I think both of those would be seen as quite good and quite challenging and quite proactive in terms of schools' education. In terms of the wider population possibly quite a lot more needs to be done.

Q171 Chairman: Scotland is not unique in that respect.

Mr Matthews: No.

Q172 Mr Savidge: Something which impressed our Committee when we were in Edinburgh was the way that, for example, there had been a report on renewable energy, and the way in which with things like wind farms there had been much more positive work at actually trying to get the public interested and supportive.

Mr Matthews: You are right, and it is partly, I think, because there may be greater wind energy resources, but I think it might be partly cultural issues. There is also a heavy engineering basis in Scotland which is seen possibly as allied to that, so it is not necessarily some sort of esoteric green agenda. It is linked both to climate change, which people think is important, and also to diversification from the oil industry in Aberdeen, which you are very aware of, but also in the Clyde in terms of the heavy engineering base, based around shipbuilding in the past. I think it has been effective because of the links we have made with the economic and social benefits as well as environmental benefits, and also the community benefits for, particularly, Highland communities, in terms of funds to help regenerate their communities in terms of their releasing the potential to do other things, and so on. I think that is an area where certainly there is great potential. I think Scotland and the UK missed the boat on the first round of the Renewable Energy Development. Hopefully there is now a greater emphasis, particularly through things like the Technology Institute in Aberdeen, to try and engage business and academia and government in pushing forward the next generation of Renewable Energy and making Scotland a world leader in that. I think the important thing is making those links with economic and social issues as well as environmental concerns.

Chairman: Let us now move on to English regions.

Q173 Joan Walley: You have already made reference to the Sustainable Development Commission’s report, “Shows promise but must try harder,” and in view of the progress that has been made in Wales and Scotland, I was interested in how that squares up with the progress or lack of progress that might be being made currently in the regions. Would you say that the work that has been done through the frameworks carry little weight? Would you say that is a fair assessment?

Ms Bennett: I will pass to Trevor, who led our work on the frameworks.

Mr Houghton: I think the Regional Sustainable Development Frameworks generally have a lot less weight than what is being seen in either of the devolved administrations. I think things are moving up a gear now. In terms of when they were first developed they were developed at a time when maybe awareness raising was the primary objective and they have now moved on to a level where, in terms of what has developed in the regions in terms of regional Assemblies, the RDAs, et cetera, are really coalescing into something rather more effective. I think we can see over the next few years the whole thing moving forward in a more effective fashion.

Q174 Joan Walley: I hope that your optimism proves to be founded, but coming back to what you were saying at the very beginning, do you think that we should have a strategy rather than a framework? Where do you put the responsibility for ending up with these frameworks, which need to move on?

Mr Houghton: It is interesting in terms of how the regions themselves see it. Some regions have very clearly stated that they want a framework as opposed to a strategy.

Q175 Chairman: What is the difference?

Mr Houghton: I will go on to explain. The West Midlands at the moment is reviewing its Regional Sustainable Development Framework.

Q176 Joan Walley: I am glad you mentioned the West Midlands!
**Mr Houghton**: It is very clearly saying that it wants to stay with a framework that is there to guide strategy development.

**Q177 Joan Walley**: Can I stop you there and ask you how, in what you have seen so far? You have seen the strategy adopted by the West Midlands being informed by the framework?

**Mr Houghton**: I think the West Midlands framework, the original framework, is relatively unusual; it was the first one, it was a very awareness-raising document, and probably in terms of its practicality in the terms of influencing other strategies it was not the right sort of document to have. What they are trying to do now is to turn it into a practical document that helps to inform other strategies.

**Q178 Joan Walley**: When you say “they”, do you mean those responsible for producing the framework or do you mean those responsible for producing the Economic Strategy of the Regional Development Agencies?

**Mr Houghton**: The grouping that is actually taking forward that Review has representation from the Assembly, the RDA, et cetera, in taking it forward. So, yes, those are people involved in actually developing the main regional strategies. What I would say, there is a need for a strategic view overall of how Sustainable Development has been taken forward in any region. So what I am saying is that there is a need for a framework to guide other strategies, but there also needs to be this overview, which is looking at how all those strategies are working together. In some regions this is coming forward now within Integrated Regional Strategies, but there needs to be a view about whether these are guiding and working with the Regional Economic Strategy to deliver Sustainable Development. Are there any conflicts between them, and are those being sorted out? There needs to be something around that to see whether Sustainable Development is really moving in a region.

**Q179 Chairman**: Going back to my question, I am not entirely clear. A framework implies a structure, does it not?

**Mr Houghton**: Yes, it does; or a process as well.

**Q180 Chairman**: A structure rather than a process, and is that the difference between a framework and a strategy, that the strategy is a list of things that people have to do and a structure is the context in which they have to do them?

**Mr Houghton**: The way it has been used in several regions is that there is a framework being set out of how you develop any strategy and how Sustainable Development should feed in various points in the development of a strategy or a plan that may be dealing with housing, dealing with energy, or whatever it might be.

**Q181 Joan Walley**: My difficulty is whether we have a framework or a strategy. Unless there is some leadership amongst those who have responsibility for it there is no likelihood of it being translated into action. So you can have all the frameworks and all the strategies, all the consultants’ reports, but unless that is linked to implementation—and what I really want to ask you is who is the responsibility for showing that leadership for ensuring that in each of our regions the Regional Assembly or the Regional Development Agencies are focused on putting vision into action?

**Mr Houghton**: I think in many regions it is now coming down to the Regional Assemblies who have actually taken on that leadership role.

**Q182 Joan Walley**: They do not have any control over the Regional Development Agencies, do they?

**Mr Houghton**: They have a scrutiny function where they are using that to look at Sustainable Development and we are involved in helping Regional Assemblies do that. So it is feeding through from that level. Also, round tables, Sustainable Development Commissions or whatever, that are at present in each region are assisting in that process. So I do think that there is some leadership there, and within Assemblies there are Assembly Members who are taking that role quite seriously.

**Q183 Joan Walley**: Given that you volunteered the West Midlands as an area to look at, could you give the Committee one example of where there is best practice in terms of this happening on the ground in the West Midlands?

**Mr Houghton**: I was not necessarily putting forward the West Midlands as best practice.

**Q184 Joan Walley**: No, but you mentioned West Midlands, and I am asking you to give an example of best practice in the West Midlands.

**Mr Houghton**: In terms of their Regional Planning Guidance, for instance, they have in the Regional Planning Guidance fairly comprehensively dealt with Sustainable Development, there has been a good, sustainability appraisal of that, and that is helping to take forward Sustainable Development effectively in the region.

**Q185 Joan Walley**: Can I move on to Defra? One of your recommendations is that Defra should work with the regions to agree a core set of Sustainable Development indicators, so that they could be used at a regional level. But Defra already publish a regional set of Quality of Life Counts headline indicators.

**Mr Houghton**: Yes.

**Q186 Joan Walley**: So are they not sufficient and what more do you think is needed?

**Mr Houghton**: They may well be sufficient but I think in every region there is also the argument that you should have some indicators that are there, that are decided at a regional level, that deal with specific issues related to a region. So I am not saying that the regional indicators that exist at the moment, the core set, are necessarily inadequate, though I do think that they need to be kept under review and there
should be good linkage with regions that actually do that. In each region you also need indicators that are decided by that region dealing with regional matters.

Q187 Joan Walley: Can I move on to Sustainable Development and how we actually get it put into practice? You made one recommendation which is saying that ODPM should consider—and I emphasise the word consider—looking at Sustainable Development as a statutory duty.

Mr Houghton: Yes.

Q188 Joan Walley: I remember that this was a much-discussed issue at the time when the Regional Development Agencies were set up. Are you not saying that ODPM should make it? Why are you so hesitant?

Mr Houghton: There is a mixed view in the regions themselves about this and we have to reflect that view. If you are asking me as an individual with a professional interest in it I would say that it would be useful. I would say 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, and I think it would be helpful.

Q189 Joan Walley: Were you involved in this debate at the time when the legislation was going through? How has the issue moved on since then?

Mr Houghton: We were not directly involved in it, but I think the argument is still going on amongst the practitioners in each of the regions, and I think it often comes down to how effective each of those regions are. The southwest, which I think has done very well in terms of both using its framework and progressing sustainability, the view expressed by people we talked to was that they do not need this. I do not think that they were necessarily against it but they said that they did not need it. Maybe in other regions, where they felt that they needed the clout to do it, they were more behind the suggestion that it should be a statutory requirement.

Q190 Joan Walley: Finally, may I just ask you, in terms of the knowledge that you have of the different regions—and we have heard about Scotland and Wales—do you think that there is a big gap in understanding this issue across the country? Do you think that much of the progress on this whole agenda will only be made where there is perhaps a greater understanding, and with people of expertise and knowledge of this, or do you feel that right the way across the country there is a general understanding of this issue and it is at the top of everybody’s priority list?

Mr Houghton: It is certainly not at the top of everybody’s priority list, but I do think the understanding of Sustainable Development has increased markedly in the last few years, and I have been impressed by the level of understanding, particularly amongst people we have met from Regional Assemblies and RDAs about those issues.

Q191 Joan Walley: What do you think has instigated that?

Mr Houghton: One of the things that has helped is actually the process of developing Regional Sustainable Development Frameworks. The fact that those key regional partners had to work together to put these things together, and are now involved in reviewing many of them, it means that they have had to develop their understanding of Sustainable Development, and I think they have done that. Where you see the gaps is if you move down a level, if you like, and how it is influencing individual strategies in the constituencies that are linked to those because there is sometimes a lack of awareness and understanding, and I think one of the challenges for the regions, and, indeed, for the national strategy, is to put Sustainable Development in the language that can be understood by each of the sectors that it is trying to deal with, whether it be the business sector or whatever. We have not talked about the definitions, et cetera, about Sustainable Development, I did not particularly want to get into that.

Q192 Chairman: We may be coming on to that.

Mr Houghton: Yes. I think the key issue is putting it in terminology and relating it to what each of those sectors are doing and showing how it is relevant to them, is what matters, rather than spending hours trying to define it.

Q193 Chairman: You took the example of the southwest and you said that they did not really believe that they needed a statutory duty to promote Sustainable Development. I can tell you that there are an awful lot of people in the southeast do not think there is any need for a Regional Development Agency or a Regional Assembly at all. Going back to something that Simon Thomas raised, an awful lot of the real work that gets done, to improve biodiversity, and so on, has been done at a very local level, through Agenda 21, through the activities of District Councils, through the activities of County Councils. To what extent are any of these regional bodies connected to the people who end up having to deliver?

Mr Houghton: If I could turn the question round a little, in the sense that I think there are real issues that need to be dealt with at a regional level. I am very familiar with climate change, where there are some real co-ordinating decisions that need to be made at a regional level, particularly adaptation to climate change. How does a region actually deal with the impact of climate change? Many of those are actually spatially quite big.

Q194 Joan Walley: Is not climate change by definition much bigger than a region? Climate change is a global change and the actions that people
need to take are in their own homes or in their own local communities. I am not quite sure what the purpose of a regional approach to climate change is.

Mr Houghton: We have been doing work on that at a regional level. You could be looking at the big issues around flooding, for instance, and the increased incidence of flooding, which covers a whole river catchment, which could be a region in terms of a river catchment, and the decisions around that, and how we deal with that, and its impact on all the services that are going on there is a regional issue.

Q195 Chairman: It could be pan-regional.

Mr Houghton: It could be pan-regional but it is just one example. If you looked at energy, which is another one, you have a UK Strategy on Energy. For example, regional assessments have been made around renewable energy and trying to set targets for that, and then the whole issue about trying to coordinate where renewable energy is then developed at a local level, I think there are some clear levels of decision making where the region does have relevance.

Q196 Chairman: But are they connected to those other organisations that I have mentioned?

Mr Houghton: I think on both the issues I have cited, yes, is the answer. The southeast, for instance, has a very effective climate change partnership at the regional level, which links into the Regional Assembly and the other regional bodies, and is feeding down into what is happening at a local level, and relates to the National Strategy.

Q197 Chairman: I am aware of southeast region climate change strategy, and it is very good and it is expressed very clearly. I am not sure that it has changed anyone’s behaviour, though, least of all the behaviour of the RDA, which is still obsessed by economic growth.

Mr Houghton: Indeed, and this comes back to the whole function of looking at Sustainable Development. This is a crunch issue. The whole thing about what is going to be going on with the Sustainable Communities Plan and the big developments that are related to that and how that relates to climate change is a Sustainable Development crunch issue for the southeast.

Q198 Mr Challen: Before we move on to pan-regional Assemblies, can I go to my first question, which is from the evidence this morning and from your memorandum it does seem to me that there is a patchwork quilt in terms of the implementation of the UK Strategy. Do you think that suggests that awareness is itself very patchy of what this means to them and that actually most Regional Assemblies, RDAs and what-not, do not carry a great deal of weight?

Mr Houghton: A patchy picture. There are some RDAs, for instance, where it is maybe not taken as seriously as we would wish. On the whole the Assemblies are taking it very seriously and are trying to put in place mechanisms to make it work, and in particular in their relationship with the RDAs. It is very much an evolving picture; none of these institutions are very old, they are still learning how to work together. I think particularly at a regional level they are only now really getting down to good working relationships between government offices, the RDA and Regional Assembly. Pointing to the government offices, for instance, again there is a very inconsistent picture in terms of how they deal with Sustainable Development and how many resources they have to deal with it. They played a lead part in developing many of the Regional Sustainable Development Frameworks, but since then they have drawn back a bit. In some of them they do not have dedicated staff dealing with Sustainable Development; they do not have a lead department on it and they do not have any budget relating to it.

Q199 Mr Challen: So even in government departments at the regional level this is still very much in its infancy and that suggests to me that the perception that we used to have of the RDAs, in particular in the 80s and 90s, is that they compete with each other to try and get economic growth.

Mr Houghton: Yes.

Q200 Mr Challen: And that would still be the case?

Mr Houghton: Yes, I still think that is an issue and there were examples in our research where there was obviously some conflict between Assembly and RDA about objectives. There was one RDA, for instance, who wanted to make their region within the top 20 regions in Europe, and this was described as the “Armageddon option” as far as the Assembly was concerned because its impact on the environment and society would be in many cases detrimental, if they were actually to achieve that.

Q201 Joan Walley: Which region was that?

Mr Houghton: That was actually in the eastern region; it is quoted in the reports, so it is public.

Q202 Chairman: The southeast stated that they wanted to be the top region.

Mr Houghton: Yes, exactly. These aspirations and objectives sometimes are not that realistic when you actually look at the environmental capacity of that region. But is this not the stuff of politics and political decision-making? There are these conflicts and in the eastern region instance there was a real conflict between RDA and Assembly and they did actually achieve some changes as a result of challenging that sort of thing.

Q203 Mr Challen: In terms of the four aims of the UK Strategy, the last one, which is the maintenance of high and stable levels of economic growth and employment, that still is their driving force, is it not, and all the rest is just lip service and greenwash?

Mr Houghton: That is what I am saying. Here was an example of where, to some extent, that aspiration being put forward in isolation was challenged. They were saying that this is inconsistent with the other aims of the UK Sustainable Development Strategy, and therefore we will challenge this, and it was moderated.

Mr Houghton: Yes.
Q204 Chairman: So they now only want to be in the top 30!
Mr Houghton: I am not saying it is a perfect process but I am saying that there is an example of where there was some questioning made as a result of looking at Sustainable Development in the round.

Q205 Mr Challen: So this does make the definition extremely important. Do you think that the definition should be a driver to action or simply some way of putting some kind of framework around what the action really is—and we know what the action really is, it is about airports and all sorts of things like that?
Mr Matthews: I think our feeling is that having a clear definition is important in the sense that it enables people within government to understand what this agenda is about. For example, as you have already referred, one of the key defining criteria within the UK Strategy is economic growth. Many people would rather redefine the economic element of sustainability in different terms than that, and, clearly, as you stated just now, it enables quite a lot of unsustainable development to go ahead. I think the definition only matters in terms of that broader aspiration or understanding. It is more what happens underneath it, what underpins it, the specific actions, that we feel are more important. So, yes, clarity of definition; the definition should be clear, it should be underpinned by clear, sustainable development principles that are widely understood, but it is only one small element, it is not the overall approach.

Ms Bennett: If I could come in there, as well? We feel that we do not want to spend another four years re-defining sustainable development. What matters is the UK Strategy says, look, we have some big conflicts here between what the RDAs are doing and biodiversity, or whatever it is, how are we going to tackle it? Let us feed down some clear guidance to the RDAs on what we decide to do to tackle this issue. That is what matters, not spending another four years squabbling over whether we have economic development, GDP in there or not. It is really facing up to what are the conflicts between those four aims on sustainable development and how we are going to deal with them.

Q206 Mr Challen: One of the problems of course is that we might have a very clear definition but if that is not backed up with hard cash then it will matter very little to the RDAs in any case because they are funded to do economic things not environmental things. That is generally true, is it not?
Ms Bennett: I would not say that completely.
Mr Houghton: I think it is how they apply their cash and whether they seriously put in sustainability criteria in terms of how they apply the funding that they are responsible for, and that comes back to issues like whether sustainability appraisal of things like Objective 1 projects are done effectively.

Q207 Mr Challen: They will measure their success in terms of jobs created and how much per job they reckon that they can credit to themselves, and this is no doubt how the government sees it too.
Ms Bennett: But this comes down to the link that we were talking about, the Welsh example, where the Welsh Development Agency, the Welsh Assembly has tried to build in clear sustainable development standards into their remit, and how well is the UK government doing that with the RDAs. Are they really tackling that? Should they be tackling that? We certainly would not say that RDAs should not deal with employment in regions, but what we are saying is that they should be dealing with it in a way that tends not to conflict with social and environmental objectives.

Q208 Mr Thomas: Does that work in Wales?
Ms Bennett: I was going to talk about the Dee Estuary because I was reading our report in preparation for this and I noticed that one of the big conflicts that one of the officers raised was that there was a big conflict around the Dee Estuary, which has large employment along the Estuary, but it is also a Special Site of Scientific Interest. They had not dealt with that kind of issue, they had not said, “How are we going to deal with that?” and of course it has blown up in their faces, just recently. You probably know it was British Aerospace, was it not?

Q209 Mr Thomas: The stretching of the docks to take out some wings.
Ms Bennett: They wanted to get some wings down. So what we are saying is that we have to face those issues or otherwise suddenly British Aerospace says, “If you do not get those wings down the Dee Estuary we are going to move all these jobs.” So you face the issues at the start, feed them down through your strategy and through your guidance to RDAs as well.

Q210 Mr Challen: All this regional “stuff”, if I can use that expression, does it not get in the way of addressing issues of climate change? Are there not bodies out there that are actually doing real things now at the regional level? We have had all these talks, we have heard that they are in their infancy, we have to have strategies, frameworks and they have to be revised and re-visited, and it is just talking shop. Should not the agencies who actually do these things get our attention and be allowed to get on with it without having a huge panoply of bureaucracy to deal with it at the same time?
Mr Houghton: For instance, we have spatial strategies which have much greater significance in terms of planning, and I would say that those are the areas where climate change should be addressed, and it does provide the broad strategic view of what should be happening in the region that then feeds down to the local level, and I think it is appropriate that that is there. They are important strategies and they do need some body to bring those together.
Q211 Mr Challen: If I want something to happen in my constituency you would think normally you go to Leeds City Council. Leeds City Council may well say, “We cannot do anything until the Yorkshire Forum has discussed it,” and the Yorkshire Forum says, “We might be happy with this as long as Leeds City Council is happy with it as well,” and then you might have one or two other bodies involved. So eventually we have too many people to deal with.

Ms Bennett: I think my answer would be that on some issues like climate change there clearly is a regional role. On other issues, for example, we are flying in exotic out of season vegetables, so huge energy consumption, the use of pesticides, chemicals, et cetera. There is a national role there; you might be dealing with CAP, you might be dealing with general grants to the farmers, et cetera; and there is a local role, that authorities can have a role in persuading schools to purchase local products, et cetera, developing farmers’ markets. There probably is not a big regional role in that particular issue, although I might be persuaded. So it does depend to some extent on the issues.

Mr Houghton: What I would say is that the UK Strategy should actually be saying, what is the role at each different level on particular issues? And it does not do that at the moment. I think there would be a lot more clarity in terms of the strategy and responsibilities if that were the case.

Q212 Mrs Clark: Talking about the UK Strategy—and probably what I am going to say has been discussed a bit anyway—should it simply provide an overall statement of aims and principles or should it be really a driver of progress?

Ms Bennett: In our view it has to be a driver. If you just have aims and principles—and what has typically happened in the regions where you have aims and principles and everybody does their appraisal, you cannot be sure that all the different policies, all the different actions out there add up to enough to deal with the big issues. So you have to have drivers for the big issues. Not for everything, but for the big, clear unsustainable trends; you have to have clear drivers that are then feeding down into government departments and then hopefully feeding on out, into how are we going to tackle these big unsustainable trends.

Q213 Mrs Clark: If it is going to be a driver what implications would this have for some of the strategies of the devolved administrations that we have talked about today?

Mr Matthews: Obviously in the Scottish domestic policy it is devolved now down to that sub-national government level. I think it is good what Joan said about a clear definition of what needs to be addressed at what level.

Q214 Mrs Clark: Do you have a core set of targets and objectives, which should be common to UK strategy and the devolved? Is there a basic minimum that has to be threaded through?

Mr Matthews: Yes. For example, the Scottish Parliament has an enormous remit around domestic affairs but key fiscal decisions are still retained by Westminster, and if you are talking about sustainable consumption and sustainable production then Westminster and the UK level still has an enormous amount to address around that. So it is just about being clear exactly where power rests to address certain issues. Obviously the Scottish Parliament and Welsh Assembly have far more power than the English regions do, so there needs to be a different approach from, say, regional government in England.

Q215 Mrs Clark: So back to the regions again. Are there any issues that can only be dealt with or should only be dealt with at regional level? You have talked quite a lot about the eastern region today and my constituency is in the eastern region and certainly all the newspapers in the eastern region recently have been going on about people protesting about wind turbines, et cetera. What leadership was actually given there by the region and the RDA? I would say none at all.

Mr Houghton: I know that the eastern region has carried out an assessment, has developed a target, and it is being integrated into—

Q216 Mrs Clark: It has not got the message through though, has it?

Mr Houghton: No, I agree there is more to be done. I do not deny that. I do think that there is a role there in trying to think about—particularly with something like wind turbines, which are immensely controversial—how you decide where they go. That is an appropriate thing to be looking at at a regional level because at a local level we might be thinking that that is going to be near a local church, it is going to spoil this view.

Q217 Mrs Clark: Not in my back garden.

Mr Houghton: No, not in my back yard, whereas at regional level you can start to make some more sensible decisions.

Mr Matthews: There are two slightly different issues here. One is where is the appropriate level for power to rest when you address certain issues, and the other is are regional based or local based institutions being effective in doing what they are supposed to do? Whether or not the East of England Assembly, which I know very little about, unlike Trevor, if they are failing to do that, that is partly a failure of them to exercise the powers that they have, rather than necessarily the framework being wrong or their powers in that framework being wrong.

Q218 Mrs Clark: You have suggested as well that the UK Strategy should be accompanied by what we call an action plan. We have strategies, we have frameworks, we have action plans, we have Uncle Tom Cobbley, et cetera. Is this not going to be just another tier of bureaucracy administration and actually a slower to progress?
Ms Bennett: Could I give you an example of this? The difference between a strategy and action plan, a strategy might be you as a Committee, you decide at the beginning of the year you will do the following reviews, and then you go off and you deal with your constituency, and you deal with your other work. You come back at the end of the year and you say, “We didn’t do those reviews, did we?” Because you forget to tell who to prepare the background papers, who to invite to come and give evidence. Unless you have the action plan, which is how we are going to implement a strategy, then you might as well not have the strategy as far as I am concerned. So an action plan or an implementation plan is an essential part of making a strategy effective.

Q219 Mrs Clark: Finally, you have been quite severe on the UK Development Strategy for failing to come to terms with crunch issues. At the same time you do seem to accept that it is very hard to assess how the new policies and the new legislation actually have an impact on social, economic and our environmental goals. Is this not really, at the end of the day, the key difficulty which we are all facing in trying to develop more radical proposals to promote what we all want to see—Sustainable Development?

Ms Bennett: I am not convinced that it is hard for us to know what the issues are and what the impacts are going to be. When we talked to the Welsh Assembly, as I said, they knew very well that the Dee Estuary was a burning issue; that it was important for jobs and that it was an absolutely essential nature site. They knew what the issues were but they have not dealt with them. That is the issue; it is saying, we have to face up to this issue and how are we going to deal with it?

Chairman: If I can come back on that response to Mrs Clark. You have just said that you did not think it was terribly difficult to identify the crunch issues, but in your memorandum you said it is an “administrative nightmare”. Shall we leave it on that basis? Thank you very much for your evidence, it has been very helpful and lively!
**Monday 28 June 2004**

Members present:

Mr Peter Ainsworth, in the Chair

Mr Colin Challen  
Mr Malcolm Savidge

Sue Doughty  
Joan Walley

Mr Mark Francois  

Memorandum from the UK Business Council for Sustainable Energy

**INTRODUCTION**

The UK Business Council for Sustainable Energy (UKBCSE) welcomes this opportunity to submit a memorandum to the Committee’s inquiry into the UK’s Sustainable Development Strategy. The Council has taken note of the terms of reference for the inquiry that the Committee set out on 5 April 2004, and the Government’s recently published draft Sustainable Development Strategy “Taking it on: Developing UK Sustainable Development Strategy Together.”

The UK Business Council for Sustainable Energy (UKBCSE) was formed in the lead into the 2002 World Summit on Sustainable Development (WSSD) and is one of an emerging number of similar Councils with others being in the United States of America and Australia. The UK Council brings together major energy businesses focussed on the delivery of sustainable energy technologies and services including renewable energy, energy efficiency and energy efficient technologies such as combined heat and power (CHP). The Council is working to build a broad consensus on many of the issues surrounding the development of sustainable energy in the UK. Business supporters of the Council include: RWE npower, Powergen UK, Scottish Power, Scottish and Southern Energy, United Utilities, EDF Energy, Centrica, Shell UK, BP and National Grid Transco.

The questions that the Committee has raised are:

— Does the definition of “sustainable development” matter?
— Has the UK Strategy acted as a driver or does it occupy a limbo existence that has little impact on departments’ real priorities?
— How effectively do the indicators reflect the UK’s “sustainability gap”?
— How can the concept of sustainable consumption be integrated within the Strategy?
— Do the present organisational structures and policy mechanisms within Government contribute to the effective implementation of the Strategy? Has a lack of sufficient Government financial support for programmes and policies hindered the implementation of the Strategy in any way?

The Council’s main focus is clearly on those aspects of sustainable development that interact with the delivery of the UK’s Climate Change Programme, which in turn has a strong bearing on the UK energy sector. The Council’s comments below reflect this.

The Government has suggested four priority areas for the UK to focus on in relation to sustainable development:

— Climate change and energy.
— Sustainable consumption, production and use of natural resources.
— Environment and social justice.
— Helping communities to help themselves.

The Council welcomes this approach. We believe that sustainable energy services based on the wider use of energy efficiency measures, renewable energy, and energy efficient technologies, contributes directly to each of these key goals.

The Council also notes that the Government seeks to make progress by:

— Helping to change behaviour.
— Taking forward Sustainable development internationally and in Europe.
— Getting the structures and tools right so that the UK has the institutional capacity and leadership from the national to the local level.
— Increasing the business contribution to achieving Sustainable development.

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18 The views expressed in this paper cannot be taken to represent the views of all parts of all the companies in the UK BCSE. However, they do reflect a general consensus.
The commitment to progress on a number of fronts is welcome and the Council will be in discussion with Government as how it can play a role in building on the role of energy businesses in relation to sustainable development.

ENERGY AND SUSTAINABLE DEVELOPMENT

Delivery of sustainable energy supplies consists of ensuring that it can be produced from lower or zero carbon sources (whilst also reducing emissions of other pollutants); that it is used prudently and effectively and; can be provided at a cost which is not economically damaging or socially regressive.

The Government’s Energy White Paper of February 2003 recognised these challenges and sets out the basis for a move to a low carbon economy. This embraces renewable energy deployment and a shift to more efficient end use and production of energy.

The approach and actions contained in the Energy White Paper are in turn cited in the Government’s consultation on the UK Sustainable Production and Consumption Strategy as an example of how shifts to more sustainable resource use patterns can be achieved.

Although such principles are generally accepted it is far from clear that the current policy context, economic climate, and level of awareness of the detailed issues, are what is needed to remove the actual and potential barriers to sustainable energy supplies. The integrated approach that is needed and the mechanisms through which this will be done are often conspicuous by their absence.

Indeed the Council are not convinced that current policies reflect the real contribution that sustainable energy can make. Nor are we convinced that the concept of sustainable development is being fully exploited across government departments. This view is outlined below in the Council’s response to the questions raised by the Committee.

THE COMMITTEE’S APPROACH

The Committee has posed a number of questions:

Does the definition of “sustainable development” matter?

The Council believes that the broad definition of sustainable development that has been stated as being:

“Development that meets the needs of others without compromising the ability of future generations to meet their own needs”

offers a broadly acceptable definition of sustainable development, suggesting a degree of intergenerational equity and recognition of mutual rights and responsibilities.

The Council is aware that the Government has been able to apply such a concept in the statutory terms of reference of a number of economic regulators, such as the Office of Water Services (OFWAT). However the DTI has historically resisted its application in the energy sector in relation to the Office of Gas and Electricity Markets (OFGEM) where they appear to believe the concept to be too woolly. It has been suggested that the sustainability of today’s energy market might have been greater had the concept of sustainable development been built into the terms of reference of OFGEM from the outset.

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.

Has the UK Strategy acted as a driver or does it occupy a limbo existence that has little impact on departments’ real priorities?

As the term “sustainable development” has yet to be given legislative effect in the energy sector, it is difficult to give an absolute assessment of its impact.

However, in general, it is not clear how far the concept of sustainable development has been integrated across internal boundaries in departments, let alone between them. In the case of energy matters, whilst the DTI does have a team committed to the delivery of sustainable development, externally this would appear to be remote to the work of the team delivering energy policy.

The Chief Secretary to the Treasury has made it clear that in the Comprehensive Spending Review 2004 (SR04) sustainable development is a strong cross cutting theme. Only the final outcome of SR04 will tell us if this has had a significant impact on departmental bids and actions.

In particular we believe that all the Government’s sustainable energy targets should be made Public Service Agreement (PSA) targets for the relevant department. This would remove, for example, the current anomaly where the Government’s target for renewable energy is part of DTI’s PSA targets whereas the current CHP target (10 GW by 2010) does not appear in DEFRA’s PSA targets.

*How effectively do the indicators reflect the UK’s “sustainability gap”?*

The indicators the Government has chosen, in the case of England, are inevitably of a very high level nature.

It may well be the case that important sub-indicators also need to be built in, especially in relation to the goals of the 2003 Energy White Paper. These might include:

- The number of homes achieving a SAP level of at least 55.\(^{20}\)
- The number of households lifted out of fuel poverty.
- The trend rate towards the CHP and Renewables targets.

Without more sub-targets that specifically reflect outcomes the Government is committed to, there is a danger that the UK will never really know if it is, or is not, closing the “sustainability gap.”

*How can the concept of sustainable consumption be integrated within the Strategy?*

The concept of sustainable consumption is a vital one for the energy sector, particularly as companies seek to make a timely transition away from natural resource depleting energy sources.

However it is important to recognise that the new energy paradigm this implies is about much more than renewable energy. It also embraces energy efficiency, energy efficient technologies, the social and regional dimension to energy activity and active management of a company’s environmental footprint. Some companies have established systems for such an approach, for others it is very new. The Government will need to recognise this diversity of response in its approach to sustainable development.

*Do the present organisational structures and policy mechanisms within Government contribute to the effective implementation of the Strategy? Has a lack of sufficient Government financial support for programmes and policies hindered the implementation of the Strategy in any way?*

It is not clear that the present organisational structure does deliver, especially in relation to sustainable energy. In a number of instances the principles of sustainable development appear as a “bolt on” rather than as an integral part of policy.

Particular examples of this can be seen in the following:

**Government Departments**

The different aims of Departments can create barriers to sustainable energy.

There are conflicts between objectives in a number of policy areas that could be resolved by the systematic delivery of high-level commitments to sustainable development.

**Energy Efficiency**

The Energy Efficiency Commitment (EEC) is the main vehicle for delivering energy efficiency improvements in the domestic sector. However it is also being used to deliver the Governments commitments on fuel poverty by targeting 50% of the energy savings at the “Priority Group.” The Council understands that this situation has arisen because DEFRA are unable to direct more of their own spending towards fuel poverty. This merging of social and environmental priorities both increases costs to suppliers and ultimately consumers, and leads to less effective delivery of each aim than would otherwise be the case.

**Wind Developments and Radar**

There is an apparent conflict between the development of wind farms (both onshore and offshore) and the need for the Ministry of Defence (MOD) to engage in low flying training exercises and the civilian radar authorities to pursue future growth—and the economically driven aims of Treasury and DTI to secure low cost fuel supplies for industry.

To what extent is there an imperative to deliver the goals of the Energy White Paper in relation to sustainable development, which results in wider impacts being fully taken into account, when compared to these other drivers?

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\(^{20}\) This is the standard which all current existing buildings should achieve. For new buildings the figure is 75.
Combined Heat and Power

DTI have consistently denied they have a role in relation to the delivery of the Government’s CHP target. This means that when there is scope to take positive action in relation to the delivery of the CHP target they tend to hide behind the mantra “well DEFRA is in the lead”. Significantly the DTI’s initial Sustainable Development Statement completely missed out any reference to CHP.

DTI officials have privately admitted that their Sustainable Development Strategy had no standing at all in relation to the evolution of the DTI’s leadership role in the development and implementation of the New Electricity Trading Arrangements (NETA). These in turn had a deleterious effect on the delivery of the Government’s goals for sustainable energy, and increased the cost of the Renewables Obligation to consumers. It remains unclear how the DTI is factoring sustainable development into their roll out of the British Electricity Trading and Transmission Arrangements (BETTA) in the wake of the Energy Bill.

Regulation

The DTI’s Sustainable Development Strategy also has no standing in relation to non-Ministerial Government Departments for which they are responsible, such as OFGEM. The principle duties of OFGEM relate to competition and markets and hence on price control. Whilst secondary duties in the form of guidance do exist, it is widely admitted they are weak. Indeed after Ministers gave assurances they would last for five years they had to be re-written within a year.

It is not clear that the practical steps needed to ensure that renewables and CHP are not penalised by the introduction of BETTA, or that the need for strategic network investment in the Transmission and Distribution Price Control processes, are proceeding at the pace necessary to meet the Government’s targets.

OFGEM are operating the Renewable Obligation Certificate market within the limits set in primary legislation. They also operate the Climate Change Levy exemption system for CHP, but a protracted failing in OFGEM’s software means it remains a dysfunctional system.

Planning

An overarching direction towards sustainable development would mean that the positive steps that have been taken in revision of Planning Guidelines in Scotland could be more easily replicated. The Council is concerned that the planning system is likely to continue to have difficulty in coping with the substantial number of applications needed for the projects and network development required to deliver the targets for sustainable energy. Lack of expertise, difficulty in prioritising applications, technology etc. all appear to be issues, where a high level driver needs to be applied.

The Government has a real opportunity to promote sustainable development, and a commitment to developing sustainable communities through the planning system, and the recently published draft revision of PPG1 (now PPS1) is a key document for delivering that goal.

The Council believes that PPS1 could and should have gone further in promoting sustainable development. It believes that it fails to give enough emphasis or guidance as to the potential for sustainable energy technologies to be incorporated into developments.

In 1998 the then DETR published “Planning for Sustainable Development: Towards Better Practice.” This document gave practical guidance on the implementation of planning policies to promote sustainable development, including sections on renewable energy and energy efficiency. The current draft of PPS1 makes no reference either to this document or of the need for additional guidance to help planners and developers implement PPS1.

PUBLIC ACCEPTANCE

All of us, but particularly the Government, have to get better at communicating the benefits of sustainable development to the public, particularly in areas to do with sustainable consumption.

Whilst it is not a focus of the Council’s work, nor is it an area where it has particular expertise, there are a number of areas where the Council believe the government could do better in promoting sustainable development.

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These include:

**Market Leadership**

Taking the lead and ensuring that it’s own procurement systems for goods, services and buildings are focused on purchasing and/or using the most sustainable available.

**Shaping Messages about Potential Price Rises**

The Council believes that a key threat to delivery on the range of sustainable energy targets (and therefore sustainable development targets) will be public and political acceptance of price rises.

The Renewables Obligation, Energy Efficiency Commitment, emissions trading, and the necessary reconfiguration of the energy network infrastructure will all put upward pressure on already rising prices. The Government should work actively with consumer organisations and the industry to avoid a backlash against price rises by being willing to explain that these price rises are a necessary part of the UK’s Climate Change Programme and broader Sustainable Development Strategy.

**Mitigation**

The Council believes more could be done to mitigate against these price rises through the development of more innovative energy efficiency and energy services packages.

There has been some welcome progress in this area with the recent announcement from OFGEM that it is to run a trial suspension of the 28-day rule for energy services contracts. However this is only part of the picture. The Council believes that if the uptake of energy efficiency is to be accelerated consumers need to be given additional fiscal incentives. These should not just focus on tax reductions for the purchase of energy efficiency equipment but on more innovative measures that stimulate consumers to take a “whole house” approach.

These “whole house” measures are not just applicable to the uptake of energy efficiency but could offer greater incentives for the development and demand for “sustainable houses” in general, as highlighted in the recently released “Sustainable Buildings Task Group” report.

Government policy makers need to recognise that much of the “low hanging fruit” of energy efficiency has been taken up and consumers need more of a stimulus to engage in energy efficiency. Any reluctance within the Treasury to look at some of the more innovative fiscal instruments to promote the take-up energy efficiency, such as stamp duty reductions, needs to be addressed.

**Conclusion**

The UK Business Council for Sustainable Energy welcomes this opportunity to contribute to the deliberations of the Committee.

Many energy companies have already taken significant steps towards a more sustainable business strategy. It is clear that much remains to be done. The industry seeks an active and consistent partnership with the Government to achieve this.

_June 2004_

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**Witness: Mr David Green OBE, Chief Executive, UK Business Council for Sustainable Energy, examined.**

**Q220 Chairman: Good afternoon, Mr Green, and welcome back to the Committee. I know you are no stranger to the Environmental Audit Committee but you have never appeared here before under the guise of the UK Business Council for Sustainable Energy. It would be helpful, I think, before we get into some of the detail, if you could explain why it was thought necessary to set up the Council for Sustainable Energy in the first place?**

**Mr Green: I am pleased to do that. Just to answer your question, Chairman, the concept of the Business Council came about three or four years ago from three different sources. First of all, it was from discussion in the energy industry about how they could try to bring together their more strategic discussions with Government on the whole issue of sustainable energy and sustainable development, because clearly it covers two government departments immediately, mainly the DTI and DEFRA, and obviously since then also ODPM on planning issues. It covers at least three technology or service areas, namely energy efficiency, CHP and renewables, and obviously they are split between the different government departments, so they are now within the companies. Traditionally they had been dealt with in the same business units and therefore they felt there was a need to try to have some cohesion in discussions with Government. There was also discussion with colleagues in the environment community about how business could become engaged more actively in promoting the case for sustainable energy, so it was not just a matter for...**

mechanism through which they could have a much number of fairly disparate themes in Government.

Mr Green: was a concern from Government, and particularly green NGOs, it was seen to be a serious business for them to try to find a mechanism through which they could have a much higher level and more strategic dialogue with major players in the energy market about this area. The Business Council was incorporated formally in the lead-up to the World Summit on Sustainable Development just over two years ago. Its Governing Council is composed of the Chief Executives of most of the major energy companies in the UK and then we have a number of what are known as strategic partners which bring in other companies from outwith the utility sector. The overall mission is to try to provide for a much more joined-up dialogue with Government on issues such as the one which is before the Committee this afternoon.

Q221 Chairman: Do you think you have succeeded in achieving a more joined-up dialogue?

Mr Green: We are beginning to see progress, in the sense that because we have one institutional vehicle through which the Chief Executives of Britain’s major energy businesses can engage with Government it means we are able to get a much clearer picture of what Government’s thinking is as they approach issues. I would hesitate to say that the Business Council itself is in a position to ensure that the Government is necessarily more joined up in its delivery, but the industry is certainly more joined up in its policy dialogue with Government. That is our main job, to ensure that the companies concerned who have to deliver the goals which have been set are able to have a much more systematic dialogue with Government. We try to encourage a number of government departments to move in the same direction at the same time.

Q222 Chairman: Turning to the UK Sustainable Development Strategy, do you think it has had any impact at all on companies in the energy sector?

Mr Green: The Sustainable Development Strategy itself probably is not something which is at the top of the pile of the Chief Executives of Britain’s energy businesses.

Q223 Chairman: How many of them do you think are even aware of it?

Mr Green: If I were to do a straw poll this afternoon, Chairman, one or two may be. I would hesitate to say that they all are, by any means. They would all be aware of elements of it, obviously. If you count in things to do with renewable energy, things to do with energy efficiency, etc., consultations going on on the Energy Efficiency Commitment, consultations which will be coming up on renewables, what is happening in a number of other sectors, they will be aware of those pieces. Whether or not they would say that they were all aware of an overarching Strategy and the fact that the Government is consulting on the next stage of the Sustainable Development Strategy, to be honest, I would doubt if they were all fully aware of it.

Q224 Chairman: Is there any point in having a Strategy if people are not aware of it?

Mr Green: I think the main importance of the Strategy is its ability to try to bring together a number of fairly disparate themes in Government to try to make sure that the message which Government communicates to companies about sustainable development, about what they could be doing to enhance and improve their environmental footprint, is much more systematic and much more joined up across Government. There is always the frustration that companies who are seeking obviously to run profitable businesses and to do it in a market framework set by Government do get broadly consistent messages from Government, in whatever form they encounter it. Many of us feel that the Sustainable Development Strategy should be integral to getting that much more consistent and joined-up message from Government.

Q225 Chairman: It is more a Strategy for Government than a Strategy for anyone who is actually going to do anything about it?

Mr Green: It is a Strategy for all the various players. The new consultation document “Taking it on:” is about trying to encourage players to engage with sustainable development, and I think people are very willing to do that but they need to be clear what they are being asked to do and on what basis.

Q226 Chairman: At what level within one of your major companies would that document be read and acted upon?

Mr Green: I imagine it would be read by an Environment Director.

Q227 Chairman: On the main board?

Mr Green: There will be somebody on the main board who is responsible for it. I suspect it will be one or two down from the main board. It will vary by the nature of the company but I suspect typically it will be one or two down from the main board. Most of the Environment Directors, who are not called by that title necessarily, are pretty close to the main board directors, because obviously things which happen in the environmental sphere have got major commercial impacts. If you move outside sustainable development, thinking about things like the Large Combustion Plant Directive, Emissions Trading, they have all got major commercial impacts. There is a much tighter connection now in companies than there was perhaps several years ago.

Q228 Mr Francois: Mr Green, the DEFRA consultation suggests that the next Strategy might set out specific priorities in relation to climate change, sustainable consumption and production, environment and social justice and helping communities to help themselves. Would you welcome a focus in the next Strategy on more specific topics such as those?

Mr Green: I think it would be very useful to have a focus, particularly on the high level topics, such as climate change and energy, sustainable consumption, etc. I think the confusion companies
have is, clearly, whilst this is going on there is also about to be launched the Government’s next round of consultation on its Climate Change Programme. Also, in 2005–06, we are going to be having a consultation on the next stage of the Renewables Obligation, and there is consultation going on at the moment on the next stage of the Energy Efficiency Commitment. I am delighted, and I am sure the companies are delighted, to see that the Government is maintaining a high level of focus on climate change. The issue will be how that sits alongside the other documents which have been prepared. “Sustainable consumption, production and use of natural resources,” a very long title but, if you think about it, absolutely integral to what an energy business does. Essentially, an energy business using natural resources, which in a general sense are finite, is seeking to make the most efficient and effective use of them in order to maintain the profitability of their business and delivery of services to customers. Environment and social justice, again, if you were to translate into specific aspects what is meant by that, has a very high level focus in companies on tackling fuel poverty, much more so than perhaps there was in the past. A specific challenge from the energy regulator has been for companies to up their performance on debt and disconnection issues. I think companies would recognise elements of all those as being important parts of it, but whether or not they would recognise it quite in the terms that are presented I would hesitate to say. The more one can use things like the Sustainable Development Strategy to reinforce and show the links between other measures so that there is an overarching narrative the better.

Q229 Mr Francois: Do you think there is a risk though that, with some of these things, they will amount to just pious words rather than anything concrete?

Mr Green: I was looking through this document, as part of the Business Council’s own response to it and obviously also in preparation for this afternoon, and undoubtedly it is the case that a lot of it is very aspirational. It is difficult to disagree with a lot of what is in it, to be honest. It has got some very strong and important messages in it. I think the challenge, and we tried to bring it out in our evidence, is how you get down into more levels of detail, so if you are going to drive ahead with the Sustainable Development Strategy you have got some measurable outcomes which are distinct: the number of homes improved, the number of households lifted out of fuel poverty, etc, or the trend rate towards various targets. That makes it much more specific. At the moment it is very general. Some would say the energy sector may well be ahead of other sectors because they have got used to the outcomes of sustainable development in terms of their engagement with renewables, etc. The more specific that things like this can be the more impact it will have.

Q230 Mr Francois: Are you saying that the more of these specific subjects that you include the more likely the Strategy is to act as a driver rather than just a statement of aims and principles?

Mr Green: I would not want it to end up with this being a document which had 56 separate sub-targets, because I think that would be taking it from one extreme to the other. I think within areas there are ways in which you could bring in some of the other government targets. You might say, for example, that one of the measures of sustainable development is how far you are moving, on a year-on-year basis, to achieving your renewables target, how far you are moving to achieving your sustainable development target, how many homes have been lifted by X amount up the SAP (Standard Assessment Performance) criterion for houses. Those are things which actually you can measure, they are measured anyway in other documents. Bringing them together in this way would help reinforce it and show a link between the different areas. There is a great tendency to measure things separately and not to see the links, and the links are very important in terms of the environmental footprint of an organisation.

Q231 Mr Francois: On the subject of links, we have also various other strategies, such as those from the devolved administrations, regional strategies, and then we have topic-specific strategies: climate change, air quality, combined heat and power, etc. What do you think should be the relationship between the UK Strategy and all these other strategies?

Mr Green: Ideally, the UK Strategy should be the overarching strategy which underpins all the other ones, because obviously it is a UK-wide strategy, it is a strategy the Government will report on to the Commission for Sustainable Development as part of the UN process, so that the UK Strategy should be the overarching strategy. I think it will be very important to make sure that the other strategies feed into this one and it is seen to be a key driver of other policies and a key driver of other outcomes from Government. You will always have distinct strategies for particular sub-sectors but this document should be the way in which it is brought together.

Q232 Mr Francois: There is going to be a major review of the Climate Change Strategy, beginning later this year. Are you worried at all that the timing of that might be too late for the review of the UK Sustainable Development Strategy?

Mr Green: As I understand the timing of the review of the Government’s Climate Change Programme, and I think there is a bit of a debate going on about what is meant precisely by the term “review,” how wide and embracing it might be, it is that they hope to report early next year on the outcome of the Climate Change Strategy. This is due to report around spring. It depends on your precise interpretation of the wording as to whether these two may end up being at the same time. One hopes they will be around the same time, given that the
Department which is driving it is the same Department, it is broadly the same command in the same Department and under the same Ministers. One hopes you will see some coming together so that the one Strategy reinforces the other.

Q233 Mr Francois: Do you think the entire review of the Sustainable Development Strategy is going to be a waste of time? Even if they make changes to the Strategy as a result of the review, do you think it is going to make any real difference?

Mr Green: It will make a difference only if it is used as a vehicle for policy change and policy development. If it becomes just another document and sits on a shelf somewhere, it will not. If it is reinforced through the machinery of government, and hopefully committees such as yours will hold Ministers to account over what it says, then I think it will have some bite, otherwise you are right to be slightly cynical about it and say it will be just another document that is produced.

Q234 Mr Francois: There is a whole plethora of strategies, as is evident from your evidence, there is a whole range of them, and there are consultation exercises relating to most of these strategies. Is there not actually quite a risk of consultation fatigue, where people get so many of these coming across their desk, all requiring a response by a particular date, that after a while people think “There’s not much point replying to these. I’ve got another one in a month’s time anyway. I’m not sure anything’s going to change”? When you get to a point where you get so many it becomes almost meaningless?

Mr Green: The phrase “paralysis by analysis” can spring to mind. I think the important thing is not just what it says in a strategy, it is how rigorously they are delivered and enforced. There is always a great danger, as I said earlier, that you have yet another strategy and it becomes just a paper exercise. The key thing is to make sure people recognise that a given strategy is important and that it is reinforced. I was at a dinner which the Green Alliance organised with Paul Boateng about the Public Spending Review, and he was talking about the way in which they hope to integrate sustainable development as one of the criteria into the Public Spending Review. Clearly, we will know within a few weeks, a few days, maybe, what the outcome of that has been. If central organisations like the Treasury use it as one of their criteria then it will become an important document because it will affect the behaviour of government Departments. If it is found in the PSR targets it will affect the behaviour of government Departments and that will affect policy and that will affect the wider market-place. It has got the potential to be very useful. Really it will depend on how rigorously it is enforced and delivered.

Q235 Sue Doughty: You have got considerable concerns about the conflict between the objectives of energy policy and the desire to keep energy prices low to address things like fuel poverty and competitiveness. We have got the Government favouring an approach to energy policy which is based on competitive markets, but is there any point in having a strategy if the Government does not have levers to pull to influence development? Does it need those levers? Without those levers, could it work?

Mr Green: As most of you know, I have been working on energy policy for longer than I care to remember, and whenever an Energy Minister ceases their appointment, of whichever government, I always try to make a point of seeing them shortly afterwards and they are always quite amazed by the lack of levers that actually they have to pull once they become a Minister. The very nature of being a minister is that, presumably, you want to do things, and on energy policy it is quite interesting that the levers you have got to pull, apart from major things like planning permission, actually are all quite remote because of the very nature of the energy policy we have in the UK. Often there is quite a gap between what you might aspire to do and what you can actually, physically deliver. Obviously an awful lot of energy policy, in terms of the way the market operates, is contained now within the remit of OFGEM (the Office of Gas and Electricity Markets), which is at arm’s length from the Government. I think in a number of areas there have been concerns about the extent to which the Government has got the levers at its disposal to pull. The point you opened on was the issue to do with low energy prices, high energy prices. As consumers, I think all of us would like to see low energy prices. All of us who are involved with the policy community would understand, I imagine, all the sorts of things which are likely to lead to an upward pressure on energy prices: the cost of the Renewables Obligation, the Energy Efficiency Commitment, the need for new infrastructure investment to keep the lights on, etc. etc. There is a whole range of things which are going to put up prices quite apart from the basic price of the energy itself. The worry, from many of the companies that I deal with, is that they are going to find themselves squeezed between a rock and a hard place, the sense that, in quite recent history, consumers have been led to expect low energy prices but could well be entering an era now of higher energy prices. They are worried that might lead to some weakness in the Government’s commitment to delivering some of the targets and about the effect that will have on their ability to raise the investment to meet objectives to do with renewables, energy efficiency, and so on.

Q236 Sue Doughty: In that sort of scenario we have a situation where the Government will start saying it is politically damaging if energy prices go too high because there is a need for public acceptance. Is there anything that the Government could be doing to set out its stall about why we need this re-gearing of energy pricing?

Mr Green: I think there is a lot that Government could do and it is for the broader government community to think about how we can work together to communicate messages about the fact that we are on the cusp of change. I have heard some of the energy companies and distribution businesses equate the cost of rewiring Britain to the cost on the
average electricity bill of a couple of pints of beer a year to give you more security of supply. You could dispute those figures, but the important thing is to make it clear to people that if we are going to have a secure energy system, if we are going to have an environmentally-friendly energy system, we are going to need to have more investment in a whole variety of ways and we have to carry the public with us. If we do not, it is going to become very difficult (a) to get the public’s support and (b) to achieve other important goals such as fuel poverty. I believe you can communicate those messages in a way which can be quite positive about the way in which investment in energy efficiency can reduce people’s fuel bills, the way in which investment in technology could cut costs as well, but it will require quite a sophisticated and reinforcing message from the regulator. It is interesting to note that the regulator is no longer putting out press releases now congratulating major reductions in fuel prices, so I think the message may be beginning to change.

Q237 Joan Walley: Can I pursue some of those issues which Mrs Doughty was raising. In your comments just now I noticed you were very hopeful that the Comprehensive Spending Review from the Treasury was going to give us this opportunity to take forward sustainable development. I wonder how much you would share some of the criticism there has been from some other bodies about the way in which, up until now, the Treasury do not seem to have had a lot of enthusiasm for pushing forward the energy efficiency agenda and particularly supporting CHP? Is that part of what you are hoping for in next week’s announcement, if it is going to be next week?

Mr Green: I was giving a hope. I have no inside information at all about what the Treasury are going to do. I was giving a hope that, the fact that Paul Boateng, the Chief Financial Secretary, has talked about integrating sustainable development, that would be having an effect on the outcomes of the Spending Review. I think there is a broader question about the Treasury’s engagement with the environment agenda more generally and energy efficiency in particular. The view that we have taken in the Business Council is that companies are very supportive of the drive for energy efficiency but believe that not only should it be a regulatory mandate but it needs also to be demand-driven and the Treasury have got a particular role in making energy efficiency more attractive through a range of fiscal benefits. I think we have all been quite frustrated by the fact that possibly the Treasury have not engaged with that as fully as they might have done.

Q238 Joan Walley: Why do you think that is?

Mr Green: The Treasury have not shared their inner thoughts with me. I am not in that position. It would not surprise me if they do not believe entirely some of the figures which are presented to them, and because they are natural sceptics in the Treasury on all sorts of data which is presented to them I think they remain to be convinced that some of the savings which are attributed to energy efficiency actually will occur. The traditional economist’s view is that if energy efficiency is so good it should be happening anyway, it should not need a particular stimulus from Government, which tends to ignore the wide range of structural barriers there are to tackling energy efficiency. One thing which has been very good in the past four or five years, if you go back to the Climate Change Levy, is that in my experience there is much more engagement by Treasury officials now in this whole debate than ever there was in the past. Hopefully that might contribute to them having a deeper understanding of what are some of the challenges in delivering energy efficiency and actually making things like CHP happen more systematically.

Q239 Joan Walley: Do you think there is anything more that business could be doing to educate the Treasury?

Mr Green: I think there is a very important role for business and that is being very specific about what will make a difference and quantifying what benefits will flow from it. If you make a particular change to a particular tax regime you want to demonstrate that it will lead to a specific set of outcomes. We did some work with the high street providers of white goods, in the lead-in to the last Budget, about what might happen if, for example, you changed the VAT rating on particular appliances, whether it would lead to a net take-up in sales of white goods by some of the high street names that you see, Currys, Dixons, etc. The Treasury found that very useful and it helped to convince them that, even if they did not do things immediately, there was considerable potential to do more things in that area. I think the frustration is that they are not entirely convinced that some of the savings which are talked about, particularly on the domestic side where more and more of us still aspire to warmer homes and therefore take off some energy savings as higher temperatures, necessarily will be achieved. If you look at the trend rate in energy use in the UK, whatever we do it is going up remarkably because of all the more energy-intensive appliances we are using in our homes.

Q240 Joan Walley: So there is a change there. Last week we had evidence about the Scottish approach towards sustainable energy policy and particularly in respect of targets that were being set for renewables. I just wonder, in terms of the UK as a whole, what particular challenges you think there are as far as the devolved administrations are concerned?

Mr Green: The targets which have been set for Scotland, and to a certain extent for Wales, are very ambitious. I think, in terms of Scotland, in a sense it goes to the heart of joined-up government, given we are on the cusp of market reform in Scotland in the energy market with the roll-out of NETA into Scotland to form BETTA, and the financing that will be needed to reinforce the grid network in Scotland to get power from Scotland down to the south of England. I think the challenge for delivery in Scotland will not be just the setting of targets but...
whether or not the energy market itself is going to be conditioned in a way which will enable a substantial investment in renewables to happen, and with it the investment in capacity that will be needed to get the power flows from Scotland to the rest of the UK, and particularly to the South East of England where the big growth in energy demand is. The Chairman of the Business Council, unfortunately he could not join us this afternoon, is John Roberts, the Chief Executive of United Utilities, and he will tell you he thinks it is going to take a long time—and some of you have constituencies in the North West—to get planning permission for grid reinforcement through the Lake District, for example. The implications of more power flows from Scotland to London are that we see we will need grid reinforcement in the North East and the North West of the country.

Q241 Chairman: What does “grid reinforcement” mean actually, physically; pylons?
Mr Green: Not necessarily. It is not just pylons, it is also the local distribution system, which is not pylons but telegraph poles with wires on. A lot of it is configured for power flows from old, traditional, coal-fired power stations in Yorkshire to go north or to go south. If you are going to have many more power flows coming from Scotland, down through Scotland and into England, for example, then the high level grid capacity by the NGT is not strong enough to take those power flows south. It has taken 10 years to get fully permitted and constructed the grid reinforcement in North Yorkshire to bring the power down from the North East of England. These things can happen but, as you all will know from your own constituency experience in a whole range of things, often things do not happen as quickly as one might imagine just because of the process. Quite a democratic process has to be gone through for planning approvals, be it for pylons, which probably most people do not want, be it for road developments, or anything else. It takes just a lot longer than people think.

Q242 Joan Walley: I am just going back to the PIU reports and the criticisms that there were in there of Government policy in respect of it being incoherent in some cases. Would you say that the particular planning issue you have just outlined, insofar as it relates to ODPM, would be relevant to trying to get a greater cohesive strategy?
Mr Green: It is highly relevant and one of the points the Business Council has made in its submissions to ODPM and again emphasised the point of trying to get unity under a sustainable development banner. One of the points we have made is that the Government is about to introduce PPS22, which is the new Planning Guidance for Renewables. To give a sort of crude interpretation, broadly, they are freeing it up to make it easier to erect and construct wind turbines and other forms of renewables in rural areas in particular. The guidelines do not deal at all with the grid connections which will be needed to the low voltage grid to get the power from those locations. Nor do they deal with the high level connections that will be needed for large offshore wind farms, which in electrical terms are like having a large power station and would need connection to the National Grid system, how the lines are going to be treated in planning terms once the undersea cable gets on land and then has to get into the main system, and some are in quite remote locations. The new PPS1, which is the high level, overarching guidance for the planning regime in the UK, at the moment does not make any reference at all to PPS22 on Renewables, which in turn does not make any reference at all to planning issues to do with grid reinforcement, because traditionally grid matters are dealt with by the Secretary of State for Trade and Industry, not by ODPM.

Q243 Mr Savidge: I have heard the concern expressed about the amount of investment which will be required to improve the grid in order to transfer more energy from Scotland. First of all, I had not realised that there was a major visual impact situation. Basically, to improve the grid, are we talking about much heavier infrastructure over existing pylons, or are we talking about having to put in new connections, which therefore will create problems, possibly through Areas of Outstanding Natural Beauty, etc?
Mr Green: There is not a kind of one size fits all, it will depend where they are. Some offshore wind farms, for example, may well come ashore very close to where there is a National Grid Transco power line so it is quite easy. Others may well come ashore where that facility does not exist and you will need to build the infrastructure potentially in some coastal areas, through areas which people would regard as having very high amenity value, quite justifiably. There are technological developments with overhead power lines which mean you can get more power physically through existing lines or you can use the existing routes and get more power through them, so it does not mean new lines necessarily. Also you have the opportunity, if customers are prepared to bear the cost, of undergrounding the line, and quite a lot of the North Yorkshire line has had to be undergrounded for amenity reasons. Clearly that puts up the cost, and that goes back to what your colleagues were asking about earlier, about this balance between the public acceptability of cost and the delivery of the targets, because you can do it but it will have a cost implication.

Q244 Mr Savidge: I suppose that leads me on to another question. If Government really has a commitment to renewables, does that mean it ought to be prepared perhaps to consider subsidy for a grid system in order to encourage renewables, rather than relying simply on market forces?
Mr Green: I am not an expert on all aspects of the Energy Bill but there is one particular part of it where, and I am sure Members who are involved in the Bill will correct me if I am wrong, as I understand it, there has been a worry, certainly from the former Energy Minister when he was responsible for it, Brian Wilson, that the roll-out of NETA to Scotland could have the effect, because of the impact of
Mr Green: I think the experience of most members of the Business Council is that it is working better than it has in the past. There is an awful lot more which could be done to get much more joined-upness between government departments. If you get into the chronology of ministerial speeches to see if the interdepartmental messages are getting communicated into ministerial speeches or presentations from senior officials, I think there is some way to go until you get clear messages being delivered, by whichever minister happens to be on the Today programme talking about wind farm developments in the Yorkshire Dales, or whatever. What the Business Council is about and one of the reasons why the Business Council was formed is, we are not just about achieving particular technology targets, we are about reducing the UK’s carbon emissions footprint. To achieve that, there is a range of things you can do. For communities which have got strong concerns about wind turbines being located near them, it could be making sure those communities are very progressively insulated, for example, to make sure they themselves are reducing their environmental footprint. It could be other things which could be done to make sure communities are reducing their environmental footprint. It could be locating or expanding renewables supported by the Renewables Obligation, so that, for example, you are supporting biomass plants in rural areas, which would help the rural economy as well. The message of the Business Council is about trying to get across to the policy community that it is not all about wind turbines, it is not all about CHP, it is not all about insulating our homes, it is how we get a mix of measures to deal with the overriding sustainable development message of reducing the UK’s carbon footprint. It is frustrating sometimes that, with government departments, both within the departments and between departments, they still tend to have what often are referred to as “policy silos”.

Q246 Mr Savidge: The DEFRA strategy consultation did not look really at questions of machinery of government. Do you think that was a weakness?

Mr Green: Yes, is the short answer, Chairman, but often it is quite difficult for government departments to look at their own machinery. As we saw with the creation of DEFRA, in the hours and days after a general election, when departmental structures tend to be moved around by the Prime Minister, that tends to be the time you get institutional change. You tend not to get institutional change emerging in-between; you do sometimes but not very often. Of course, with energy policy, there was the creation of the Sustainable Energy Policy Network, which involves, as I understand it, about 100 officials across Whitehall in co-ordination activities, including devolved administrations, central government departments, etc. That is still early days to know whether or not we are getting complete joined-upness. I continue to come across examples which are less joined up than one might hope.
restructuring and nationalisation in trying to focus better on the key priorities within the area of sustainable development?

Mr Green: My experience, Chairman, obviously is in the energy field and we do have a large number of agencies. Particularly three spring to mind immediately: the Carbon Trust, the Energy Saving Trust and Renewables UK, which is a brand name for a bit of the DTI. Having been asked by a current minister, “Why do we have all these bodies?” and I said “It’s not a matter for me, it’s a matter for the Government.” Clearly there is a degree of confusion about them all. I have always liked the model that a number of states have, both in the US and Australia, where you have one lead agency. I am sorry to hark back to it, Chairman, but the New South Wales Government formed the Sustainable Energy Development Authority a number of years ago. That has been integrated now into a Department of Sustainable Development, which is part of the Premier’s Department in New South Wales, and in Victoria there is a Sustainable Energy Authority of Victoria, which brought together a number of different bodies in one body which reports to the Deputy Premier. There was a realisation that there was a Solar Energy Council, there was something else to do with energy advisers and there was something else dealing with rural matters. They were all brought together in one body. If you read the original press release which launched the Carbon Trust, I think it said in that, and I paraphrase, the idea would be to share a common secretariat with a view to exploring long-term synergies. I think many of us took that to read that at some stage there might be a coming together of them. Whether or not that will happen this side of a general election really I have no idea.

Q249 Mr Savidge: It is certainly interesting that a government minister should have asked you the question when one considers that the White Paper itself decided to set up the Sustainable Energy Policy Network, a ministerial committee and an advisory committee, instead of just one body.

Mr Green: Often it is easier to ask one person, yes.

Q250 Mr Challen: A couple of us here sat on the Energy Bill and so share responsibility for inserting an amendment which gives the regulator a primary duty to promote renewable energy. Looking at your memorandum, I was quite encouraged to see that, broadly, the Business Council seems to support the idea that OFGEM should have a duty at least to promote sustainable development. I wonder if you could expand on that commitment, because I am just wondering if all the companies really share that consensus, and some of them are mentioned here, they are quite large companies?

Mr Green: There is a long history to where we have got to on sustainable development with the Gas and Electricity Markets Authority, OFGEM, as it is known. It goes back to when Clare Spottiswoode was there and a great frustration by the House here about the approach she took to energy efficiency, and a compromise position which was agreed whereby guidance would be given to the regulator to reinforce their interpretation of their duties on environmental and social matters. I think many of us feel, and it is a view shared by many of the companies when they are focused on it, that it would be a lot more sensible to do what has happened in the water industry and have sustainable development clearly within the terms of reference of OFGEM. Given that a lot of energy policy is environmentally driven now, and carbon, that should be reflected in the statutory terms of reference for the Gas and Electricity Markets Authority. Something which reinforced that and a sustainable development duty would be very useful, just as, in the way in which the Government brought it into the terms of reference for OFWAT, it was brought in under the Water Act this year that they have sustainable development in it. What is more interesting I find is, going back to your colleague’s question about government departments, broadly speaking, when any economic regulator is set up by what broadly you could call the environment department of Government, characterised by DEFRA for the moment, they always have sustainable development written into their terms of reference, not at the outset, it is brought in afterwards. Whereas, broadly speaking, the economic regulators which come up the DTI route tend not to, and I think that says something about the weighting that each department puts on those matters.

Q251 Mr Challen: You said in your memorandum that DTI appear to think that the concept is woolly. They already have a duty on a regulator to pay attention to social and environmental guidance. You have referred to sustainable development. Some of us on that committee thought that renewable energy should be the phrase to go in. How far would you want to push this, in terms of narrowing down and tightly focusing the duty of the regulator, because if the Government thinks that environment is sufficient we might say that sustainable development goes a stage further and some of us believe we should go further than that and say renewable energy?

Mr Green: I think there would be difficulty giving the energy regulator responsibility for promoting a specific suite of technologies. You could say equally well they should have an objective to promote CCGTs, or they should have an objective to promote something else. The area that we were very keen on focusing on was how you could get sustainable development built into the terms of reference for OFGEM, and sustainable development being a key part of government policy in other regulators’ duties already. That will be a key way ahead. I think many of us feel that putting renewables specifically as a primary duty might be a step too far, in terms of market segmentation, but having a broad responsibility in sustainable development would probably be a good next step.

Q252 Mr Challen: I have read some material from the Renewable Power Association, where clearly they are fearful of continual changes to regulators’
Q254 Mr Challen: We have heard about OFWAT and OFGEM. Do you think that a duty to take notice of sustainable development should be applied more generally to all regulators and other organisations, as part of this overall package?

Mr Green: It is in the terms of reference already of the Environment Agency. It is in the terms of reference of the Strategic Development Authority, and that dates from when it was part of the Department of Transport and the Regions, which again was broadly the environment department. As I recall, it is not in the terms of reference of OFTEL. You could argue that it should be in the terms of reference of OFTEL, if you think about the impact telecommunications could have positively on the environment, in terms of distributive working patterns, etc. Again, that is not a regulator which has tended to be sponsored by the environment interest in Government, but one could argue that if you are serious about sustainable development it should cover a whole range of quasi-government departments, or non-ministerial government departments is the correct term.

Q255 Mr Challen: Looking at BETTA and NETA and all that, we have heard already how you have got concerns about the locational aspects of the roll-out of NETA to BETTA in Scotland, and so on. Are there any other concerns which you have about BETTA?

Mr Green: I would not want to give you the impression that the Business Council specifically had concerns about BETTA, because the Bill does appear to cater for the concerns. I do know that at least one of the Scottish companies has continuing concerns about BETTA and I do not know to what extent they have been accommodated by the Bill. Broadly speaking, most members of the Business Council are very much in favour of the roll-out of NETA into Scotland because they see it as a way of creating a UK-wide electricity market. There were particular concerns about the impact on pricing in the north of Scotland. As I understand it, the Bill has got a clause in it designed to accommodate that. If that is the case then the concerns which have been raised by the renewables community should be catered for. The impression I get is that there are fewer concerns about BETTA since that occurred than there were previously, but of course, as ever, the devil will be in the detail to see precisely, assuming that the Bill passes, how the clause is then rolled out and interpreted.

Q256 Mr Challen: NETA had quite a significant impact on CHP, a bad one, as we know?
Mr Green: It certainly did.

Q257 Mr Challen: I am just wondering whether BETTA is going to be any better—excuse the pun—for things like microgeneration, because that seems to be really quite a positive prospect for people to be able to generate electricity locally, either in individual domestic situations or in a community, and there is a lot of concern there to develop that way ahead. I wonder whether you have any views on BETTA’s ability to resolve difficulties over net metering, and things of that sort, which people have raised?
Mr Green: The impression I have got of BETTA is that it is at such a high level, in terms of the connections, the distribution network, that those who work in it do not get down to the details of whether or not it is going to affect particular things like net metering, etc. There has been a completely separate programme of work that the DTI and OFGEM have done. To a certain extent I have been involved in it on the steering group for it, the Distributed Generation Working Group, which has been an attempt to try to look at not only BETTA and NETA but across the whole regulation of the distribution system to see whether or not you can introduce things like net metering and other changes which would make life more acceptable for microgeneration, be it micro-CHP, solar photovoltaics, household wind, or whatever.

Q258 Mr Challen: Given the Business Council’s membership, and I can spot the list here which mentions some of the companies, they are all large companies, do they support microgeneration, do they support measures which perhaps would even diminish their own market?
Mr Green: One of our members is PowerGen UK and they are deploying a number of microgeneration units in the UK through their supply business. The company which developed the technology is owned by a company called Whispertec. RWE Npower, through their retail brand, Npower, is actually in an alliance essentially to promote solar photovoltaics in customers’ buildings. I would not say it was the same for all of them, it is a competitive market, at the end of the day. Some of the companies are seeking to get competitive advantage by deploying new technology in their customers’ homes. I could not speak for all of them, because it is a competitive market, and say they are all suddenly going to start deploying it. All I can point to is what PowerGen and Npower are doing, and I know that Scottish and Southern Energy in the past have looked at distributed technologies because potentially it has got some quite big benefits for them in the far north of Scotland.

Q259 Mr Challen: OFGEM is involved very heavily in the price review which will end next year, I believe. Are you satisfied that they are taking sufficient account of environmental objectives?
Mr Green: It is difficult to read at the moment. I think there was an announcement due either today or tomorrow, and I have not seen it, which is going to indicate their initial thinking on the Distribution Price Review. Talking to colleagues who are quite close to this, there is a worry that whilst OFGEM have done a lot of work on distributed generation, and that is at a technical level, it remains to be seen whether or not that technical discussion which has been going on is rolled forward into the work which the economic regulation bit of OFGEM is doing. Just as one seeks joined-up decision-making in government departments, one hopes that there will be joined-up decision-making in OFGEM and we will get a beneficial outcome. I do not know at this stage because I have not seen what the latest announcements are.

Q260 Mr Challen: I hope that they will take note of the amended form of Clause 84 of the Energy Bill, even if it does not survive the next three weeks.
Mr Green: I am sure they will take note of Parliament’s intent, Chairman.

Q261 Mr Challen: You say in your memo that OFGEM are operating the Climate Change Levy exemption system for CHP, but a protracted failing in OFGEM’s software means it remains a dysfunctional system. I wonder if you could tell us just a little bit more about that?
Mr Green: It is not for the Business Council, Chairman, but, as many of you are aware, it is the membership, and I can spot the list here which explains, because most of you here were helpful in encouraging the Chancellor to give, I think it was in the Budget two years ago now, full exemption to CHP for the Climate Change Levy. For that to happen, OFGEM, under the Finance Act, were given a statutory duty, just as they are for the Renewable Obligation Certificates, of operating the virtual depository through which trading takes place in Levy-exempt certificates, the certificates for a supply which does not have the Climate Change Levy on it. First of all, according to OFGEM’s annual review, the delivery of the software was some six months behind schedule and that caused the delay in getting the website for it up and running. Certainly, as of last week the transactions were still not taking place because there were still continual technical difficulties in the operation of OFGEM’s trading system. What a number of companies in that sector have been pressing for is to get an ability to do manual transfers introduced because of the software defects which OFGEM have had. I learned recently that colleagues in the renewables community appear to be having similar problems with trading Renewable Obligation Certificates and it is to do partly with the volume of trade which goes on and the settlements which go on. It does not seem to be quite geared up to that, as yet. Certainly there has been quite a lot of pressure on OFGEM from Ministers to make sure they do tighten up their performance in this area, because Parliament legislated to give the exemption but if the administrative systems do not deliver then
companies do not get the full benefit. OFGEM have made it clear that the full benefits will flow back to companies from the date Parliament passes the enabling legislation, so they are not going to lose out ultimately. It is just very frustrating, the cash flow implication of not being able to do it smoothly and efficiently.

Q262 Mr Challen: Do you think the appropriate lessons are being learned in the right places?

Mr Green: Yes, they have been. The software engineer who did it had been brought back from India, to where he had moved, actually to do the software upgrade, so we hope that it will lead to some improvement. For some reason I do not understand, Chairman, it all appeared to depend upon one person. I think it is a classic example of “just in time” delivery.

Q263 Chairman: Just going back, if I may, to the question of the priority, or otherwise, that OFGEM accorded to sustainable development and whether or not it should be embedded in the remit, it was very encouraging to hear what you had to say about that from the industry’s point of view. I wonder to what extent you would be involved in telling the Government those opinions which you have expressed to us?

Mr Green: We have communicated them to Government in the meetings which we have had with Ministers and we have collaborated with a number of research bodies which have produced this information. I could never quite understand why ministers were so resistive of it. I can only put it down to historical legacy from the previous incumbent at OFGEM, who tended to be slightly resistive to this. Reading between the lines, I think there is a hope from Ministers that with changes of personality and the balance of people in OFGEM it will be easier for these things to happen and might lead to less resistance. I have to say, Chairman, and maybe I have done this job for too long, there is a slight history of Parliament being ahead of Government on these matters. I can think of a number of cases, in the 1989 Electricity Act and subsequently, where Parliament has had ruled out of order the machinery at the time and subsequently it has come back in, in later legislation and after pressure from various Select Committees. I can only think that if the amendment which various Members on the Energy Bill got in this time eventually does not come to pass, and it may indeed do so, who knows, we may well see it re-emerging in the future because that seems to happen with energy legislation.

Q264 Chairman: You do not think that they are worried about the impact that including sustainable development might have on their Fuel Poverty Strategy, particularly in the context of rising prices?

Mr Green: Separate concerns have been expressed to me about the relevance of some of the departmental PSRs, some of the departmental targets, in relation to the fuel poverty target, in an era of rising prices. Given that sustainable development is more than just about price issues, I suspect the worry is that if you have a general function such as sustainable development it will lead to a lot of organisations, environmental NGOs, business NGOs, etc, pressing OFGEM to do more in the environmental field. Historically, that was why OFGEM used to resist it. I do not know if you have noticed, Chairman, but John Mogg, the Chairman of OFGEM, in his recent announcement, welcomed the fact that very shortly the number of non-executive directors on OFGEM’s Board will exceed the number of OFGEM employed staff on the authority, and it may well be that balance of power has an effect. I noted with interest, that the Chairman welcomed that trend.

Q265 Joan Walley: I want just to press you a little bit further on this issue about whether or not the regulator should have as a primary function the sustainable development remit. Given what you have said in your reply both to Mr Challen and the Chairman, and given that there might be a change of heart which is emerging at OFGEM, what do you think the timing of that change of heart could be in respect of Government? Is it not the case that it can be done only when there is the legislative opportunity to do it, and so presumably we are locked into a system whereby there would be a five-year waiting period for the review if, somehow or other, the Government did not find a way of looking again at the legislation currently going through Parliament? Have you got any comments about that?

Mr Green: It used to be the view that we had major energy legislation in the UK about only every ten years, but given we had a 2000 Utilities Bill and now we have got an Energy Bill four years on the gap between legislation seems to be getting a lot shorter. If the pressure which you and your colleagues exert on the Energy Bill does not come to pass, it will not surprise me, if there is enough will, that some other opportunity emerges, either through a Private Member’s Bill or through some other bit of legislation that is going through, for some changes to occur. I hope that the Government would feel able to commit to accepting at least the sustainable development element of the amendment which was introduced in the Energy Bill, because I think that would send a powerful message about the long-term commitment of the Government. What everyone is worried about, particularly in the renewables community, is that we do have robust, long-term commitments, because on those robust, long-term commitments companies have to raise capital to fund their developments. The more we can do to ensure that we do not get unexpected surprises coming from parts of Government, including the regulator, the better, and one would hope that actually it may make it easier to have more consistent messages coming from the regulator if they have got more effective legal cover to enable them to move forward.
Q266 Joan Walley: I think it would be helpful for the Committee to know as well whether or not this is something about which you have had discussions with the Sustainable Development Commission, and whether or not, in the view of the Sustainable Development Strategy at the moment, this is something which you are seeking to take forward?

Mr Green: We have not had a formal opportunity to appear before the Sustainable Development Commission to argue our case. Certainly, personally, I have had discussions with the Chairman of the Sustainable Development Commission and one or two of their members, drawing their attention to this clause and hoping that the Sustainable Development Commission will want to take an interest in it. It strikes me as their classic territory but we have not been invited formally to give evidence and make representations to them. Certainly, personally, I have talked to the Chairman and a number of their members about it to make them aware of the work which has been done.

Q267 Joan Walley: You would see that as being relevant to the current review of the Sustainable Development Strategy, per se?

Mr Green: Absolutely. It would strike me as slightly odd if, on the one hand, the Government is consulting on a broader Sustainable Development Strategy for the UK and on the other hand is ruling it out of court for one of the major economic regulators which affects the economic behaviour of a large part of the UK economy.

Chairman: Such contradictions are becoming familiar to this Committee. David Green OBE, thank you very much.
Written evidence

APPENDIX 1

Memorandum from Andrea Ross-Robertson, Senior Lecturer in Law, University of Dundee

MAIN POINTS

— Three pronged approach to sustainable development should continue as the overall co-ordinating objective of government.
— Each component (social, economic, environmental) should have its own strategies, systems, objectives and champions.
— Sustainable Development in Government should return to being Greening Government.
— The Green Ministers Annual report should return to reporting on greening government policy as well as operational matters.
— A separate Environmental Action Programme (strategy) should be developed.
— A new Environment/Green Unit should be introduced to support the environmental agenda within all government departments.
— Mechanisms like Integrated Policy Appraisal, Public Service Agreements as well as the work of the Environmental Audit Committee, the Sustainable Development Commission and a more centralized and powerful Sustainable Development Unit should support the sustainable development objective and a system which relies on more holistic or joined up decision making.

For more information see


A: THE DEFINITION OF SUSTAINABLE DEVELOPMENT

Sustainable development ought to be the overarching objective of Government. The Government’s “three pronged” approach to sustainable development encompassing economic, environmental and social issues is warranted. Many environmental and economic problems are linked to many social and political factors. Social sustainability is important to sustainable development on three levels. First, from a moral perspective social equity is a key feature of intergenerational equity. Second, on a more practical level, rising poverty and unemployment increase the pressure on environmental resources as many people are forced to rely more directly upon them. Finally, those people who feel excluded in society are less likely to actively involve themselves in that society. It is also consistent with a broad reading of the Bruntland definition.

This approach to sustainable development should provide an opportunity for the environmental effects of a policy or project to be considered early in the decision making process and not simply bolted on at a later stage. Environmental issues need to be considered at the same time as the social and economic effects of a given decision.

The difficulty lies in the implementation and lately it is questionable whether this is actually happening. The problem largely relates to the fact that the historical definition which traded off economic development and environmental protection lingers on. The result is that social issues are often considered twice—once as part of sustainable development and once on their own while environmental issues if considered at all are considered only in the broader context of sustainable development.

For example, the International Development Act 2002 section 1(2) provides that the Secretary of State may provide development assistance if it is likely to contribute to a reduction in poverty. “Development assistance” is defined to be assistance provided for the purpose of “furthering sustainable development in one or more countries outside the United Kingdom or improving the welfare of the population of one or more of such countries.” Surely, improving the welfare of a population is an essential component of sustainable development?

The Government needs to be much clearer about its definition of sustainable development and its three pronged approach to sustainable development. The Government should use the appropriate terminology and then ensure this is reflected in legislation, policy and practice.
B. ORGANISATIONAL STRUCTURES AND COSTS

Is there a need for a more consistent approach to incorporating sustainable development as an overarching objective in all government organisations? Yes, at the moment sustainable development is simply being treated as one of several objectives of government. It needs to be treated more like a constitutional principle rather than one of several objectives.

The key mechanisms for doing so are the Strategy itself and its annual reports, the Cabinet Committee ENV and the subcommittee ENV(G), the work of the Environmental Audit Committee, the work of the Sustainable Development Commission, the public service agreements, the general application of integrated policy appraisal and a co-ordinating sustainable development unit.

Most of these are generally effective. However, both the IPA tool and the Sustainable Development Unit need to be refocused in order to be more effective as co-ordinating mechanisms.

The Integrated Policy Appraisal tool (IPA) is a checklist designed to assist policy makers “screen” for the potential impacts of their proposal by providing access to the most up to date guidance. The list of impacts covered is not comprehensive, but the list does cover most categories of impact including sustainable development. In the new IPA, sustainable development, along with many of its component parts, is simply listed as one of 15 possible impacts. It has no overarching or balancing role. Under the previous IPA checklist, sustainable development as defined by the four objectives in the UK Strategy was covered at the beginning as a seemingly overriding objective along with modernising government. The result was that each of these aspects of sustainable development were raised individually and discussed. Sustainable development appeared to be one of the processes or tools for bringing all the issues together and ensuring a balanced and sustainable decision-making process. It is recommended that the Government return to the former approach which genuinely appeared to support the idea of sustainable development as a co-ordinating objective of government.

The historic definitional link between sustainable development and the environment has also affected the perceived role of the Sustainable Development Unit which is located in the Department of Environment, Food and Rural Affairs. Performance and innovation (an economic matter), women’s issues (a social matter) and social exclusion (another social matter) are all crucial elements of the Government’s approach to sustainable development. They are expressly addressed in the UK Strategy for Sustainable Development and its subsequent annual reports. If this is true, then why do have their own special units and why, unlike the SDU, are these component units located centrally and as a result are more influential than the SDU? If the Government rhetoric is to be believed, it seems that performance and innovation, women and equality issues and social exclusion are not only dealt with as part of sustainable development but are also receiving individual attention through their own “champions” centrally. If the social and economic components of sustainable development can have their own special units and initiatives then the environment should also receive specific attention. The Sustainable Development Unit should be moved to the Cabinet Office. Ideally, the SDU should not be considered the “Environment champion” in the Cabinet Office and there should be a separate unit to do this. Instead, the SDU should take on the role of co-ordinating the activities of the other units such as the Social Exclusion Unit and ensure that all the interests are represented and heard.

Finally, the push to have policy aimed at sustainable development has led to environmental initiatives being subsumed into sustainable development initiatives. For example the former Greening Government Initiative is now to be known as Sustainable Development in Government. The rationale behind the change was that the term Greening Government no longer adequately covers the range of policy and operational issues that now fall within the remit of the Green Ministers Committee. The Greening Government initiative had a clear objective to “better the environmental performance of Government”. The initiative’s new objectives of integrating sustainable development into decision making, improving the performance of the Government Estate and promoting the understanding of sustainable development across Government no longer champion the environment but instead balance environmental concerns with social and economic needs. It is likely that the environmental performance of government departments will suffer from this change. The environment has lost a champion.

The specific components of sustainable development need their champions within Government. The environment should not be the exception. In this regard the Greening Government Initiative should remain focused on improving the environmental performance of Government. Furthermore, the Government

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1 Besides some obvious improvements such as publishing the minutes of Cabinet committee/subcommittee meetings.
4 For example the role of the Women’s Unit is discussed on at 26 of 1999 report. A range of indicators exist to measure poverty and social exclusion as set out at 68–62 of 2001 report. The work of the Performance and Innovation Unit is discussed at 82–83 of the 2001 report.
should return to reporting on policy matters in the Greening Government (now known as Sustainable Development in Government) Annual Reports. The decision to only report on operations was unfortunate and unsuccessful.6

Separate economic and social policy programmes already exist.7 The Government should go a step further and separate its environmental programme from its strategy for sustainable development. The European Union has taken this approach and now has a strategy for sustainable development8 and a separate Sixth Environmental Action Programme.9

It is only through measures such as these that redress the sustainable development equilibrium and ensure environmental objectives are put on more equal footing with economic and social objectives that a truly balanced approach to sustainable development will be realised. The effect of using this approach is that sustainable development itself creates a system which relies on more holistic or joined up decision making.

May 2004

APPENDIX 2

Memorandum from the Association for the Conservation of Energy

1. INTRODUCTION

1.1 The Association for the Conservation of Energy is a lobbying, campaigning and policy research organisation, and has worked in the field of energy efficiency since 1981. Our lobbying and campaigning work represents the interests of our membership: major manufacturers and distributors of energy saving equipment in the United Kingdom. Our policy research is funded independently, and is focused on four key themes: policies and programmes to encourage increased energy efficiency; the environmental benefits of increased energy efficiency; the social impacts of energy use and of investment in energy efficiency measures; and organisational roles in the process of implementing energy efficiency policy.

1.2 We welcome this opportunity to engage in a vital debate on the framework and effectiveness of the Government’s Sustainable Development Strategy, which we believe must include a headline indicator for energy use—including energy conservation, production and consumption. We hope that full use is made of the chance to amend the Strategy in order to set the UK on a course towards a sustainable system for the delivery of energy services and resource use.

2. GENERAL COMMENTS

2.1 We suggest that the overriding objective of a Sustainable Development Strategy should be the reduction of national carbon emissions and the delivery of an inclusive society that facilitates sustainable patterns of investment, design, production and consumption and assists in elimination of all forms of poverty. The delivery of energy services in an economically, environmentally and socially sustainable way should be a vital part of this more overriding Strategy. We expect that environmental objectives and security of supply will be central to energy policy for the foreseeable future. However, this does not need to be at the expense of economic and social objectives, since the wide range of options available to us should allow all to be taken into consideration.

2.2 Energy use is linked to all four key objectives and to several other headline indicators in the Strategy, such as poverty, health, housing, climate change, transport. Given the significant contribution that energy efficiency can make to the reduction of fuel poverty and carbon dioxide emissions, it should play a key part in the delivery of sustainable development. Thus, an energy headline indicator within an overall Strategy should aim to guarantee a secure supply of energy to households and businesses at the lowest economic cost consistent with high environmental objectives, to meet international targets for greenhouse gas emissions.

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7 For example, Department of Trade and Industry, Productivity and Enterprise—a world class competition regime Cm 5233, (2001); DTI, Opportunities for all in a world of change—a white paper on enterprise, skills and innovation Cm 5052, (2001); Department of Health The NHS Plan—A plan for investment. A Plan for reform. Cm 4818-I, (2000). Besides the annual reports on Sustainable Development neither DFRA nor DETR before it have published an environmental strategy per se. The closest DEFRA has come is DEFRA Directing the Flow—priorities for future water policy (5 November 2002).
8 ibid. at Preamble (7)
reductions, and the social objectives of community health/wellbeing and the reduction of fuel poverty. We believe that there is no inevitable growth in the amount of energy we use. It is possible to enjoy substantial growth in prosperity, which is sufficiently resource-efficient to ensure decreasing fuel usage. Energy efficiency can significantly reduce the environmental impact of energy production and use, while enhancing energy security by reducing the need for energy imports and allowing businesses and households to meet energy service needs with a lower basic energy input.

2.3 The Government has declared that it wishes to double the average rate of improvement over the past 30 years in energy intensity of 1.8% pa. Most of these gains occurred during the 1970s and early 1980s; during the 1990s progress slowed, and in some years completely reversed. We endorse the Government’s targets. But we are convinced that these can never be achieved without radical improvements to existing policies. All forms of energy generation have both ecological impacts and significant capital costs—it is therefore in the UK’s overall economic interest to minimise energy wastage.

2.4 As the present Government Departmental division of responsibilities is based on the separate supply of energy and energy-using equipment, we believe that the present system is inadequate to meet the policy challenges ahead. A framework is needed which allows the clear identification of required energy services together with the most economic and socially acceptable means to deliver them. This means that energy users have to become the focus of energy policy, not energy producers and suppliers or narrowly defined “market mechanisms”. Consumers (domestic, commercial and industrial) are not interested in buying units of power, but in light, heat and motive power that enables them to achieve their objectives.

2.5 Within an energy use headline indicator, we would support strongly the development of energy efficiency targets for each sector of the economy. Not only do these provide clarity in the evaluation of policy effectiveness, they also give a degree of certainty for the energy efficiency supply industries: if a step change in energy efficiency is to be achieved, the industries involved will have to invest to expand, and to do this they need to be sure that increases in policy-led activity in the market will be sustained.

2.6 The cost-effective potential for additional energy efficiency improvements remains large, which is in itself evidence that additional policy activity is required to achieve the required step change in the energy efficiency of all sectors of the economy. At present both gas and electricity companies deliver mandated energy efficiency measures to domestic customers at an average cost of 1–1.5 pence per kWh saved; these schemes do not even incorporate all the potential savings at this average cost because they are limited in size or use artificial pay-back periods. But the cost to the customer of purchasing fuel is at present nearer 7 pence per kWh. For the customer it remains more cost-effective for every energy efficiency measure that costs up to 7 pence per kWh to be installed. This emphasises the need to take account of investment now on long term cost savings, just as the lifetime costs of energy generation need to be taken into account in scenarios involving additional generation capacity.

2.7 We would also recommend that an energy indicator be included within the Strategy in order to require a step change in the use of energy within the Government estate. To date, no legislation (whether the Sustainable Energy Act or Energy Bill) has included targets for energy efficiency within the Government estate, which would constitute a significant example of encouragement to the energy efficiency industries, to householders and businesses.

2.8 In terms of energy efficiency, the Strategy has delivered very little in terms of progress and it has taken the Energy White Paper and continuous pressure to firm up its aspirations to real Government commitments or targets, and legislative instruments (Sustainable Energy Act) to achieve some progress towards the step change required to deliver the carbon savings from energy efficiency anticipated by the Energy White Paper. The industry has received a significant blow in the scaling down of that commitment from 5 million tonnes of carbon to 4.2 MtC in the recent Energy Efficiency Implementation Plan. A stronger Strategy with an energy headline indicator might have been helpful at this time. A truly sustainable policy must have at its heart a target for the achievement of 5 megatonnes of annual carbon savings from household energy efficiency per annum by 2010, and a further 4–6 MtC p.a. by 2020 (as originally envisaged by the Energy White Paper).

2.9 The prioritisation of energy use and consumption is of particular significance in achieving the behavioural change required in order to reach more sustainable patterns of consumption. It is the individual householder, landlord or business that needs the fiscal incentives and public awareness campaign in order to make sustainable energy purchasing choices, whether in the insulating materials they buy, supplier they use, and micro-generated energy that they may be able to produce independently. Sustainable consumption relates as much to the energy service offered by the supplier, as to the nature of the demands of the energy user.

May 2004
APPENDIX 3

Letter to the Clerk of the Committee from Peter T Jones, Director, Development & External Relations, BioWaste Services Ltd

Thank you for the opportunity to respond to your inquiry.

BioWaste Services is the largest waste management company operating in the UK and can justifiably claim to be the most diverse in terms of its spread of interest in industrial/commercial and domestic collection, landfill, liquid waste and specialist hazardous waste management systems. The company has a turnover of around £760 million at a current annualised rate and is also in the top three waste management companies operating in Belgium. We are wholly owned by Severn Trent Plc with over 120 operating centres throughout the UK. We handle 12 million tonnes of material, which is treated, landfilled or recycled on behalf of an extensive customer base exceeding 65,000 in the public and industrial sectors plus collection services to 1.3 million households.

Before responding on your specific questions, we would make the following broad comments:

I. For good or ill the Brundtland definition encapsulates the awareness that—in planetary terms—that our species is at something of a cusp between the last 200 years of industrialisation and a new era in which the limitless extent of human aspirations will have to be met through a revolution in the process re-design of our industrial supply system, or the political framework will need to operate in ways which limit (or ration) the extent to which those needs can be satisfied. Such measures will be increasingly necessary as a result of the impacts of pollution outputs from those industrial systems. This attitudinal shift will create economic, social and biodiversity impacts on a par with those that occurred in the shift from agrarian to industrialised societies in Western Europe between 1760 and 1860. It seems doubtful to us that the government has appreciated the depth and significance of these shifts and its recent statements seeking to downgrade environment in the context of the economic and social needs give little cause for comfort.

Solid waste is a particularly interesting metric for understanding the nature of these trends and—as a surrogate for lost material resources—it forms the centrality of our business interests.

II. We detect that at Cabinet level there is a belief that a drive towards improving material resource efficiency in the economy (with parallel reductions in pollution), will involve the economy at a price/cost which Government is unwilling either to define or absorb. Whether this is due to organised opposition from industrial supply chains, a reluctance to add further uncompetitiveness into the UK economy (by proceeding at a rate relatively faster than that of other nations) or the complexity of the subject (which makes sustainability a political “no-brainer”) is open to debate. Evidence we would cite for this trend is:

(a) The outcome of the recent AMP4 Review in the water industry where some environmental improvements were discounted.

(b) Recent pronouncements in Parliamentary sessions by the Housing Minister—Phil Hope—on the primacy of housing development on brownfield land in the Thames Gateway before any serious consideration of relocation of central government departments from London to other regions.

(c) The Prime Minister’s recent support for the Carbon Club as a surrogate voluntarist approach to CO2 reduction and abatement of global warming in preference to addressing the issue in a more cohesive policy framework.

(d) The continuing lack of integrated strategies in dealing with multi-departmental approaches in waste.

III. Fundamental movement toward desirable objectives in any walk of life is achieved through three basic mechanisms:

— Economics.

— Technology.

— Attitudinal issues.

At a strategic record, the government has yet to demonstrate a cohesive framework for the use of each of these three policy triggers with regard to sustainability. In the area of economics:

(a) In the waste area we estimate that between £300 million–£400 million of subsidies are being pumped into a rash of over 70 multiple initiatives which give the impression of great activity but which in reality provide no integrated framework or long-term incentives for industrial enterprise (Annex A).

(b) This plethora of sometimes contradictory subsidies would be wholly unnecessary if the government were prepared to remove the £30–£40 per tonne cost advantage enjoyed by landfill (which is a geological solution to waste) compared to newer technologies which would recover
those materials as carbon, energy or reusable products within 30 days. Technically, they have not rejected that process but their timeframe (to 2011) is far too leisurely despite John Healey’s utterances to the contrary.

(c) Regulations are a form of economic instrument and Committees of both Houses have consistently identified proof of fundamental dysfunctionality in the delivery of EU Regulations and Directives. Indeed, we are on the verge of another in the form of the Landfill Regulations and the impact on hazardous waste disposal.

(d) Statements from the Treasury reinforce the view that it is not at all interested in using taxation as a fundamental method to change behaviour. This is particularly important in the area of the environment and sustainability but the Treasury’s interest is concentrated on tax yield and political acceptability rather than policy outcomes.

(e) There is clear evidence of persistent deferral of Producer Responsibility implementation dates, with the UK consistently deferring implementation until the latest possible dates allowed within EU regulations (end life vehicles, batteries and bio-organic diversion from landfill). It is a supreme irony that public perception of the nuclear industry is generally negative. The nuclear electricity generating industry is the only UK sector that fully internalises all externality costs—it is in effect a paradigm for the future. Within the electricity sector, the fact that competing technologies can introduce hundreds of tonnes of mercury unchecked into the atmosphere appears to go unnoticed. Thus the nuclear cost for electricity exceeds 3p per unit, whilst others escape their full externality costs and operate at 2p per unit wholesale. Outside the electricity sector there are numerous other supply chains that avoid their full externality costing. It is only government that can start to examine transitional economic mechanisms and provide offsets in a long-term framework.

IV. Technology, as a driver for change, is also an area where a more robust approach from central government would be helpful. Examples include:

(a) Resistance from the Environment Agency to the implementation of ISO or equivalent European performance standards (the German RAL for example) for new waste processes required as a result of the implementation of waste Directives. Instead, we have a rich diversity of technology implementation ranging from state-of-the-art down to what could best be described as the “loosely improvised”. Temerity in this area is directly contributing to the fact that the waste sector is now regarded by the Health and Safety Executive as the most dangerous and accident prone in the British economy (worse even than building and construction).

(b) Despite the Government’s signing up to European directives on waste information and data, we continue to detect little political will for accepting the need for a universal database collection system. We have long campaigned that such a database is an essential pre-requisite to the development of informed policy-making, monitoring and improvement. The Waste Implementation Programme has a responsibility in this area but as yet there appear to be few signs of Treasury acceptance that funding in this area is a priority—we hope they change their mind (at the Committee’s discretion, the attached letter to the Treasury on this subject is appended—either as formal evidence or supplementary information).

(c) In the waste industry we have identified the need for 3,000–4,000 new hi-tech facilities processing around 60 million tonnes of waste diverted from landfill by 2020. These facilities will need around 20,000 technically trained operational staff and your tenth report of session 2002–03, regarding the attitude of the DFES in recognising these emergent skill gaps, goes to the heart of the problems in this area of skills and training.

(d) As members of the Environmental Industries Commission (EIC) we are supportive of the points they make in relation to the general blockages faced by their members in relation to the watering down of sustainability standards in the Water Framework Directive, the speed of Integrated Pollution Prevention and Control (IPPC) permitting and share their concern that the environmental technology and services industry is now without any formal government sponsoring body for key legislative and regulatory issues.

V. Attitudinal change in our area is driven by strong regulation. In the majority of mature industry supply chains in the UK it is perhaps feasible to rely on voluntary action within a relatively small number of companies controlling 60% or more of economic activity. In waste and areas delivering improved sustainability on a national scale, reliance on voluntary approaches will not deliver. Extreme competition, coupled with the cheapness of landfill, results in a reluctance to invest in new technologies without a strong and consistent regulatory framework. The evidence of those operating in the fridge reclamation area is that companies range from the very best with the latest technology down to appallingly badly run facilities with unproven technologies. Whilst extreme, this is symptomatic of the internal attitude to regulation in waste and it creates an adverse image that pervades our entire industry in the minds of the British public.
In waste, the planning system places a requirement for 3,000 facilities neutralising waste through more resource efficient technologies in 30 days rather than 30 years in landfill. Whilst we are aware of dialogue between DEFRA and ODPM there is little current evidence of a sensible combined approach to the consequences of running down landfill facility capacity at a rate faster than alternative channels are opened up. There seems little political will at the centre to tackle, head-on, numerous examples where lack of coordination exists between Waste Collection Authorities, Waste Disposal Authorities and regional agencies. The emphasis remains one of voluntarism and muddling through and recent claims from DEFRA that consents for waste facilities receive above average turnaround are dominated by small scale recycling banks and non contentious operations.

Similarly, there is little apparent determined emphasis on consensus building between industry, government and NGOs on a consistent basis. There is no culture or apparent desire to focus on a target framework of operations 10 or 15 years ahead and then work back to the present and identify a timing for tackling the economic, technological and attitudinal blockages on a round-table basis. When sustainability issues are driven they emerge out of the blue from government departments to meet intense opposition from industry (REACH in chemicals and Producer Responsibility) or (despite being known about for years) little happens until the last six months prior to agreed transposition dates (hazardous waste).

Turning to your specific points:

A. The Definition of “Sustainable Development”

(i) We have already referred to examples of subtle shifts that suggest an attempt to water down the primacy of environmental concerns. Nevertheless, it is only government that can create consensus on the shape of the trade-off between the four aspects, and we believe that sustainable development is an area where the Cabinet should consider a return to the visionary approaches/styles of politics between the 1960s and 1980s (which then concentrated on technology/energy etc). It is possible that Sustainable Development is an issue for which 20 year visions are appropriate, coupled with publicity on agreed blockages defined by industry, government and NGOs. We have tried to posit that approach for waste in our publication “Future Perfect” but we failed to detect any positive leadership from DEFRA or the DTI to test or confirm the assertions and conclusions we reached. Indeed, experience suggests quite the opposite:

— Linear vision and the separation of household/domestic waste from industrial and commercial waste stream strategies.

— Product driven thinking on the development of Traded Pollution Permit frameworks with little economic consistency in the schemes between packaging, electronic and electrical goods and other products.

— A housing strategy in the south-east which defies logic for an area with exposure to floods, water shortages, shortages of waste disposal facilities and (from mid July 2004) a likely inability to have sufficient exit routes for the contaminated soils where the houses need to be built because of government inaction in implementing the Landfill Directive.

(ii) One glimmer of hope on the horizon is the recent report from the Strategic Partnering Task Force with regard to improving financial models of best practice working between local government and industry. It is our belief that these are especially appropriate in the waste management sector, but as yet we have little clear indication that these messages have been picked up within ODPM, either in general or in relation to waste.

(iii) It is feasible that extant or new backbench Committees such as the Environmental Audit Committee could act as a focus for creating such medium/long range frameworks, given the skills they have developed, particularly in relation to waste and pollution management. Such bodies offer unique skills to balance the economic/social/natural environment needs and targets against the instruments of delivery in the form of economics, attitudes and technology. This suggestion is made on the basis that it moves part way to the Cabinet’s desire to dilute the emphasis on purely environmental concerns yet retains a strong interest in the means of developing more broadly based discussion documents on aims across all four objectives.

B. Has the Strategy acted as a driver or does it occupy a limbo existence which has little impact on departments’ real priorities?

(i) Part of the problem in defining impacts is that there is no consistent framework for the capture of environmental information on a cohesive basis. We suspect that lessons defined in “Greening Government” are beginning to be learned, albeit slowly. The Regional Observatories are now making determined efforts to use existing data to improve the quality and speed of decision making at regional level, as an instrument of economic improvement, but environmental issues are dealt with in wildly differing ways across the UK. Annex B—our letter to the Treasury on the subject—expands this point.
(ii) Despite the publication of waste strategies stretching back over decades we believe that it is only in the last 6 months that ODPM has realised the impact this will have on the planning system in local government and this has resulted in the setting up of a joint working group. Given the urgency of delivering around 3,500 new waste facilities we believe that work is still at a very early stage. Nevertheless, as already stated, the Strategic Partnering Task Force has done much good work in defining a negotiating framework between public and private sectors which will benefit the emergence of integrated models servicing domestic waste arisings.

(iii) In the case of DEFRA, environment has always been ostensibly at the heart of its activity, but even here we see little connectivity between the opportunities for joint problem solving on waste between agriculture and domestic, industrial and commercial arisings. Those opportunities could potentially operate in the area of biofuels, co-composting and gasification of by-products, recycling on farms, and sequestration of carbon from composted industrial and household streams back to land. In Germany the government has declared this relationship to be a vital element of their forward energy strategy.

(iv) The conclusion must be that sustainable development is so complex that it exists in limbo with ad hoc initiatives being driven by individual champions in diverse departments. In our introduction we referred to the opportunities if Cabinet were to adopt a more holistic stance.

Verdict—mixed messages which we attempt to summarise in Annex C.

C. How effectively do the indicators reflect the UK’s “sustainability gap”?

(i) The headline indicators are a good start. Adding to the number or complexity creates dangers that priorities will be confused, particularly if they are extended down into departmental business plans. We would suggest that we do need indicators relating to crime, industrial accidents and mortality and—to move to government’s broader agenda—key indicators of “social” distress (health, child care, etc.)

At the heart of the development of such indicators is a need to review the way in which the economic GDP statistics are built up. For many years there have been suggestions relating to the need to monitor the difference between productive GDP and unproductive GDP—in the latter category one would take out from reported GDP the costs/added value of vandalism, surveillance, security, policing, pollution related health costs, etc. which are regarded as not adding to the quality of life. If government expressed a willingness to reconstruct the last 10 years’ GDP statistics against an agreed formula for excluding such negative social costs, it might find opportunities for introducing rather different policy frameworks. When considering the government’s track record with the existing indicators we suggest this can be summarised in the matrix in Annex D.

D. How would the concept of sustainable consumption be integrated within the Strategy?

(i) It would be politically naïve to suggest that sustainable development based on limits to consumption would form the basis of a credible political package. Nevertheless, we believe that government should continue to focus on sustainable production and put increased energy into creating round-table frameworks that agree—for separate supply chains—the full economic cost of internalising current externalities on a sector by sector basis. It is far more important to develop this process first around a defined level of economic cost of moving to a sustainable production framework, whether for cars, electrical equipment, tyres or food. Having quantified the impact of internalising externalities in a so called “zero-waste” framework it is then possible to evaluate proportionality of those externalities to the current internalised turnover value of the product or sector. This forms an important step in agreeing how these externality costs are passed into society—either via increased prices, short-term subsidies or revised taxation structures (subject to Treasury understanding of the need for the process).

(ii) Undertaking such a process in a transparent and systemic way is important because one can then progress to understanding whether—with full internalisation of pollution impacts—consumption would alter as a result of economics, attitudinal change or the availability of improved technology. A national database is an important pre-requisite to this process (Annex C). It is also important in improving the process and transparency of Regulatory Impact Assessments (RIAs) by achieving more effective valuation of so called “externality costs”.

E. Organisational structures and costs

(i) Within waste, the delivery system is confused by the presence of Waste Collection Authorities, Waste Disposal Authorities, unitaries and regional authorities. There are clear gaps in the performance of unitaries in the quality and speed of their decision making compared to the fragmented approach between some WCAs and WDAs. Where the latter works well, it is within a voluntary framework. It is our belief that if the government were serious about the range and pace of sustainable development it would take a view on developing a separate Department with
Cabinet Ministerial authority, charged with delivering a strategic plan for sustainable development. Aspects of that process in relation to industry, health, policing, planning, housing, etc. would fall foul of other formalised Ministerial areas of responsibility. Nevertheless, a start could be made by combining the current functions of DEFRA and the Environment Agency with local authority responsibility for waste. This would represent a radical departure but offer significant evidence that tackling the “toilet end” of the economy for solid waste could send important signals back to industry and local communities, working closely with DTI and ODPM.

(ii) A Strategic Waste Authority would provide a more consistent framework for delivering the message of sustainable development (if not instruments for its acceleration) to government departments, but it should do so headed by a Minister of Cabinet rank.

(iii) The irony is that in our sector, waste management currently costs central/local government around £2 billion per year plus (we estimate) £400 million per year in the form of subsidies which are diverse, perverse and, sometimes, overlapping. An aggressive approach to increasing landfill taxes would ensure that fewer than 10 companies currently operating in the waste sector (plus others which might be attracted into it anew) would rapidly have the financial incentive to switch from landfill to more sustainable methods of material management. To deliver the current range of subsidies listed in Annex A, there are around 200+ employees in quangos and advisory boards, often operating without specialist knowledge. Overheads probably swallow around 8% of the funding flows—perhaps you might like to ask?

May 2004

Annex A

GOVERNMENT FUNDING INITIATIVES

Block grant (EPCS)
Environmental Protection and Cultural Services (libraries, floods, waste, cleansing)
£8.9 billion (02/03)—£9.4 billion—£9.7 billion—£10 billion (05/06)
Total LA spend £82 billion (03/04)

Area/Issue

| I. Carbon and Energy Efficiency | (Carbon Trust) Green Energy Programme |
|                               | Renewables Innovation Review |
|                               | Supplementary Recycling Grants within EPCS—£20 million |
| II. Best Practice/Efficiency   | Best Values Inspection Review (DEFRA) |
|                                | Performance Reward Grant (DEFRA) |
|                                | Waste Emissions Trading Act |
|                                | Strategic Partnering Taskforce (ODPM) £3 million |
|                                | Waste Contract Development Tools (WIP) |
|                                | £30 million + |
|                                | Municipal WasteDataFlow (DEFRA/EA) |
|                                | Best Value (Audit Commission) |
|                                | Envirowise Programme £7 million |
|                                | Environment Agency (NETRegs) |
|                                | REMADEs (Regional) |
|                                | Carbon Trust |
|                                | Rotate (WRAP) |
|                                | EPR (DEFRA) |
|                                | New Technologies Group |
|                                | Local charging (Blaby)—Recycling 55% |
|                                | Waste Management Compensation Fund |
|                                | Waste Minimisation and Recycling Fund—£119 million (£38 million—05/06) (WMRF) |
|                                | Partnership working—£12m—£20 million |
|                                | 2003 Partnership Projects |
|                                | Public Sector Awareness |
|                                | PFI credits £475 million |
| III. Regional                  | Procurement Support Needs Analysis (WIP) |
|                                | RDA Schemes (9) |
|                                | London Recycling Fund |
|                                | DEFRA Waste Minimisation Recycling Fund |
|                                | Welsh Assembly SWM Fund £21 million |
IV. Products

Fly tipping (DEFRA/ODPM)
Kerbside collection programmes (WRAP)
Fridges subventions (DEFRA) £80 million over 3 years
Abandoned tyres (DEFRA) £40 million?
Abandoned cars (DEFRA) £40 million?
Home composting (WRAP)

Glass

Plastics { WRAP

Papert

Timber

New Opportunities Fund (DEFRA)

Packaging Recovery Notes from incinerators
Innovation and Best Practice—£3 million
Turnaround—£20m–£40 million
Community Projects—£1 million
London—£21 million
WMRF—near misses—£24 million
WMRF—near misses—£4 million
2003 Sustainable Waste Management Bid Fund—£140 million
2005 Waste Performance Reward Fund—£235 million (3 years)

V. Awareness and Implementation

Public Awareness Programme (WRAP)
Financial mechanisms (WRAP)
Procurement standards (WRAP)
Enabling recycling (WRAP/DEFRA/LRF)
Municipal Waste DataFlow (DEFRA/EA)
Waste Minimisation Clubs (Envirowise)
REWARD (RDAs)
WIP Local Authority Support Unit
Waste Minimisation & Recycling Fund (DEFRA)
New Technologies Demonstrator Programme (Waste Implementation Programme)
Review of municipal joint waste strategies (WIP)
NETRegs (EA)
E-Generation
Centres of procurement excellence (9) (ODPM)
Recycling Credits—£30 million (internal)
Supplementary Credit Approvals/Supported Capital Expenditure Grants

Annex B

A Dawtrey Esq
Head of Environmental Taxes
HM Treasury
1 Horse Guards Road
London SW1A 2HQ 9 March 2004

Dear Alex

RE: RECYCLING LANDFILL TAX REVENUE

Thanks for the opportunity to meet on 27 February and discuss the conclusions coming from the Integrated Skills report on how incremental taxes on landfill might be redistributed to industrial and commercial routes. Summarising the key points I would put forward:

(i) There is a key need to decide whether your prime objective is to expand capacity to reprocess industrial waste (demand side) or whether you wish to commit to programmes which soften the impact of the tax in terms of education, awareness and choice (supply side). Or indeed, a combination of both.
(ii) A shift from where we are to where we need to be by 2020 will come through three main drivers: attitudes (which is being handled by WRAP/Envirowise/RDAs/REMADEs); technology (which is being handled by the Waste Implementation Programme); and economic sticks and carrots.

(iii) As far as the economics go, the £60 million available in fiscal 2005–06 is wholly insufficient to induce a bringing forward of the relatively massive incremental investment needed in waste processing facilities. We deal with the detail of this in “Future Perfect”—but broadly we will require around 400–500 civic amenity sites at £1.5 million each and around 2,500–3,000 end life reprocessing facilities costing £10 million–£20 million apiece. In the initial years the incremental amounts available to you from landfill tax price increases will make no significant difference to encouraging investment in the latter.

On the demand side we will not revisit my proposed simple solution—double the landfill tax—since that furrow is well and truly ploughed!

My perception of the IS recommendations is that they were over complex and too dissipated in their impact—they boil down to additional money being given to influence the attitudes dimension through extensions of existing WRAP and Envirowise schemes. This will certainly improve performance in the short term but the fundamental lack of reprocessing infrastructure will eventually cause everything to grind to a halt.

(iv) The £60 million in year one is also inadequate to act as a “sinking fund” to offset the costs of Producer Responsibility. In responses to Select Committee enquiries over the last six years I have consistently argued for specific sector related offsets in exchange for supply chain acceptance of 100% end life product liability. This would impact significantly in providing kick-starts for substantial markets to reprocess viable levels of material—3 million tonnes of cars, 1 million tonnes of WEEE, 450,000 tonnes of tyres, etc. Those industry sectors currently resist the process of Producer Responsibility because they are fearful of the cost implications and threats to their bottom line—often in the context of monopsony market conditions. Producer Responsibility will not apply fully until 2010—by which time our calculations suggest it would cover around 15 million tonnes of products with a reprocessing cost of £100–£150 per tonne, around £1.5 billion of costs passing from the end of the supply chain/local authorities to the front of those supply chains in the form of ex factory gate prices.

While £60 million may not be much to start this process, you must remember that government already commits substantial money to processing these materials already—£80 million over three years for fridges, an undisclosed but (our estimate) £40 million–£80 million per annum on car retrieval and fly tipping generally and £500 million on collection and disposal of products covered by responsibility that are currently disposed of through the local authority funding process for Waste Collection and Waste Disposal Authorities. Perhaps you might consider the setting up of specialist working groups to investigate this area further given the probability of non compliance with EU Directives? At the moment DEFRA/DTI are obliged to try and cobble packages together on an ad hoc product by product basis and this desperately needs more long term structure.

(v) Last, but by no means least, my special pleading would be for—on Environment Agency claims (Martin Brocklehurst)—£15 million investment to develop a national resource flow reporting database. This concept may seem slightly strange in the context of the long established field of financial economics but I believe we are moving to a point where the complete absence of accurate knowledge and understanding of material flows in the economy (as raw materials, goods in stock or end life pollution) is becoming a substantive stumbling block to the development of good policy and our ability to evaluate whether past policies are having the required impact. It is for this reason that we have committed around £8 million to the 40 or so (so called) mass balance studies in geographic, material and industry sector dimensions. A full listing of these is attached, broken down by category. My letter forwarded to you urging relevant key civil servants in the appropriate Ministries to move ahead on this initiative as a matter of urgency goes into the detail of that justification.

In addition it is pleasing to note that DEFRA and the four UK Environment Agencies have now adopted the municipal WasteDataFlow model as a potential standard for the reporting of all waste resource flows through local government in this nation.

You have a pack of the REMAT package which has been developed as a software model by Surrey University in wide consultation with all aspects of industry and commerce with regard to the production of a similar national standard for industrial and commercial streams. The logical custodians of such a database information in infrastructure is the Environment Agency but they need the capital and operational budgetary resources to develop, implement and operate it.

Such a base would offer this country unrivalled information on all aspects of the so called fluxes occurring in our material economy as products pass between solid, liquid and gaseous phases as raw materials, process materials or pollution. Such a system would offer an unrivalled opportunity to develop a more accurate and responsive framework when deciding how to commit financial taxes, subsidies and other support mechanisms to achieve substantive change—up or down.
Since our meeting I have also studied two other reports which are germane to the case I am making for the creation of national resource flow database. The first lies within the pages of the Allsopp Review of 10 December. Whilst this focuses primarily on economic data, it is clear that their comments on productivity issues do require more emphasis on the integration of indicators between regional and sometimes sub-regional levels of productivity in the economy. Waste is an extraordinarily good indicator of such lack of productivity although its significance in economic terms is not great because it is currently “cheap” because of the absence of pollution externalities.

It is also worth quoting part of their report in whole—“the innovative and strategic capacity within the statistical services needs to be strengthened so that they can respond on a more satisfactory way to changes in the policy framework, in the economy and in society. A proactive approach to identifying and responding to these issues would include a strengthened research capability and greater ability to prioritise in the face of substantial but disparate user needs.” The waste debate epitomizes that challenge.

I also refer you to the recent DEFRA produced report from the Advisory Committee on Consumer Products and the Environment. This was chaired by Alan Knight of B&Q and—to back their view that the administrative framework to drive product policy is not yet in place—they state that “products have diverse and often hidden impacts which are not yet considered in the way that we routinely assess the impact of the production facilities or sites which manufacture them. And yet their effects can be just as serious and more far reaching”. In Section 3—“Priorities for the Future”—they suggest “developing and running the knowledge base about product impacts and the priorities for managing them could . . . build on the type of work currently done by the Market Transformation Programme but covering a much wider spread of sectors. This could provide the engine room of intelligence about product standards that could be used in a range of policy tools (for example procurement, economic instruments and minimum preference standards).”

“The government should create a new internet based information service to help professional buyers and everyday consumers by providing independent guidance on the impact of products and how to reduce them.”

“Another possibility would be to use the context of footprinting which can help communicate complex information about impacts in a simple and intelligible way.”

I do hope you will be able to give active consideration to the development of such a resource flow database in an online framework. Many of the suggestions in the IS report are laudable but represent mere tinkering with aspects of the detail. By far and away the greatest gift the Treasury could create for the industrial and commercial sectors impacted by the rolling tide of environmental regulation, directives and tradeable permit regimes would be the creation of a transparent, online and common standards information system as a support mechanism for government, sectoral and consumer decision making.

Peter T Jones
Director—Development & External Relations

Annex C

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<th>SUSTAINABILITY INDICATORS AND GOVERNMENT POLICY SUCCESSES</th>
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### Annex D

**Matrix Of Probabilities Shifting To A More Resource Efficient Economy**

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<tr>
<th>Economics (Taxes, Regulation Subsidies)</th>
<th>Technology (Equipment and Process)</th>
<th>Attitudes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>Food Chains</td>
<td>Consumer ‘Capital’ Goods</td>
</tr>
<tr>
<td>Transportation</td>
<td>Housing</td>
<td>Transport</td>
</tr>
</tbody>
</table>

= Significant  = Neutral  = Unimportant

**APPENDIX 4**

**Memorandum from the British Council for Offices (BCO)**

Founded in 1990 the BCO exists to research, develop and communicate best practice in all aspects of the office sector. It delivers this by providing a forum for the discussion and debate of relevant issues; and works to promote co-operation and understanding between landlord and tenant, investor and developer, and owner and occupier—therefore improving efficiency and innovation in the office sector.

In recent years a significant proportion of our research programme has addressed the question of sustainability and last year we produced a guide to the UK’s Green Incentives which examined the latest taxes, regulations and incentives, and analysed them in terms of their effect on the office sector.

The property and construction sectors of the UK economy are now aware of sustainable development and the wider concerns and focus of the climate change agenda. Scientifically based evidence of global warming and the activities of various environmental pressure groups have resulted in a significant change in the public mood in favour of green ideas and practices, which has forced this new word, “sustainability”, firmly onto the UK political and business agenda.
Responding to public and international pressure through bodies such as the United Nations, the British Government has created a series of sustainable development objectives and a matching programme of initiatives designed to secure these goals. A variety of new fiscal and regulatory measures have been introduced and although these are applied across the many different sectors of the UK economy, this document is concerned with the impact these government policies (effected through economic and regulatory instruments) are having on the office development sector.

Commercial property, together with the construction industry, accounts for some 12% of UK GDP and close to 20% of all UK carbon emissions. The industry uses substantial resources: 254 million tonnes of aggregate, 3.3 million tonnes of metals and 3.8 million cubic metres of timber\textsuperscript{10}. It is also responsible for sending 24 million tonnes of waste to landfill every year.\textsuperscript{11}

Improving the industry’s environmental performance, its productivity and the quality of existing and new stock, is an essential component of the Government’s overall “sustainability” strategy.

Our examination of these new green incentives, the various \textit{sticks and carrots}, as detailed in the enclosed guide, concluded that the Regulatory and Fiscal measures introduced over the previous few years have so far had a marginal impact upon the commercial property sector. In many cases it is too early to judge their success or otherwise.

Our submission divides into two sections: one detailing our examination and critique of the practical schemes which have been introduced as part of HMG’s sustainability strategy, and a second section which examines the overall thrust of policy and presents a practical critique for those in power, with pointers for new initiatives that can serve the sustainability cause better. Overall, I hope that this submission provides the Committee with an “industry based reality check” to digest and ultimately act upon.

\section*{Part 1—Practice—Government Incentives and Schemes to Encourage Sustainable Development}

The number of measures covered in the enclosed document and the sheer time and effort required keeping up to date with the latest taxes, regulations and incentives only highlight the failure in Government strategy. The measures themselves, whilst often simple in concept, in practice become burdensome and often fail to deliver a significant change in behaviour.

The following conclusions can be made:

\subsection*{The Sticks}

\textbf{(1). Building Regulations Part “L”}

\begin{itemize}
  \item a. Carbon emissions performance of new buildings, and to a lesser extent refurbished property, will improve. The benefit will be seen over the long term, as the higher performance standards affect existing property portfolios and highlight building obsolescence.
  \item b. Government estimates of extra over costs of between £2.5–£7.50/m\textsuperscript{2} for air-conditioned commercial property and around £10/m\textsuperscript{2} for naturally cooled and ventilated, are proving to be an underestimate. Time and familiarity will, however, see a reduction towards government estimates.
  \item c. The profile of low carbon design, as part of a sustainable construction strategy, has been raised by the Regulations, although as the industry absorbs the changes this profile will fade.
  \item d. The Regulations have added some risk, particularly at the pre-planning application stage, and at completion.
  \item e. The inclusion of flexible mechanisms such as “trade offs” and alternative routes to compliance, allows for economic alternative solutions.
  \item f. In common with other regulations, the response to Part L is reactive, cutting across the industry’s ability to be innovative.
  \item g. Regulations are only effective if they are enforced. The Building Control officers regard, with good reason, Health and Safety issues as their priority. As such they are relying on the professional integrity of the design team to ensure compliance.
\end{itemize}

\textbf{(2). Climate Change Levy}

\begin{itemize}
  \item a. The CCL should act as an incentive to use less energy but as a proportion of the overall tenants” business costs, the actual amount is nominal.
  \item b. Within the commercial office sector, it falls upon the tenant to take action. The tenant is frequently not in a position to carry out building energy saving modifications or to influence operation.
\end{itemize}

\textsuperscript{10} Waste Minimisation and Recycling in Construction-Design Manual—1998 CIRIA.
\textsuperscript{11} www.environment-agency.gov.uk.
c. The owner and managing agent are best placed to take long-term decisions about improvements to building fabric and services. Currently, there is no direct financial benefit to either party for any capital investment in energy efficiency, as the saving will generally accrue to the tenant.

d. Ultimately, occupiers may demand more energy efficient buildings, for reasons of corporate responsibility (environmental governance). Owners and managing agents may need to keep pace by maintaining the competitiveness of their buildings and, in turn, be seen as socially responsible.

e. The Royal Society\(^\text{12}\) concluded that the CCL “is inefficient and partial” as an economic instrument and went on to recommend the introduction of a universal carbon tax.

### 3. Landfill Tax

a. The impact of Landfill Tax, at its current rate, is small in comparison to total construction costs.

b. It does encourage the sensible separation of active and inert waste and it provides an incentive to separate and recycle excess materials from a building site, if the space for it exists.

c. The higher rate for active waste, whilst an obvious deterrent to its generation, may cause some inappropriate and hazardous environmentally polluting practices, such as burning waste on site and fly-tipping.

d. There is an issue where the developer, who is ultimately responsible for the proper disposal of active waste resulting from the site materials and packaging, may have no control over their contractors’ specification or transportation of waste.

### 4. Aggregates Levy

a. At its present level, the Aggregates Levy rate provides only a small influence within the building sector to take sensible measures for the control and re-use of building materials where possible.

b. Its impact will be seen further down the supply chain.

### 5. Cumulative Costs

a. The cumulative costs impact of the “sticks” amounts to an on-cost of around 4% on construction costs or an erosion of between 5%-10% of profit. If profit margins are to be maintained, these additional costs will be passed on the consumer or absorbed by productivity improvements or reflected in the residual land price.

| Table 1 | SUMMARY OF COST IMPACT OF “STICKS” UPON FINANCIAL MODELS |
|-------------|-------------------------------|------------------|------------------|------------------|
|             | City of London | M25 Business Park | Regional City | Regional Business Park |
|             | (6,000m\(^2\)) | (5,000m\(^2\)) | (3,000m\(^2\)) | (2,000m\(^2\)) |
| Development Cost (£) | 27,723,000 | 14,330,000 | 7,486,000 | 3,584,000 |
| Target Development Profit @ 20% (£) | 5,544,600 | 2,866,000 | 1,497,200 | 716,800 |
| Basic Construction Cost (£) | 13,200,000 | 6,905,000 | 4,713,000 | 2,064,000 |
| Part L Compliance (£) | 132,000 | 69,050 | 47,130 | 20,640 |
| Part L Tests (£) | 120,000 | 100,000 | 60,000 | 30,000 |
| Landfill Tax (£) | 82,000 | 68,000 | 41,000 | - |
| Aggregate Levy (£) | 15,000 | 11,200 | 6,700 | 4,500 |
| Sub-Total | 349,000 | 248,250 | 154,830 | 55,140 |

\(^{12}\) Economic Instruments For The Reduction Of Carbon Dioxide Emissions—Royal Society November 2002.
<table>
<thead>
<tr>
<th></th>
<th>City of London</th>
<th>M25 Business Park</th>
<th>Regional City</th>
<th>Regional Business Park</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Construction Cost (£)</strong></td>
<td>13,549,000</td>
<td>7,153,250</td>
<td>4,867,830</td>
<td>2,119,140</td>
</tr>
<tr>
<td><strong>Percentage Increase in Construction Cost</strong></td>
<td>2.6%</td>
<td>3.6%</td>
<td>3.3%</td>
<td>2.7%</td>
</tr>
<tr>
<td><strong>Percentage Increase in Development Costs</strong></td>
<td>1.3%</td>
<td>1.7%</td>
<td>2.1%</td>
<td>1.5%</td>
</tr>
<tr>
<td><strong>Increase as a Percentage of Target Development Profit</strong></td>
<td>6.3%</td>
<td>8.7%</td>
<td>10.3%</td>
<td>7.7%</td>
</tr>
<tr>
<td><strong>Resultant Profit Margin (assuming Development Costs Remain fixed)</strong></td>
<td>19%</td>
<td>18%</td>
<td>18%</td>
<td>18%</td>
</tr>
</tbody>
</table>

**Note:**
1/ Models assume that demolition materials are recycled on site in all but City development.
2/ Part “L” Compliance cost applied at 1% to all models.

**The Carrots**

Three of the five “carrots” impact the developer (appraisal ECA, PV Grants and LRTCs), and then only in certain circumstances. The remainder affect the building operator or user. The benefits from these “user” oriented measures do not register in a development appraisal.

1. **Enhanced Capital Allowances (ECA)**
   a. The ECA has the potential to reward office developers with a small cash flow advantage in return for purchasing approved low energy/carbon equipment.
   b. In many cases, this benefit may not cover the cost of additional administration needed to identify the eligible elements required for making a formal written application for the ECA. This situation may improve as the categories and list of eligible equipment expands.
   c. As with the Climate Change Levy, there is also a structural issue. In the development sector, taxation tends to be dealt with at a corporate rather than project level. There is therefore a detachment between the decision makers at project level and the beneficiaries at corporate level, lessening the impact of the ECA on the scheme.
   d. The computation of ECA, based on a company’s overall cash flow, does not change the economic balance of a project since in conventional development appraisals the ECA’s would not be considered.
   e. The developer—if a trader as opposed to an investor—will not see the ECA benefit (for unclaimed allowances are seldom reflected in the property value).

2. **Combined Heat and Power Quality Assurance scheme**
   a. The fundamental economic case for CHP, within the office development sector, is limited to a few particular applications such as large scale mixed-use, where load profiles match the output profile of CHP.
   b. The incentives for CHP (ECA, CCL Exemption) have been negated by changing economic circumstances, particularly the reduction in the wholesale cost of electricity, which has fallen since the introduction of the New Electricity Generating Arrangements (NETA).

   a. The incentives to generate electricity from renewable sources, in particular photovoltaics, are generous, but their impact is insufficient to overcome the inherently unfavourable economics.
   b. The requirement to become, or negotiate with, a licensed supplier, in order to generate the renewable energy generation certificates, reduces any potential return and imposes an additional barrier to deployment of renewables in buildings.
c. The purchase of “green” electricity, via the grid, generates consumer demand for renewable energy, although not all schemes lead to additional capacity.

4. Land Remediation Tax Credits

a. LRTCs are a tightly controlled method of providing a 50% grant to clean up contaminated land as a means of encouraging urban regeneration.
b. Decontamination is often only one issue in making brownfield sites economically attractive for redevelopment and can often be insufficient to swing the economic case.
c. Extending the credits to include other infrastructure costs, such as flood defences, utility provision would make the application of LRTCs more widespread.

5. UK Greenhouse Gas Emissions Trading Scheme

a. Emissions trading is a mechanism intended to reduce the economic cost of carbon dioxide abatement schemes and is a means of placing a value on a pollutant such as CO₂.
b. At present the UKETS scheme is in its infancy and the cost of CO₂ has fluctuated wildly due to the illiquid nature of the market.
c. For the mechanism to be effective at reducing carbon emissions, the system needs to ensure that the traded emissions credits generated by a company or project are “additional” to those required by regulatory measures. In theory therefore a building must exceed the current standards before credits can be generated.
d. In comparison to the carbon emissions from industry, those from a building are extremely small and it is unlikely that any credits generated and sold into the market would produce a return that would cover the set up, administration, monitoring and verification costs required by the system.
e. At present the scheme is closed to new participants.
f. This is an area that will see rapid development with the European scheme starting shortly in 2005 and global trading by 2008.

1. Cumulative Costs

   a. The costs are outlined below in Table 8.

<table>
<thead>
<tr>
<th>Table 2</th>
<th>SUMMARY OF COST IMPACT OF “CARROTS” UPON FINANCIAL MODELS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>City of London</td>
</tr>
<tr>
<td></td>
<td>(6,000m²)</td>
</tr>
<tr>
<td>Total Development Cost (£)</td>
<td>28,453,000</td>
</tr>
<tr>
<td>Target Development Profit @ 20% (£)</td>
<td>5,670,600</td>
</tr>
<tr>
<td>Basic Construction Cost (£)</td>
<td>13,200,000</td>
</tr>
<tr>
<td>ECA</td>
<td></td>
</tr>
<tr>
<td>PV Grant (see note 1)</td>
<td>252,000</td>
</tr>
<tr>
<td>CHP</td>
<td>N/A</td>
</tr>
<tr>
<td>LRTC</td>
<td>-</td>
</tr>
<tr>
<td>Emissions Trading</td>
<td>N/A</td>
</tr>
</tbody>
</table>
### Part 2—An Examination of Government Policy

#### Introduction

The new policy measures and instruments introduced as part of the Government’s Sustainable Development Objectives and Climate Change programmes span many industry sectors. This document is concerned with the impact that Government economic and regulatory instruments are having on the commercial development sector.

The Government’s stated intention, reiterated in the Pre-Budget Statement in November 2002, is that markets are the best measures of “allocating an economy’s resources in the private sector”, adding that “where markets do not price environmental costs properly, economic instruments such as environmental taxes... can be used to improve price signals”.

In accepting that the market operates in an imperfect manner, the Government sees the correction of these market imperfections, through the use of economic measures in the slightly wider context of improving UK productivity. These measures must deal with the following broad environmental objectives:

- Tackling climate change and improving air quality
- Improving waste management
- Regenerating Britain’s towns and cities
- Protecting Britain’s countryside and natural resources

In the pursuit of these objectives, policy makers prefer to influence markets through fiscal and regulatory measures since their impact can be predicted. Often these are used to correct “bad behaviour” but the Government also tries to encourage “good behaviour” through advocacy, and by providing financial or other forms of incentives. The challenge faced by Government is to achieve their policies, aims and objectives without placing undue costs on British business.

Within the UK economy the commercial property sector, together with construction, accounts for some 12% of UK GDP. This substantial position is matched by an equally significant output of carbon emissions; close to 20% of all UK carbon emissions, stemming from a substantial resource burn-up: 254 million tonnes of aggregate, 3.3 million tonnes of metals and 3.8 million cubic metres of timber per year.13 It is also responsible for sending 24 million tonnes of waste to landfill every year.14

These statistics clearly demonstrate that an improvement in the industry’s environmental performance, its productivity and the quality of existing and new stock, is an essential element if the Government’s green strategy is to be successful. Although the economic instruments and measures referred to in this document are wide ranging, it is clear that the industry can expect an ongoing tightening and broadening of measures designed to encourage more sustainable development. An imminent example of this broadening is the EU directive on the “Energy Performance of Buildings” due for implementation in the UK in January 2006.

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14 www.environment-agency.gov.uk.
However before these measures are tightened, it is surely important for the Government and the property industry to establish whether the aims and objectives of Government policy are being achieved by the current set of policy instruments. It is also essential to know whether these are sufficient to bring about the scale of change envisaged by the Royal Commission’s Report on Environmental Pollution\(^{15}\), at a cost that is acceptable to the industry.

The aim of this section is to consider the policy strategy now in place and to suggest ways in which the Government’s environmental objectives can be achieved in a manner better suited to the commercial property market.

**UK Government Policy**

It should be remembered that in the first instance Governments devise policy for the overall good of the economy, not for individual industry sectors and therefore the majority of the incentives covered in this document will have a greater impact on industries other than the UK commercial property sector.

This sector is however unique because its assets are required to provide a return over the long-term. Yet the companies that own, design, build and operate property must usually make decisions influenced by short-term economic imperatives. Accordingly the simplest way for Government to influence those decisions is through taxation and regulation.

The effectiveness of the measures introduced to date is limited because of the disparate nature of the property and construction industries. This leads to a separation between the beneficiary of the measures and those that pick up the bill, creating a culture whereby the industry seeks to provide the minimum standards required to comply. However such minimal compliance within the context of global warming and control of carbon emissions is not acceptable given the scale of the problem facing not only the UK but the whole global community.

Based on a projection from the Royal Commission on Environmental Pollution\(^ {16}\), the UK needs to reduce climate change emissions by 80% over the next eight decades. Emissions of carbon dioxide arising from energy use within buildings should reduce in line with this target. It is expected that both the demand side energy efficiency gains and supply side low carbon technologies and efficiencies will bring about these changes.

However, the carbon emissions intensity of the UK, measured as a ratio of emissions per unit GDP, needs to reduce at around 3–3.5% per year, allowing for normal trends of GDP growth. If it is simply assumed that both demand side efficiencies and supply side technologies will make a more or less equal contribution to delivering the projected climate change programme, then each require a year on year change in performance of minus 1.5–2.0% per annum, as a ratio of GDP. Current policies will not deliver this.

In appreciating that the scale of the problem is quite profound, a fundamental industry based factor may be capable of positively delivering reductions in carbon emissions and assisting the general goals of sustainability. This factor is good design, and it is clear that there is much that good design can presently achieve at no extra cost to the industry. The next steps will require additional investment and this needs encouragement. At the present time the operation of the property market makes this additional investment impossible to recover through additional rent or in investment yields\(^ {17}\), and hence there is no incentive to go beyond the minimum. Accepting this as a given, another method needs to be developed, perhaps through some form of Government action to encourage “zero return” investment.

Finally, an important area not dealt with in this document is the impact which the 2003 Energy White Paper could ultimately have on the levels of carbon used in electricity generation. If technology such as carbon capture and sequestration were pursued, it would be reasonable to assume that the carbon content of the electricity supplied from the national grid to buildings would fall from its present 0.43kg/kWhr. At a stroke, the level of carbon emissions arising from the use of electricity in buildings would fall in line with the grid reduction, at no direct cost to the industry. Given the nature of lengthy legislative process it remains to be seen whether such a reduction will ultimately be achieved by this “White Paper” route.

**UK Government Options**

The Government\(^ {18}\) intends to continue to correct market inefficiencies and imperfections using economic instruments such as environmental taxation and regulation. Within this context it is also clear that environmental NGO’s will continue to lobby Government for a tightening of regulation and taxation.

Future Government policy has a number of possible options:

— Firstly, it could increase incentives to such a point that the business case is clear-cut. This would clearly be an expensive option but would deliver greatly enhanced take up.

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15 Royal Commission on Environmental Pollution 22nd Report—Energy—the Changing Climate (June 2000).
16 Royal Commission on Environmental Pollution 22nd Report—Energy—the Changing Climate (June 2000).
17 Attitudes towards financial incentives for green buildings (December 1999).
environmental issues within the industry. Recent publications by the BCO and others have highlighted the fact that property professionals are aware of the sustainability agenda, but that without “demonstrable commercial benefits, the office sector will continue to view sustainable development as a low priority”.

In considering the incentives regime as a whole, the clear conclusion is that the “carrots” as incentives are too weak to encourage any substantial change from this current position, and that the “sticks” and, in particular the revisions to Part “L” of the Building Regulations, are successfully generating change but at a cost that will inevitably be passed onto consumers. Though Part “L” is a primary example of a regulation which has motivated the industry to embrace new sustainable qualities and goals, it also demonstrates that unless the industry develops its own motivation then it may expect further tightening of the regulatory regime and further consequent cost increases. The Government is working on the next revisions to Part “L.”

Motivating the Property Industry

The greatest impact of the measures introduced over the last two years has been to raise awareness of environmental issues within the industry. Recent publications by the BCO and others have highlighted the fact that property professionals are aware of the sustainability agenda, but that without “demonstrable commercial benefits, the office sector will continue to view sustainable development as a low priority”.

In the past decade it is clear that the consumers of property have developed new motivations in favour of sustainability. These consumers are the investors or owners of buildings and the occupiers, and it is ultimately these two groups who determine the standards set in the market. Institutional investors and public companies are and will continue to come under increasing pressure, from both shareholders and lobby groups, to improve their environmental performance.

Accordingly, many different influences could affect the “sustainability actions” of both groups over the next few years:

[A] Influences on Investors and Owner Occupiers

The key to whether investors and owner occupiers will change their requirements is whether long-term values can be better protected. As yet there is no hard evidence to demonstrate the link between sustainability and long-term returns hence decision-making relating to sustainability remains an act of faith. Indeed the definition of what constitutes a sustainable building or development is complex and can be coloured by individual perspective. In their work with Kingston University, Drivers Jonas identified that the BREEM assessment is the default label for sustainability but does not provide the breadth or the transparency required by the industry to enable building differentiation. In the case of owner-occupiers, environmental governance may influence attitudes but for investors—until the link is made in portfolio valuations and sustainability, obsolescence and tenant demand—change will be slow.

The measures introduced by the UK Government and examined in this document demonstrate that whilst additional development costs have been imposed the financial and development impacts are at best marginal, and all have been slow to take effect. Therefore if substantial change is to occur, investors need to move beyond making a commitment to sustainability in the generalities of their policy statements and begin to define sustainability criteria for their property portfolios and address the valuation issue. Ultimately those who invest in property will need to demonstrate that their property portfolios meet, at the very least, industry “good” practice. Properties not matching such criteria will either require investment to

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20 Attitudes towards financial incentives for green buildings (December 1999).
improve their performance or face reduced demand for their space. This should be reflected in portfolio valuations, providing a strong incentive to pursue high standards of environmental and sustainable development probity.

[B] Influences on Occupants

Tenants have much to gain from more sustainable buildings, as they potentially offer both a more productive indoor environment and reduced running costs. The tenant attitude to sustainability will vary, as it does across society, and as such there will be the full spectrum of organisations from leaders to laggards.

However, fundamentally it should be remembered that all will occupy property to satisfy a business need for accommodation and so sustainability will only be one amongst many other factors such as location, lease term and rental level which will influence tenant choice. The measures introduced by the UK Government, and examined in this document that would be reasonably expected to impact the tenant (CCL, ECA) are insufficient to raise the importance of sustainable buildings above the other competing criteria.

In considering the tenant’s options it should be remembered that the majority of businesses will use property professionals to match their requirements to a property. Whilst some buildings may have a “green” tag, to the typical occupier who might be viewed as an “outsider” in the commercial property world, the validity of this tag is meaningless as it does not provide a reliable comparison with other buildings or industry benchmarks. In common with the owner/investor community, if sustainability is to become a critical factor in “choice”, tenants need a reliable, transparent label to differentiate the sustainable from the un-sustainable.

Accordingly the industry needs to find a mechanism to differentiate buildings, allowing both investors and occupants to make value judgements. The key to this is labelling. Not just energy labelling as is proposed under the EU directive21, but holistic labelling that provides consistent, reliable and comprehensive data on the whole raft of criteria which can be used by investors, and by tenants in their decision making processes.

Conclusions—Action by All Parties

The commercial property sector has demonstrated that it can improve its sustainability performance, but the challenge for everyone in our industry, and also for the Government, is to achieve more and better sustainable buildings and to ensure the sustainable improvement of the UK’s built environment at every level.

It is clear that sector wide change must be driven from the top of this industry and, if possible, in partnership with Government. This must be motivated by a belief in the inherent self-interest of doing so. This motivation must be provided by a desire to compete in the sustainable arena and such competition can only flourish if clear unambiguous differentiation is available. A consumer driven, top down approach to addressing sustainability offers an alternative approach to further regulation and taxation. An industry led action plan could include:

— Changing valuation methods to include sustainable criteria of a building in the valuation methodology.
— Encouraging the property sector’s educational establishment to include more sustainable themes in the degree courses available.
— Developing a comprehensive labelling system to provide transparent, comparable, reliable information to both investors and tenants is perhaps the most important step that could be taken by the industry. The forthcoming implementation of the “EU Directive on the Energy Performance of Buildings” is a step in the right direction which could be built upon.

In tandem with action by the industry at large, new moves by the Government could make a difference. The Government could:

— Tailor the current package of green incentives to better suit Britain’s commercial property sector. Therefore the Government should review the current incentives regime with a view to reforming the current system to be more targeted in favour of the commercial property and construction sector.
— Simplify the system for administering Britain’s green incentives through the creation of a single body responsible for green incentives for the construction and property sectors. Certainly the current regime is administered by several different departments across Whitehall and this creates mystery and confusion about what exactly is available and where to go to find out more about, for example, Enhanced Capital Allowances or the Land Remediation Tax Credits.

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— Reform ministerial lines of responsibility. The new minister responsible for construction also has responsibility for “Small Business Service, Social Enterprise, Export Control and Non-proliferation, the Construction Industry, Consumer Goods and Services, GM Foods, and the Trawlermen’s compensation scheme. This minister also supports his ministerial colleague, the Minister for Small Business, on Energy and Sustainable Development. Given the overall size of the property and construction sector in terms of GDP, surely it deserves a full time minister at least, particularly if it is compared with Britain’s farming sector. A dedicated and focused Property and Construction Minister could champion the sector and more importantly oversee the creation of a specific incentives package tailored specifically for the sector.

— Create a single, information intense, “green incentives” Government web site. This would be a very useful tool which would assist in the demystification process.

— Develop a new package of incentives to encourage more sustainable education available to all educational institutions and professional bodies. This offers the potential of building up the sustainable knowledge base of industry and the public which can only facilitate, over the longer term, understanding of and demand for a more sustainable Britain.

April 2004

APPENDIX 5

Memorandum by the Centre for Research in Education and the Environment, University of Bath

This memorandum responds to the questions asked in the recent EAC press release.22

Does the Definition of “Sustainable Development” matter?

The existence of a range of definitions of “sustainable development” is not only probably inevitable, but also desirable. However, it needs to be emphasised that to be credible, any definition must have, at its heart, the understanding that the natural environment places constraints upon our freedom of action in both social and economic spheres.

For the Government to say that the Brundtland definition, “puts undue emphasis on environmental concerns” is to miss this point entirely. That it has been missed is clear from the further remark that, “there are equally sound definitions that favour a fundamentally economic definition”. This commits the error of supposing the economy to be somehow independent of the environment. Definitions which focus on environmental constraints are fundamentally economic. A particularly well-developed account of this relationship from the perspective of economics makes use of the concept of “natural capital”. We attach a policy briefing note (Foster et al 2004), produced by ourselves in collaboration with colleagues at the University of Lancaster through a recent ESRC-funded research project, which may perhaps be found useful in respect of these points.

Has the Strategy acted as a driver ...?

We are sure that in many ways it has. For example, it has played a significant part in prompting innovative thinking and action by the Purchasing and Supply Agency of the National Health Service in relation to sustainable development, which has the potential to result in real, often measurable gains. There have been benefits in terms of strengthening and clarifying the position of those in, for example, local government who have responsibility for sustainable development. There have been some limited impacts on the school curriculum as well as on universities’ abilities to link curriculum innovation to environmental management (ie, to a “greening” of the estates).

There are, however, a lot of strategies about—a joke circulating in local government circles depends for its punch line on Martin Luther-King’s famous speech beginning with the words “I Have a Strategy...”—and it is not always very clear to practitioners (or, perhaps, to anyone else) how, for example, “community planning”, or “social inclusion” relate to sustainable development. In our view, this results directly from the failure to firmly root sustainable development policy discourse in an understanding of environmental constraints. The “four objectives” of the existing strategy are entirely worthy but, as they are expressed, lead far too easily to a presumption that all four actually can be achieved, in all cases, “at the same time”. Even the HEPS initiative (2004) and the Learning and Skills Council (2004) do not seem grasp this fundamental point.

To expand this point with reference to an argument advanced earlier: continuing economic growth is clearly very important as necessary social goals depend on it, both here and across the world. There will certainly be instances in which it quite properly has a higher priority for government that environmental

22 See Environmental Audit Committee Press Release, 5.4.04 “NEW INQUIRY. The Sustainable Development Strategy: illusion or reality?”.
conservation. However, it is only congruent with sustainable development if does not deplete critical natural capital. It is very congruent, of course, if it can increase (useable) natural capital—something which is, in certain circumstances, possible. Hence, there are certain to be instances in which particular opportunities for economic growth should be rejected on sustainable development grounds. Failure of policy-makers to acknowledge this possibility, and to have a clearly developed view of the circumstances under which it might occur, amounts to nothing less than complete disengagement from the idea of sustainable development and an abnegation of responsibility: we simply end up with sustainable development as something we do if there is no immediate economic benefit in doing something else.

Similarly, social progress, however defined, is important and may be expected, at times, to have a higher priority than environmental conservation. After all, at the extreme, there is no point in worrying about the environment for future generations if today’s children are starving or living degraded lives. However, sustainable development may well entail social costs in the short-to-medium term, and this needs to be confronted. A very good example is CAP reform, which would certainly strike a huge blow for global sustainable development, but at an immediate economic and social cost to many rich-country farmers and associated communities. Additionally, the much-needed root and branch reform of the CAP may well have (for many) unwelcome impacts on the countryside.

So, we need to be clear (and government needs to help us be clear) about the choices we face, and the Strategy largely fails to confront this challenge. A result is that some of Government’s partners (for example those involved in the implementation of the England National Biodiversity Strategy) would seem have lost faith in the concept. As someone recently remarked at a meeting of a DEFRA-hosted National Biodiversity Strategy committee, “No one thinks sustainable development” got anything to do with the environment”. Although we don’t fully accept this, we do think that sustainable development has increasingly tended to be seen as, and for many become, just a big wish-list of everything that would be nice—as well as a way of keeping vocal and well-positioned special interest groups on board.

**How effectively do the indicators reflect the UK’s “sustainability gap”**?

We quote here from our policy briefing note Aiming for Sustainability—Can We Keep on Track?, attached.23

_The Strategy declares that: “the Government’s aim is for all the headline indicators to move in the right direction over time . . . When the trend is unacceptable, the Government will adjust policies accordingly and will look to others to join it in taking action”._

_This kind of serious commitment is very welcome._

_But there is nevertheless a major problem with the whole approach. It is that if the headline indicators are broadly negative, we can tell that the overall position is not sustainable. Unfortunately this does not mean that when they are all positive the position necessarily is sustainable. Indeed, it is even possible that positive indicator results will operate perversely to move us off a sustainable pathway._

This is a fundamental problem which needs both acknowledging and addressing. A further question here is whether policy can in fact operate to correct variance from targets in quite the linear way the Strategy supposes. We have argued in earlier evidence to the EAC’s Learning the Sustainability Lesson enquiry that a broad movement towards sustainable development requires a process of social learning to occur.

**How can the concept of sustainable consumption be integrated within the Strategy?**

A ready answer is available to this question where there are immediate economic (and/or social) benefits in moving to more sustainable consumption practices. Examples include water and energy saving by households and public/corporate bodies, efficient corporate procurement practices, and exploitation of opportunities for energy efficiency and the re-use and recycling of resources. In these cases quite major gains may be achieved through education and public awareness initiatives (often linked to other measures, such as taxes, subsidies and regulation) provided only that these are appropriately designed, targeted and communicated. Unfortunately, this has often not been the case in practice despite its being the easy bit of the puzzle.

It seems clear, however, that the exploitation of such “win-win” opportunities will be a necessary but not sufficient condition for the achievement of sustainable development. If a major change in the social preferences that underpin patterns of consumption is ultimately needed, this seems likely to require more complex policy-supportive interventions through education and lifelong learning. For a full discussion of these issues see Scott and Gough (2003), chapters 4 and 11.

Government intervention on the production side is more likely to be successful where short-to-medium-term economic benefits are available from more sustainable behaviours. For example, if the achievement of economies of scale in the production of green energy can be facilitated by Government, then the price can be lowered to consumers. However, if it is necessary (as it may be) to move towards lifestyles in which total energy consumption (having allowed for efficiency savings) is significantly reduced, this will involve

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23 Not printed here.
fundamental changes to the structure of preferences in the marketplace, which would seem to require sophisticated educational and other interventions, both to bring about the changes themselves, and to mitigate the costs and consequences for producers—especially as success in policy terms will not necessarily result in benefit to the public, institutions, or business. Consumption and production patterns are part of the way we live. They are an important part of sustainable development, which is ultimately about the way we live. It is not just about how we manage technical aspects of living the way we do.

Finally, all of this needs to be seen in a context of global trade. In principle, free trade must tend to promote sustainable development because it promotes the efficient use of resources. A danger that arises from the “four objectives” approach of the existing strategy is that social progress and economic benefit at the local level may be allowed to obscure wider net social, economic, and environmental gains available through trade. So, for example, to the extent that DEFRA has put CAP reform at the centre of its thinking on sustainable development it has, in our view, been absolutely correct.

Organisational Structures and Costs

As noted above, some useful steps towards sustainable development are possible which should pay for themselves. More difficult changes would incur costs. It would be useful if Government could establish clear priority areas where it considers it worthwhile (or politically proper) to mitigate costs, and thus aid change. There is a case for:

— rationalising the number of strategies with which public-sector organisations, in particular, must comply;
— clarifying the relationship between these strategies;
— being honest about trades-off between desirable goals where these are unavoidable; and
— making a clear distinction between those goals which represent easy wins and those which seem certain to result in costs to particular individuals, groups and/or organisations.

Finally, and perhaps most importantly, we wish to argue that there is a need for a more sophisticated (but by no means impractical) approach on the part of Government to policy-making in relation to sustainable development. In part we have already touched on this, suggesting that education and public awareness initiatives need to be designed, targeted and communicated to take account of the properties of both the intended audience and the case to be presented. In addition, we would ask you to note that sustainable development is a concept which excites both altruistic and self-interested responses from individuals and organisations. For example, a single individual may be committed to the conservation of wildlife, and willing to make personal sacrifices to this end, but nevertheless depend for a living on a polluting industry. There is a growing body of empirically-based work which suggests that policy needs to be carefully designed so as to be “robust”—in the sense that it does not depend for its success on particular assumptions about how and why individuals and organisations are motivated. Much of this work is summarised in a recent book by Julian Le Grand (2003), in which he argues for, and provides examples of, policy instruments which simultaneously respect and appeal to both altruistic and materially self-interested motivations.

REFERENCES


Lancaster/Bath (2004) Aiming for Sustainability—Can We Keep on Track? ESRC Environment and Human Behaviour New Opportunities Programme (briefing note); Lancaster University: IEPPP.


May 2004
APPENDIX 6

Memorandum from the Council for Environmental Education

ABOUT CEE

1. Definitions of sustainable development
2. The Strategy as a driver
3. Indicators
4. Organisational structures and costs
   Summary of recommendations
   References
   Acronyms
   CEE member organisations

ABOUT CEE

The Council for Environmental Education (CEE) is a national membership body for organisations and individuals in England with interests in environmental education and education for sustainable development (ESD).

CEE is grateful for the opportunity to contribute to the Committee’s inquiry.

1. Definitions of Sustainable Development

The Brundtland definition of sustainable development is useful, stimulating and has strong international recognition. It is also clearly problematic, implying that it is possible to predict, beyond a very limited set of environmental resources and services and social and economic conditions, exactly what future generations might need or how they might choose to meet their needs.

Other definitions (and understandings) are possible, and welcome, but an apt definition must surely emphasise, or imply, the critical role of environmental resources and services as the necessary platform for economic and social development, and the critical role of learning in development. Development cannot be sustained long term without the continued ability of our shared environment to support social and economic activity. Environmental resources and services are not substitutable by economic and social activity, since economic and social activity are necessarily based (and will continue to be based) on access to environmental resources and services. The ability of people to access, to utilise and to help sustain environmental resources and services is clearly based on their ability to understand relationships between the environment and social and economic activity, and this understanding is based on learning.

These considerations are relevant in examining the definition of sustainable development in the current UK Sustainable Development Strategy (1):

“sustainable development is about ensuring a better quality of life for everyone, now and for generations to come”

This definition, enshrined in the four objectives of “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” fails to recognise the fundamental importance of an environment that continues to provide what is needed to support economic and social activity.

The requirement, or exhortation, to meet the four objectives simultaneously fails to acknowledge the complex and difficult choices entailed in any path of development. A sustainable path of development will seek to meet people’s individual, social and economic needs and desires, and promote long-continued access to the environmental resources and services that allow them to meet or advance their needs and desires. This may clearly entail situations in which one or more objectives is prioritised at the expense of another.

A thought-provoking definition, of “sustainability” (though clearly not as a specific or fixed state) is that of Hamm and Muttagi (2):

“. . .sustainability is not a concept referring to some static paradise, but rather a capacity of human beings to continuously adapt to their non-human environments by means of social organisation”

This definition emphasises the critical role of individual and collective learning in the process of sustainable development. Sustained, widespread learning is critical because it will frame, inform and extend the choices entailed in any path of sustainable development. Its absence will constrain the adaptability required to meet the changing conditions implied by a process of sustainable development.
2. The Strategy as a Driver

The existing Strategy has undoubtedly been a driver for activity within DETR and its successor Defra and an influence on collaborative work between DETR/Defra and partners inside and outside government. However, delivering, or leading on, such a broad strategy across government may be unrealistic for a single department. As previous Committee inquiries (3) (4) have demonstrated, despite clear ministerial and departmental commitment within DETR/Defra, there is little sign of significant integration and understanding in some critical departments.

Within CEE's area of interest—the role of learning in sustainable development—strategic work proceeding from, or guided by, the strategy has been sometimes inconsistent and ineffective. The current strategy (in which learning is not, in any case, strongly prioritised) has, until recent ministerial commitment, not been a clear driver for activity within DfES and some other departments, though other government support, including the DETR/Defra Environmental Action Fund, has allowed strong, though inconsistent, local, regional and NGO activity in this field to flourish. However, national strategic work on building public engagement in sustainable development has tended to confuse awareness-raising with the broader role of learning. Some communications initiatives (eg Are You Doing Your Bit) have not been well designed if intended to promote behaviour change or further learning. Research suggests a more sophisticated approach is required (5).

3. Indicators

Whilst indicators are informative and necessary, research, including a recent and cogent University of Lancaster/University of Bath ESRC-funded project (6), has questioned the conceptual basis of the current set of indicators, and their relation to sustainable development.

Specific subsets of indicators are also problematic, such as those concerning education and public awareness and understanding of sustainable development (H5, T7, T8 and others). The current set of indicators suggests assumptions that all education contributes to sustainable development, that awareness or knowledge of sustainable development leads to sustainable development, and that information provision for specific audiences necessarily enables sustainable development. These assumptions are not well supported by research (7) (8).

In a recent statement (9), DfES committed to:

“work with Defra on the review of the UK Strategy indicators, through participation in ENV(G) and SD Taskforce discussion.”

CEE has explored (10), and will continue to explore, suitable indicators, and intends to make a submission on indicators to the current UK Sustainable Development Strategy consultation. CEE strongly supports the Committee’s recommendation (11) that:

“DfES commissions research into effective indicators for ESD to support the monitoring and evaluation of its...sustainable development action plan”

4. Organisational Structures and Costs

The role of learning in sustainable development is widely acknowledged to be critical, but, as previously noted, until recently there has been no great engagement of government departments with potential contributions to learning. From this it can be inferred that existing policy mechanisms for advancing strategic work on learning to enable sustainable development are inadequate. More specifically, the significant advisory work of the Sustainable Development Education Panel has not been sufficiently integrated into some departments (11). This remains the case, despite the welcome emergence of the recent DfES Sustainable Development Action Plan for Education and Skills (12) and other initiatives, such as the Egan Skills Review (13).

Much further action is required to effectively develop and support learning to enable sustainable development at national, regional and local level, within formal education, lifelong learning and youth work. This action must link strongly to research on the role of learning in sustainable development. This action also requires a significant strategic redirection of resources. Current piecemeal funding, and development and support structures for local and regional activity, are unlikely to be sufficient.

May 2004

References


**ACRONYMS**

CEE: Council for Environmental Education
DETR: Department for the Environment, Transport and the Regions
Defra: Department for the Environment, Food and Rural Affairs
DfES: Department for Education and Skills

**CEE MEMBER ORGANISATIONS**

Association for Science Education
Association of National Park Authorities
Bat Conservation Trust
Black Environment Network
Botanic Gardens Conservation International
Botanic Gardens Education Network
British Ecological Society
Centre for Alternative Technology
Centre for Research, Education and Training in Energy
Centre for Sustainable Energy
Chartered Institution of Wastes Management
Compassion in World Farming Trust
Countryside Foundation for Education
Design and Technology Association
Development Education Association
Earthwatch Institute
ENCAMS
English Heritage
English Nature
Environment Agency
Environmental Education Advisers Association
Farming and Countryside Education
Federation of City Farms and Community Gardens
Field Studies Council
Forest Education Initiative
Forestry Commission
Forum for the Future
Friends of the Earth
Geographical Association
Girlguiding UK
Global Action Plan
Groundwork
Hawk and Owl Trust
Human Scale Education
Industry Council for Packaging & the Environment
Institute for Earth Education
Intermediate Technology Development Group
Learning through Landscapes
Living Earth
National Association for Environmental Education
National Association of Field Studies Officers
National Association of Head Teachers
National Association of Youth and Community Education Officers
National Council for Voluntary Youth Services
National Foundation for Educational Research
Natural Environment Research Council
Natural History Museum
Ordnance Survey
Oxfam Development Education Programme
Peace Child International
Royal Geographical Society (with the IBG)
Royal Horticultural Society
Royal Society for the Prevention of Cruelty to Animals
Royal Society for the Protection of Birds
Royal Society of Chemistry
Royal Town Planning Institute
Soil Association
Sustrans
The National Trust
The Scout Association
The Wildlife Trusts
The Woodland Trust
UK Youth
University and College Lecturers’ Union
Waste Watch
Wildfowl and Wetlands Trust
Woodcraft Folk
WWF-UK
YMCA National Centre Lakeside
Young People’s Trust for the Environment & Nature Conservation
Youth Hostels Association (England and Wales) Ltd
Zoological Society of London
APPENDIX 7

Memorandum from Country Land & Business Association

COUNTRY LAND & BUSINESS ASSOCIATION

1. The Country Land and Business Association’s (CLA) 40,000 members are involved in all aspects of rural land management and business. They manage approximately five million hectares of rural England (and Wales), including: landscapes designated as National Parks, Areas of Outstanding Natural Beauty; land in Countryside Stewardship and Environmentally Sensitive Area contracts and Sites of Special Scientific Interest. CLA members provide land and capital for investment in farming or other rural businesses, and they account, too, for 38% of private rented housing in rural areas. They generate jobs and incomes in the rural economy and are involved in rural tourism, from managing the landscape through to ownership and management of tourist attractions and accommodation.

2. The purpose for setting out this wide variety of activities is to draw attention to the integrated nature of land business management, in which environmental stewardship, the provision of jobs and housing, the maintenance of historic buildings and monuments, the provision of recreational benefits all of which must be supported by clear and consistent sustainable economic, social and environmental policies.

INQUIRY ISSUES

A: The definition of “Sustainable Development” [does it matter?]

3. Since the early 1990s, sustainable development has been accepted as a national policy goal. The definition of “sustainable development” is invariably defined and interpreted in any number of different ways. It is the CLA’s opinion that the needs of every single rural community in England will be different. Thus there can never be a definitive definition of what is meant by Sustainable Development as “one size does not fit all”. Whatever general definition is finally agreed upon must allow flexibility of interpretation at local level to take account of local needs.

4. What matters about a definition is that it must be broad enough to permit local interpretation for local needs as prioritisation will have to take place, at a local level, and be applied to specific areas for specific reasons.

The Sustainable Development strategy requires all four key objectives to be met at the same time. Is this realistic?

5. We do not believe it is realistic for all four key objectives of Sustainable Development to be met at the same time. There will always be one or more objectives which will override others. The difficulty with the term “sustainable development” is that it attempts to square or balance different priorities or desirable objectives and this is impossible in practice. Prioritisation has to take place and be applied to specific areas for specific reasons.

6. A great deal of effort has been made by the Government to refine the concept of sustainable development and to give it operational significance. But this effort has not been very successful, certainly in the land use planning field. In the past planning policy guidance notes have been revised to take account of sustainable development but it is often the case that these revisions remain largely unchanged from earlier versions, but now include various references to “sustainable development”.

B: What specific impacts can be attributed to the Strategy since its introduction in 1999?

TRANSPORT AND THE RURAL ECONOMY

7. Various definitions of sustainable development are very much focused on urban sustainable development. A clear example of the problems that currently exist for rural businesses with respect to sustainable development is the transport issue and the high level of use of the private motor car. The private motor car is the only available means of transport in rural areas owing to the lack of public transport.

8. It is the experience of CLA members who are running rural businesses, that development which is located close to urban areas is intended to be more acceptable, while development in the more remote countryside is intended to be more limited. Practically all rural businesses rely on road haulage for goods in and out. Whilst CLA would not oppose the general view that major enterprises generating volumes of traffic would best be located close to urban centres, neither do we accept the notion that ALL such activities are barred from rural locations. An increasing range of economic activity can exist only in large units and some will require (and for the viability of the rural economy should have) a rural location. The use of biomass for renewable energy generation is a case in point and some grain, fruit and vegetable processing sometimes falls into a similar category as do some rural tourism enterprises eg Eden project or Alton Towers.
9. There is a real danger that if “sustainable” is interpreted only in terms of transport policy, and the need to reduce reliance on the private motor car and travel by roads generally—and this is often the case—large areas of the countryside will be denied sustainable development. This will surely militate against the shared objective to reinforce the fragile economies of the more remote rural areas.

10. We do not believe that this is the Government’s intention. We believe the Government recognises the importance of private vehicles to the rural economy and as such we believe it intends the phrase to require planning authorities to promote a certain level of development so as to sustain or improve the position for local communities and the rural economy wherever they may be, not just in peri-urban but also in more remote areas. The Government needs to make the message clearer to planning authorities/in its policy.

RURAL ENTERPRISE

11. Whilst farming remains the dominant land use in all rural areas, a prosperous economy in rural areas includes a wider dimension than incomes solely from land management. The rural economy is multifunctional and diverse; the CLA itself has a membership who are involved in over 250 different types of businesses located in rural areas/communities. For this to be possible it requires a vibrant, profitable and sustainable rural economy in touch with mainstream developments in the national economy to provide the premises and the jobs. This in turn underlines the importance of the services of housing, health, communications and transport in rural areas, and the realisation by Government departments of the necessity for such rural developments.

12. It also underlines the crucial interdependence in the rural economy of land based and non-land based activities and the need for integrated policies which all pull together in the same direction. This is certainly not the case currently.

PLANNING SYSTEM

13. Planning policy guidance has been constantly revised to take account of the concept of sustainable development. Furthermore a great deal of effort has gone into trying to refine what is meant by sustainable development and to give it operational significance. This effort has not been successful, certainly in the land use planning field. It has all too often appeared to practitioners on the ground as if these revisions remain largely unchanged from earlier versions, although they do now contain a number of references to sustainable development. Different and un-integrated policies are pulling in different directions which are counter-productive and thus impacting on the planning system to provide sustainable development.

14. However, sustainable development would appear to be a strategic public policy objective. This is clearly shown in terms of land use planning in the draft PPS1: Creating Sustainable Communities which makes sustainable development a central plank of Government’s policy.

15. On the other hand, draft planning statements relevant to the countryside, especially PPS 7, and the regional and sub regional planning strategies proposed under the Planning and Compulsory Purchase Bill, do not yet recognise that true sustainability in the countryside means promotion of jobs in relatively small businesses throughout the countryside. Statements that development should be located only where there is public transport, or strategies that revolve around major urban hubs, will not adequately meet the needs of rural business or communities and are unsustainable.

ENVIRONMENTAL REGULATION

16. Increased environmental regulation, and the gold-plating of EU Directives, on rural and land based SME’s has been such a burden that many have gone out of business. For example, abattoirs have borne the brunt of successive regulation putting many out of business. The results of this policy now mean longer distances for animals and meat to travel to markets and ultimately less consumer choice.

17. Environmental issues have taken precedence over economic and social issues and this is certainly true in the planning system which is supposed to be delivering sustainable development. It is economics that pays for the environment and not the other way round.

HOUSING

18. A serious shortage of suitable housing has developed in rural settlements, including in settlements below 3,000. This shortage deprives local people of the opportunity to live and work in their local communities, reduces the proportion of young single people and families that do much to keep village schools, shops and pubs alive, and puts a strain on the local economy with labour shortages.

19. The situation is likely to get worse, unless action is taken to allow rural settlements to grow incrementally again, more use is made of redundant farm buildings and local authorities are allowed and urged to encourage more use of exception site policies, with private financing of affordable housing where necessary.
RENEWABLE AND NON-RENEWABLE RESOURCES

20. See paragraph 22 entitled Climate Change. This is one area where the concept of sustainable development does actually have a more precise meaning. This relates to the exploitation of renewable resources eg brown-field sites, timber etc. If a renewable resource is harvested at a rate in excess of their maximum sustainable yield, they will become extinct. Unfortunately, Government policy for:

- Brownfield sites—PPG3:Housing states that these sites should be used for housing development even in rural areas. This means the brownfield sites in rural areas cannot be used for more important uses such as the building of business premises for business start-ups in rural areas.
- Timber—the current Woodland Grant Scheme is focused on the provision of landscape and public benefit rather than the production of quality timber

MINERALS

21. We question the real possibilities of obtaining an ever increasing supply of secondary aggregates, and have raised concerns that little, if any, cost benefit analysis has been applied to the extraction, conversion and transport of recycled aggregates. Politically driven targets for recycling may cause harm to the minerals industry, the construction industry and by implication to the wider public. We continue to argue that given that all the assessments of the environmental costs of quarrying have identified transport impacts as the major disbenefit, mineral production should take place as close as is feasible to the point of consumption. We therefore question Government policy assumptions that continued structural underproduction and consequent imports and transfers between regions are desirable as a policy aim.

How effectively has the strategy linked to or acted as a driver for lower level strategies such as the Climate Change strategy?

CLIMATE CHANGE

22. In 2001, CLA published “Climate Change and the Rural Economy”, a ground breaking report. Since publication of our report, CLA has been instrumental in assisting DEFRA set up the climate change panel, has supported the Community Renewables Initiative and has contributed to many reports on planning and renewable energy, most recently The Renewable Energy Planning Panel 2003.

23. There is currently a Government target to produce 10% of electricity from renewable sources by 2010. After 2020, a new challenge arises as two-thirds of nuclear power plants which currently supply about 26% of the UK’s electricity, reach the end of their working lives.

24. The impacts of climate change on energy producers and users are likely to be significant in the future. There is huge potential for renewable energies that are carbon-neutral, such as biomass (eg short rotation coppice, oilseed rape and perennial grasses) and wind, to take the place of the non-renewable fossil fuels. Fossil fuels have significant negative external costs that are not costed into their price, including environmental damage and security of supply.

25. Our major concern is twofold: first, we consider the use of renewable energy in new development to be a valid planning matter, and argue that planning policy contained within PPS 22 should be amended to ensure that it is properly taken into account. Second, we continue to argue that current government support mechanisms for renewable electricity will place intolerable strains on local communities and the planning system.

26. Current DTI support, through the renewables obligation, fails to take account of local communities’ desire for technology choice in delivering National and Kyoto targets.

27. CLA regards meeting the commitment to reduce greenhouse gas production as non-negotiable, given the potential long-term damage to the rural economy from climate change. It is for this reason we urge that the use of energy in new development be given a locus in planning policy. Government policy should be used to encourage new development uses biomass CHP, solar or other technologies in order to reduce the requirement for on-shore wind turbines. Better targeted support is required to make alternative generation technologies widely available to communities that would prefer them to onshore wind turbines. This is not to argue that wind turbines are not appropriate in many locations, but simply to recognise that wider policy should better fit the public view.

C: Impact of strategy on mainstreaming the environment

28. CLA members, as landowners, rural businessmen and people who live in the countryside recognise the importance of conservation and the need to mitigate the possibility of environmental and other harm which inappropriate or ill-considered development can bring. In fact, the CLA is in the process of producing an Environment Strategy because of the importance of this issue to our members.
29. Since the early 1990s sustainable development has been accepted as a national policy goal and whatever the arguments over exactly what the term means it is clear that regard for biodiversity and nature conservation falls within its scope. The presence of obligations to have regard to or to further sustainable development means that authorities have to consider the impact of their activities on the natural environment. However, this has led to the fact that environmental issues systematically override economic and social issues so that rural businesses find it difficult to: modernise, reinvest in their business, make a profit, and find labour as there are no affordable houses, use of the motor car in rural areas to reach their place of work.

D: Sustainable Development Strategy—can it ever amount to more than a set of principles or aspirations?

30. The Government has certainly made strenuous efforts to publicise their policies for sustainable development and the concept is certainly included throughout Government policy. However, in practice owing to a lack of integration between Government departments and policies, little is happening on the ground.

31. Examples, other than those already raised, of Government’s aspirations which are not creating sustainable development include:
   - Waste to landfill sites to be reduced, and the waste to be incinerated—but public unconvinced and objecting to the location of incinerator sites
   - Household waste recycling policy—does not take place in rural areas
   - Reduction of packaging—not happening in practice
   - Reduce electricity and water consumption—consumption increasing rather than decreasing
   - Reduction of traffic on roads—increasing rather than decreasing—thus increasing fuel use
   - More road miles for use of private motor car user, freight and livestock
   - The planting of industrial biomass on agricultural land under the England Rural Development Programme Energy Crops Scheme, or new woodland under a Woodland Grant Scheme, is contrary to local Landscape Character Assessments

Organisational Structures and Costs

E: Do present organisational structures and policy mechanisms within Government contribute to the effective implementation of the Strategy? What improvements could be made?

32. No. Sustainable Development policies of individual Government departments are pulling against each other which are counter-productive. Practitioners on the ground then have to grapple with what to do when these policies conflict as for example when the need to preserve natural resources conflicts with economic growth or a proposed rural diversification/tourism project is not located close to public transport and thus requires the use of the private motor car.

33. There is an urgent need for policy makers to understand that it is economics that will deliver social and environmental benefits and not the other way round. There needs to be concerted effort by Government departments to integrate the existing multitude of definitions of, and policies for, sustainable development.

F: Is there a need for a more consistent approach to incorporating sustainable development as an overarching objective in all Government organisation? Or would the ambiguity of the term prove unhelpful?

34. There needs to be broad definition of the concept of sustainable development as this is a national policy goal. Government policies need to be integrated with each other in order that they do not pull in opposite directions, as they currently do.

G: Examples of lack of sufficient Government financial support for programmes and policies hindering implementation of Strategy

Renewable Resources Policy

35. CLA would far rather see alternatives to wind energy be given better support, enabling them to have real choices locally. In particular, one medium-sized CHP biomass plant involves far less landscape impact, and spreads the benefits of alternative (non-food) jobs and incomes far more widely, than an equivalent output from onshore wind turbines.
We are deeply concerned that current support mechanisms (the Renewables Obligation) are blind to generation technology, and does not thereby take account of higher costs of more landscape friendly electricity generation and will not offer communities a realistic option, and that as a result, large numbers of wind turbines will be forced on the countryside in order to meet regional targets. 

May 2004

APPENDIX 8

Memorandum from Dr Gill Seyfang, Centre for Social and Economic Research on the Global Environment (CSERGE)

Dr Seyfang is a Senior Research Associate in Sustainable Consumption with CSERGE (the Centre for Social and Economic Research on the Global Environment), at the University of East Anglia, Norwich. CSERGE is core funded by the Economic and Social Research Council. Dr Seyfang’s research examines the social implications of sustainable consumption, and local initiatives for sustainable development.

Inquiry Issue C: Indicators

The economic indicators set out in the strategy are limited by the fact that they rely upon traditional national accounts to measure economic activity (e.g. GDP). A range of alternative accounting systems have been proposed to measure social well-being rather than its proxy, material consumption. These would begin to reorient economic policy towards meeting broader goals than economic growth—after all, what gets measured, counts.

— The Measure of Domestic Progress (MDP) developed by Tim Jackson and the New Economics Foundation is a set of indicators which attempts to measure the value of economic activity which contributes to quality of life by making several adjustments to GDP. For example, it subtracts the defensive costs of environmental degradation, loss of habitats and resource use, social inequality and crime, and adds in the value of unpaid domestic labour. Results published in 2004 show that while GDP has risen by 80 per cent in the last 30 years, MDP fell sharply during the 1980s and has still not regained the peak level achieved in 1976. MDP more closely tracks other indicators of life-satisfaction, which have not risen for the last 30 years, than GDP.

Inquiry Issue D: Sustainable Consumption

Sustainable consumption is a contested term—there are many meanings attached to it, just as there are with “sustainable development”. For example, sustainable consumption could mean “green growth”, or it could mean “no growth”, depending on one’s viewpoint. These different meanings represent competing views about how society should develop, and as such they echo the arguments about sustainable development, and are simply another way of phrasing the same questions. The UK strategy resolutely sticks to one particular interpretation of sustainable consumption—that of ‘cleaner production’ and continued economic growth, but there are more fundamental questions to be asked about the goals of development, and competing views and strategies that deserve attention and policy support.

Policy recommendations:

Existing market-based tools and instruments need to be improved to overcome market failures which currently send the wrong price signals. These failures are principally related to inadequate pricing (requiring the full resource costs to be incorporated into market prices—across all sectors), and poor flows of information for consumers (comprehensive labelling schemes will help consumers make informed choices).

Introduce government regulation to build on and protect the improvements brought about through voluntary corporate self-regulatory initiatives such as ethical trade. At present they are welcome signs of consumer-driven market change, but are constantly threatened by changing consumer interests and fashions (inevitable outcomes of competing claims to consumers attention) which can erode the incentive for firms to maintain the standards. Instead, corporate voluntary measures could be instituted in regulation as new “minimum standards” and continuously ratcheted up, to consolidate and strengthen government boundary-setting of the market.

Support social and economic niches for alternative technologies and consumption patterns can be carved out, and provide valuable pioneering examples which the mainstream may learn from and potentially adopt in the future. But they are hampered by higher levels of decision-making, in terms of funding and practical support, but also in terms of the general social acceptability of such projects. Most importantly they need

24 This submission also included an article by Dr Seyfang, entitled “Consuming Values and Contested Cultures: A Critical Analysis of the UK Strategy for Sustainable Consumption and Production”, which is due to be published in the forthcoming September edition of Review of Social Economy, Vol. 62, No 3. Please also see www.uea.ac.uk/e175.
“policy space” in which to operate—in other words, current regulatory frameworks (on taxes and state benefits, and planning regulations in these two examples) need to be changed to allow these non-conventional initiatives to thrive and achieve their aims.

An illustrative example is that of community currencies such as Local Exchange Trading Schemes (LETS) and time banks, and NU-Spaarpas which are all new forms of local money designed to serve a social, community or environmental purpose.

— A LETS is a cashless economy which allows people in a locality to exchange goods and services without using money, and there are now about 300 schemes in the UK involving some 20,000 people. **LETS has been widely described as “green” money** for its potential to strengthen decentralised self-reliant local economies, encourage recycling and sharing of resources, and enable people to access “environmentally friendly”, low-consumption alternatives to mainstream market offerings such as locally grown food, or handicrafts.

— A second model of community currencies is Time Banks, whose currency is based on time, and everyone’s time is worth the same. By rewarding the unpaid labour that people put into their communities and social reproduction, **time banks encourage reciprocity, build social capital**, and challenge existing hierarchies of labour value—all of which are Egalitarian principles. Time banks are growing in the UK: the first project was established in 1998 and the 2002 national evaluation found that there were a total of about 2,196 members in 36 projects and nearly 64,000 hours exchanged. By 2004 the number of projects had grown to 68 (www.timebanks.co.uk). Community currencies are attracting participants among the most socially excluded neighbourhoods in the UK, perhaps because they offer accessible means to redefine social institutions of wealth and work. In many cases, LETS and time banks have emerged as community responses to the negative impacts of unrestrained global capitalism.

— A third example of a local currency designed for a specific purpose is the NU-card, a “green point” currency in the Netherlands. **This currency is designed to promote environmentally-friendly consumer behaviour**, and acts like a reward card. Points are earned when residents separate their waste for recycling, use public transport, or shop locally. Extra points can be earned by purchasing “green” or “ethical” produce (such as organic food, fairly traded goods, recycled products etc) at a range of participating local stores. The points can then be redeemed for more sustainable consumer goods, public transport passes, or cinema tickets, or donated to charity. In this way, there are incentives to change behaviour both when earning and spending the points, and private businesses benefit at the same time as public goals are met. The points circulate in a closed-loop system, and card scanners in participating shops feed data into a central set of accounts. This currency has been piloted in Rotterdam in 2002, in the Netherlands, and there is growing interest in adopting the card elsewhere to promote sustainable consumption.

**Promote Public Engagement**

Government can also take steps to increase the number of people willing and able to take a pro-active stance towards sustainable development. The traditional measure of political engagement—voting turnout in a representative democracy—has shown a sharp decline in recent years, with increasing numbers of people feeling detached from public life. Local participative or direct democracy address this democratic gap, and have become increasingly important as a structure for engaging citizens fully with decision-making. A recent Swiss study of the impacts of direct democracy found that greater participation in local referenda boosted quality of life regardless of the outcomes; in other words, being consulted, having one’s views heard and taken into account, and feeling valued for this participation is rewarding in its own right, and fosters greater civic engagement. There is enormous scope for **innovation in local government to introduce a range of empowering, educational deliberative tools** which aim to combat fatalism by bringing people together to discuss pertinent issues, and enabling decisions to be taken as far as possible by the communities affected by them. Examples include Future Search meetings to plan local development; and Democs ((Deliberative meetings organized by citizens) is a new initiative which helps any group of people to learn about and work through an issue of public policy (see work by the New Economics Foundation); while time banks have already been piloted as a tool to reward public input into local public service delivery.

It is my considered view that the government would achieve more significant shifts towards sustainable consumption by supporting and making space for enthusiastic grassroots community groups, rather than through a top-down coercive approach, or by leaving it to the market.

*April 2004*
APPENDIX 9

Memorandum from English Nature

1. INTRODUCTION

English Nature is the statutory body that champions the conservation and enhancement of the wildlife and geological features of England. We work for wildlife in partnership with others, by:

— advising—Government, other agencies, local authorities, interest groups, business, communities, individuals on nature conservation in England;
— regulating—activities affecting the special nature conservation sites in England;
— enabling—others to manage land for nature conservation, through grants, projects and information; and
— enthusing—and advocating nature conservation for all and biodiversity as a key test of sustainable development.

We have statutory responsibilities for nationally-important nature conservation sites (Sites of Special Scientific Interest), the most important of which are managed as National Nature Reserves.

Through the Joint Nature Conservation Committee, English Nature works with sister organisations in Scotland, Wales and Northern Ireland to advise Government on UK and international nature conservation issues.

2. SUMMARY

— Biodiversity protection is a key test of the success of the Government’s performance on sustainable development (SD). Measures suggest that the rate of loss of biodiversity is slowing, and some improvements are evident, but overall we can not yet claim to be sustainable in terms of our impacts in this area.
— We support the Government’s objectives but in practice there is insufficient integration between them. The economic objective is often seen as over-riding, even if this leads to increasing environmental damage.
— Environmental protection is still too often seen as a barrier to economic development. There is increasing evidence of the role that nature conservation and environmental protection plays in the socio-economic well-being of local areas. We believe that the economically thriving regions of tomorrow will be those that protect and enhance their environment today.
— The UK Sustainable Development strategy has acted as a useful policy driver but has not been sufficient to engage key Government Departments outside Defra. More integrated policies are needed in numerous areas affecting biodiversity, including agriculture, sea fisheries, planning and transport.
— Spatial planning policy is critical in determining long term patterns of resource use, and the role of the planning system has not had sufficient attention in the UK Sustainable Development strategy.
— We need more ambitious application of environmental taxes and related instruments. In spite of some positive measures, we cannot reasonably claim to have made a strategic shift from taxing “goods” to taxing “bads” as was set out in the 1997 Statement of Intent.
— The pigeon-holing of the UK Sustainable Development strategy into an environment department is both unhelpful in trying to promote integrated solutions, and absolves responsibility from other key players such as HM Treasury, DTI, DfT and ODPM.
— The accountability arrangements for ensuring regional bodies make a sufficient contribution to SD need to be strengthened. Their performance targets are focussed on the economic agenda and need to be changed.

3. NATURE CONSERVATION AND SUSTAINABLE DEVELOPMENT

3.1 Biodiversity protection is a key element of the Government’s sustainable development strategy, because:

— Nature conservation is central plank of our environmental policy agenda. Having experienced very significant wildlife losses over the past century, as a result of human activity, stabilisation and recovery of wildlife is one of England’s principal environmental goals.
— Wildlife is susceptible to damage to ecosystem processes and is therefore an excellent barometer of the health of the overall environment and the way that we are treating it.
— Nature conservation has an important cultural role in England, providing vital connections between people and their environment, opportunities for its appreciation and enjoyment, and making a significant contribution to our overall quality of life.

3.2 We welcome the statement in the Government’s consultation on the strategy review, which accurately reports that, “Both woodland and farmland bird populations have fallen considerably since the 1970s... although there are signs that populations are stabilising there are still areas of concern”. English Nature’s recent report on The State of Nature: Lowlands—future landscapes for wildlife’ provides additional context. It reports that the huge losses in extent of semi-natural habitats that have taken place over the past century are now slowing down. It also records some significant successes in habitat and species recovery, and in policy development. Despite this, there is continuing fragmentation and impacts on the quality of lowland habitats from a multiplicity of direct impacts and pollution effects. We cannot yet conclude that we have turned the corner and are sustainable in terms of our impacts on biodiversity. We need to make more progress to recover some of the former losses to establish a viable long term future for our key habitats and species. We also need to build ecosystem resilience across the landscape to allow our rarer species to survive climate and other environmental changes.

3.3 There have been some welcome policy developments for nature conservation since the 1999 strategy. These include the Countryside and Rights of Way Act, more funding for protecting SSSIs and more integrated thinking on marine and water policy. There are other aspects of policy where much more significant changes are needed if we are to achieve sustainable nature conservation.

4. **ISSUE A: THE DEFINITION OF SUSTAINABLE DEVELOPMENT**

4.1 The call for evidence refers to the Bruntland definition of sustainable development. While we recognise the need to include social concerns in any strategy, Bruntland does communicate effectively the need for a stewardship role in the interests of future generations. This role is especially important for biodiversity protection, where we run the risk of losing millions of years of evolutionary history through species extinction, which cannot be recovered once lost. It is important that the need to avoid irreversible environmental losses becomes a strong component of the new strategy.

4.2 We believe the Government’s four current operational objectives remain appropriate. Problems arise because there is insufficient integration between them at policy level and inappropriate emphasis when viewed across all Government policies. In particular, more emphasis is needed on environmentally sustainable growth as part of the economic objective. As the Sustainable Development Commission has observed, the objectives are too often being pursued independently, leading to conflicting and inefficient policy making. For example, we have policies promoting airport expansion and separate policies attempting to reduce the UK’s contribution to greenhouse gas emissions. There will, of course, be examples where policies give more emphasis to one or other objective. Overall, however, we need to move to a situation whereby all policies attempt to integrate all the SD objectives.

4.2 The tools for an integrated approach remain poorly developed and applied. Defra’s Integrated Policy Appraisal approach is only used in a piecemeal fashion across departments. There remains some resistance to the use of the newer policy appraisal tools (like the Quality of Life Capital Approach) by regional planning bodies. We hope the introduction of the new Strategic Environmental Assessment Directive and requirement for Sustainability Appraisal, introduced in the new Planning Bill, will be embraced by regional and local planning bodies to make spatial planning more sustainable. The impacts of these new pieces of legislation—and quality of responses from planning bodies—may be something the EAC would like to consider in a future Inquiry.

4.3 Overall, the economic objective is often seen as over-riding, even if this leads to increasing environmental damage. We do not get the sense overall that Government policy making recognises, or knows how to resolve, potentially conflicting objectives—this is an area of work which we would like to see government explore in more depth.

4.4 Environmental protection is still too often seen as a barrier to economic development. Strong environmental policies will often have short to medium term implications for specific sectors but often these impacts are outweighed by the wider social gains. There is increasing evidence of the role that nature conservation and environmental protection in general plays in the socio-economic well-being of local areas. We believe that the economically thriving regions of tomorrow will be those that protect their environment today.

5. **ISSUE B: Has the strategy acted as a driver?**

5.1 The strategy has acted as a driver where there have been developments in the PSA targets which are specifically linked to the sustainable development indicators. An example is the PSA target for farmland birds which has helped frame the direction of agriculture policy since its inception. However, we need more joint PSA targets to address environmental problems such as climate change.
5.2 The Strategy has helped develop ministerial responsibilities, through the green ministers and Sustainable Development in Government Initiative, though EAC reports show that implementation is patchy and more evident in relation to the operational activities of Departments than on policy formulation.

5.3 The UK Sustainable Development strategy has informed a more integrated approach to policy and decision making in its “home” Department, Defra. The Sustainable Food and Farming Strategy (SFFS) and the ministerial guidance on water prices are good examples of processes that have tried to consider environmental and socio-economic impacts together. However, this has not always been followed through into the detailed policy level. For example, recent decisions on the implementation of Common Agriculture Policy reform have failed so far to achieve the shift towards paying for environmental and social public goods that was envisaged in the SFFS.

5.4 There are a number of other areas where significant impacts on nature conservation remain. These include sea fisheries, water management, ports, flood and coastal defence, other land use development, energy and transport. It is essential that Government Departments responsible for these areas implement strategies for sustainable management of our environmental resource and stabilising greenhouse gas emissions.

5.5 The UK Sustainable Development strategy, as a policy driver, has not been sufficient in Government Departments outside Defra. In particular we highlight the following priority areas:

— The Department for Transport’s policies do not seem sufficiently aimed at either managing demand for cars and air travel, or alternatively managing the environmental impacts of that demand.

— Land use planning is critical to sustainable development objectives. The Office of the Deputy Prime Minister is promoting some positive policies but we are not yet convinced that their overall proposals for the new planning system, and housing demand, will lead to environmentally sustainable communities.

5.6 HM Treasury could do more to promote sustainable development perspectives. Specifically:

— The overall perception is that GDP growth remains the over-riding societal priority. We accept growth as a legitimate objective but the emphasis on this objective, especially in the context of the regional agenda, is crowding out the rounder and more modern concept of quality of life as promoted in the original strategy.

— A more comprehensive approach to environmental taxation (see section 7 below).

— The approach to project and policy appraisal still fits poorly with the UK Sustainable Development strategy. Many government cost benefit methods (and also the emphasis on Regulatory Impact Assessment) do not deal sufficiently with the stewardship aspects of sustainable development.

— The impact of sustainable development considerations on spending round decisions is not sufficiently transparent. We would like to see publication of the appraisal information and an understanding of how this has changed decisions.

5.7 Regional Development Agencies’ implementation of their sustainable development duties has been patchy. A particular concern is that their strategies have often contained suitable objectives but these have not been implemented in subsequent programmes and action plans.

6. Issue C: How effectively do the indicators reflect the UK’s “sustainability gap”

6.1 There appears to be a difference of interpretation between the Government’s assessment and that of the Sustainable Development Commission. Our interpretation of the Government’s assessment is that for the economically-related indicators such as skills and work, production and consumption, economic vitality and employment, proportionately more are moving towards meeting objectives, than is the case for the environment-related indicators such as travel and climate change.

6.2 We would like to see the headline indicators maintained so that they can be monitored over a longer period. We believe the wild bird indicator to be a useful summary of impacts on biodiversity. However, the measurement of some of these indicators is inappropriate because they do not include all environmental impacts. For example, the water quality indicator presents an overly optimistic picture in comparison with the more comprehensive assessment of ecological status that will be required under the Water Framework Directive.

6.3 We are concerned about the possibility that Government may no longer report on the 147 core indicators. To really understand the “sustainability gap” we require the level of detail that these indicators reveal. In addition, some indicators, such as “countryside quality” were never really developed over the five year time period so there are gaps in our knowledge for these.

6.4 It may be appropriate to develop some of the 147 core indicators as more measurement data becomes available. The current indicator assessing progress on Biodiversity Action Plan habitats and species provides a useful overall picture of biodiversity. However, the aim is to improve its measurement in the future.
6.5 If the Government pursues different indicators under the priority themes of the UK strategy review, then we would like them to address cross-cutting issues such as:

- de-coupling indicators linking production to environmental impact, including air pollution and health;
- indicators of the extent to which environmental damage costs are factored into market prices;
- indicators relating to business behaviour, for example resource use linked to profits.

7. Issue D: How can the concept of sustainable consumption be integrated within the strategy?

7.1 Sustainable consumption and production are key elements of sustainable development. However, we do not believe that they should be seen as the totality of the sustainable development agenda. For example, the sustainable consumption and production debate tends to concentrate on material flows and measurable pollution impacts which, while useful, can down-play the importance of monitoring and protecting the existing stock of critical natural capital.

7.2 We suggest there are five ways in which Government can make a major contribution to sustainable consumption and production:

7.2.1 Stronger application of sustainability standards in regulation and policy guidance. For example, if all the new communities and associated developments were carbon and resource neutral, and had access to public transport (facilitated through the planning system—including planning obligations and fees—and building regulations), then there would be a measurable reduction in consumption and these communities could genuinely be judged to be environmentally sustainable. Overall, spatial planning policy is in our view critical in determining long term patterns of resource use. The role of the planning system has not had sufficient attention in the UK Sustainable Development strategy. Defra has commissioned an interesting piece of work on a Study into the environmental impacts of increasing the supply of housing in the UK (Entec April 2004) which looks at three scenarios and their environmental impact when different standards are applied.

7.2.2 More ambitious application of environmental taxes and related instruments. HM Treasury has a commendably rigorous approach to the consideration of specific environmental tax ideas, but in overall terms this adds up to a minimalist strategy. We cannot reasonably claim to have made a strategic shift from taxing “goods” to taxing “bads” as was set out in the 1997 Statement of Intent. We need a stronger long term direction with long lead in times to allow society to adjust to the necessary change in price signals. The EU has recently promoted the possibility of lowering VAT on eco-labelled products, for environmental objectives. This could be a simple but effective device to promote sustainable consumption and production, and we are disappointed by the lack of Government interest in this opportunity.

7.2.3 Strong and consistent policy messages in advance of environmental taxes or related measures. Improving markets to take more account of environmental damage costs is a difficult process both technically and institutionally. Often, international agreements are required, as in the case of air travel. In the meantime, it is important that land use planning and other policy decisions are based on consumer demand estimates that are adjusted to take account of environmental costs. For example, it is clear that airline travel prices bear little relation to the true societal cost. Similarly, the Barker report on housing supply acknowledges that house prices do not fully take account of the real cost of environmental resource use and other social costs. Yet in both cases there is a sense that policy is being driven by inappropriately calculated demand figures.

7.2.4 Better provision of information and guidance to encourage more sustainable consumption practices. There are opportunities for Government to demonstrate more leadership here. People respond strongly to price signals but are also motivated by discussion and formation of moral positions. An oft-quoted barrier to the implementation of environmental taxes is the inflexible response of society, meaning that very high tax levels would be needed to engineer change. However, well designed information can significantly improve responses to a given price signal over the longer term.

7.2.5 Independent sustainability audits of policy measures relating to sustainable consumption and production. For example, in road transport there are some excellent Government initiatives on road fuel incentives, but against an overall background of weak signals to reduce travel miles. We need an independent assessment of the overall sustainability impacts of each major policy area.

8. Issue E: Organisational structures and costs

8.1 The pigeon-holing of the UK Sustainable Development strategy into an environment Department is both unhelpful in trying to promote integrated solutions, and absolves responsibility from other key players such as HM Treasury, DTI, DIT and ODPM. We recommend that the Government’s Sustainable Development unit needs to be located in the Cabinet Office.
8.2 Effective implementation is also hampered by weak tools for policy integration, such as the Integrated Policy Appraisal framework, which is not used consistently across government and is limited in its ability to resolve conflicting objectives. We need to ensure that policies are appraised against all of the main sustainable development objectives and guidance given on what to do when there appear to be “conflicts of interest”.

8.3 The arrangements for ensuring regional bodies make a sufficient contribution to sustainable development need to be strengthened. In particular, their performance targets as set by DTI are focused on the economic agenda and need to be changed to ensure a more integrated concept of “performance” in line with the UK Sustainable Development strategy. The revised targets should require regional bodies to identify their contribution to both regional and national sustainable development indicators.

8.4 We recommend that the current scrutiny and advice role of the Sustainable Development Commission be maintained.

8.5 We would not like to see the implementation of the UK Sustainable Development strategy being reliant on a separate pot of money; it needs to be an integral part of what we do. The spending review process needs to be linked more closely with the Government’s sustainability aims, with further linking of PSA targets to the headline indicators. We need to get an understanding of how spending review decisions have changed as a result of sustainable development considerations.

May 2004

APPENDIX 10

Memorandum from the Environment Agency

SUMMARY

The Environment Agency is a champion of the environment in the context of sustainable development. The Agency considers that:

— A revised strategy must show that sustainable development is at the heart of Government, and give priority to action and delivery.

— Defra, with the support of its Agencies, must promote the environmental leg of sustainable development across Government.

— All Government strategies and policies must show how they contribute to sustainable development.

— There should be independent scrutiny of progress against the sustainable development indicators.

— Government should promote sustainable consumption through greater use of economic instruments, and ensuring consumers have the information required to make informed choices.

— There should be a sustainable development duty on all Ministers and Public bodies.

1. INTRODUCTION

1.1 The Environment Agency’s principle, statutory aim$^{25}$ is to undertake its work so as to contribute to sustainable development. The UK and Welsh Assembly Governments have provided guidance$^{26}$ on what this contribution should be. Put simply, it is the Agency’s job to champion the environment, within the wider context of sustainable development. It is from this position that our evidence is submitted.

2. INQUIRY ISSUES

2.1 The definition of Sustainable Development.

2.1.1 Environmental concerns must lie at the heart of any definition of sustainable development. Good environmental quality is the foundation for a good quality of life, and underpins sustainable development. Poor environmental quality often goes hand in hand with social deprivation. Our research shows that people in the most deprived wards in England experience the highest concentrations of pollution$^{27}$ from traffic and industry. Environmental improvements can produce economic and social benefits. For example, it is

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estimated\textsuperscript{28} that there are potential annual profits of at least £2–3 billion from waste minimisation in the manufacturing sector. Providing flood defences can catalyse wider social and economic regeneration. In Gainsborough our flood defence investment allowed the local authority to gear £3 million of Single Regeneration Budgets funds and further inward investment of over £24 million to deliver their waterfront strategy.

2.1.2 There is probably sufficient understanding of the principles (as opposed to the practice) of sustainable development as a concept amongst government policy makers, though this may not be the case in the general public. Although the Strategy’s definition of sustainable development has shortcomings, the real concern is not the strategy itself but a lack of progress against its statements and commitments. The Prime Minister’s statement that “the whole of Government is committed to . . . making sustainable development a reality” is not always reflected in practice. For example, although the Strategy highlights the fact that it is the quality of economic growth that matters, not just the quantity, the narrow focus on traditional GDP growth has still predominated.

Meeting the key objectives of A Better Quality of Life

2.1.3 Meeting the four key objectives at the same time is an essential component of sustainable development. We are now paying the price of neglecting environmental protection in favour of economic growth in the past. For example we are now having to:

- clean up the water environment, as result of decades of under investment by the water industry;
- change farming and land use practices that cause diffuse pollution and have destroyed the habitats on which much wildlife depends;
- restore land which industry has contaminated with toxic chemicals;
- reshape energy and transport systems that have ignored their cumulative impacts on air quality and climate change; and
- spend more on flood risk management as a result of inappropriate development in the flood plain.

2.1.4 Each of these examples, and there are many others, shows how ignoring environmental objectives in favour of economic (and in some cases social) growth has led to liabilities that have to be addressed at a later date, and usually not by those who benefited from the initial activity. If the environmental and social impacts had been addressed at the same time as the economic growth, then these problems could have been avoided.

2.1.5 We accept it may not be possible to meet the four objectives literally at the same time, particularly when applied at a local scale or to individual developments. However, the overall aim should be for no overall, long term or irreversible environmental degradation. The costs of mitigating and restoring impacts should be met by the activity that generated them. This requires rigorous application of the principle of respecting environmental limits, and the polluter pays and precautionary principles.

Trade-offs

2.1.6 Sustainable development cannot be delivered by sacrificing, for example, environmental standards in order to achieve economic growth. It requires “win-win-win” (environmental, economic and social) solutions to the challenges we now face. Historically, virtually all the trade-offs have, from an environmental viewpoint, been one way. We must now focus on the economic and social benefits created because of the environment, rather than at its expense.

2.1.7 For example, our rate of carbon dioxide and other greenhouse gas production now greatly exceeds the natural absorptive capacity of oceans and ecosystems. We must face up to the challenge of moving to a low carbon economy, if further climate change, beyond that already in the system, is to be avoided. This offers a huge opportunity to enhance our manufacturing capacity and provide new employment. It has been estimated\textsuperscript{29} that the renewables energy industry currently sustains about 8,000 jobs in the UK. This could rise to up to 35,000 by 2020. The environmental economy is already a dynamic and buoyant sector. Though a national figure is not available, Regional studies show that it is an important component of the economy. For example, in the South East of England, it is estimated to support about 6% of the workforce, with an estimated turnover of £7.8 billion\textsuperscript{30}.

2.1.8 If we are to meet the overarching goal of sustainable development, Defra, with the support of its Agencies, must act as the “environmental champion” within Government, and highlight the social and economic benefits of a high quality environment.

\textsuperscript{29} The Renewables Supply Chain Gap Analysis. DTI/Pub URN 04/CD3 Jan 2004.
\textsuperscript{30} Economic Profile of the South East. SEEDA 2002.
2.2 The role of the Strategy as a driver of Government priorities

Influence of the Strategy

2.2.1 There are an increasing number of Departmental sustainable development strategies and action plans. This would seem to be as a direct result of the UK Strategy, and Defra’s own efforts in pursuit of its PSA 1. (A notable exception here is a formal commitment from HMT.) What is less apparent is whether the Government’s commitment to use the Strategy “as a framework to guide its policies” has really been taken seriously. Recent examples where the principles of the Strategy do not appear to have been carried forward into action include:

— the unwillingness by Government to tackle aviation’s contribution to greenhouse gas emissions;
— slow progress in the expansion of environmental taxation;
— failure to address head on the challenge of moving to more sustainable patterns of transport.

2.2.2 PSA targets help set Departmental priorities. To reinforce the influence of the new strategy across Departments, the SR 2004 PSA targets should explicitly show how they contribute to sustainable development. Defra should have a new cross-cutting target on promotion of sustainable development. Other Departments’ targets should reflect environmental factors, particularly ODPM targets on Sustainable Communities, DfT targets on pollution and DTI targets on Energy.

Links to other strategies

2.2.3 Where Departments have produced their own sustainable development strategies, they usually make it clear that they are a contribution to the 1999 Strategy. However, with other strategies and policies such linkage is often less obvious. The Agency believes that all Government policies and strategies should state how they contribute to the four key aims of the Strategy. The Cabinet Office’s guidance on Regulatory Impact Assessments has recently been strengthened in relation to appraisal of social and environmental impacts. The Agency considers this an important step in the right direction in incorporating sustainable development into the wider policy framework.

Mainstreaming the Environment

2.2.4 One weakness of the current Strategy is that it does not set priorities for action. In the absence of a specific Environment White Paper, the revised strategy must clearly set out Government’s priorities for the environment.

2.2.5 Some progress has been made in mainstreaming the environment. We were pleased that the Energy White Paper31 gave environmental issues far greater prominence than in previous government energy policy. The environment is now, at last, taking a more central role in agricultural policy, and the sustainable communities programme acknowledges the need to reduce the environmental impact of new housing. However, there is still more progress to be made before the environment can be said to have equal weight when key Government decisions are made.

Role of a UK Strategy

2.2.6 An overarching UK strategy is, if anything, even more important in the context of devolution. The global distribution of natural resources, populations, industry and commerce means that no country can achieve sustainability on its own, and trading and movement of skills and resources between countries, and regions, is essential. An overarching strategy will help ensure a concerted approach to the key challenges of sustainable development, and to effectively embed work at a sub-national level into the wider context. However, such a strategy must not be too prescriptive.

2.3 Indicators

Indicators as Drivers of Policy

2.3.1 The adoption of the full and headline sets of sustainable development indicators, and Government’s annual reporting against them, are important positive outcomes of the Strategy. However, indicators are of little value if their messages are ignored. We agree with the recent SDC report32, which concluded that, despite a commitment to the contrary, the fact that an indicator was going in “the wrong way” has not been a catalyst for action by Government. This is best illustrated by the continued adverse trends in waste production and road traffic, though we recognise it may take several years before the impact of policies become apparent.

31 Our energy future—creating a low carbon economy. DTI February 2003.
2.3.2 There are disadvantages in frequently adjusting the indicators set. Much of their value is the picture they paint of trends over time. This will be lost if there is a lack of continuity. While some improvements are required, the Agency believes greater value could be obtained from the existing set if the annual report on progress was prepared in a more independent manner, with critical scrutiny of the emerging messages. Both the SDC report\textsuperscript{33} and the EAC’s own reports\textsuperscript{34} have highlighted the tendency by Government to pay insufficient attention to negative trends.

2.3.3 Greater use should also be made of the relationship between indicators. The shortcomings of GDP as a measure of sustainability have been often highlighted, most recently by the SDC\textsuperscript{35}. We welcome recent Government proposals\textsuperscript{36} to adopt indicators of the decoupling of economic growth from environmental degradation. These will help to show whether economic activity is sustainable.

2.3.4 One indicator that will require revision is H12, River Water Quality. In order to meet the requirements of the Water Framework Directive, the Agency, and our counterparts in Scotland and Northern Ireland, will soon be in a position to provide a much broader view of the health of our inland and coastal waters. This is likely to paint a much less satisfactory picture than the current indicator, which focuses on the impact of a limited set of determinants.

2.3.5 The EAC has previously noted the need to incorporate information from the Agency’s survey of industrial and commercial waste. This will be available towards the end of this year. Government have stated that they will use these results as soon as they are available, thereby providing a fuller picture of the unsustainability of resource use in this sector.

2.4 Sustainable Consumption

2.4.1 Sustainable consumption and production (SCP) is an important part of the sustainability agenda, and covers many issues that are of particular interest to the Agency. However, we do not consider that it fully encompasses all aspects of sustainable development. For example, a major challenge for sustainable development is the need to adapt to anticipated climate change, even if we succeed in meeting greenhouse gas reduction targets. So, while mitigation can be delivered through sustainable consumption and production, adaptation cannot.

2.4.2 The Agency supports the existing Government framework on sustainable consumption and production and recommends further action in this area. We agree that there needs to be greater attention paid to consumption aspects of SCP. A growing proportion of resource use is driven by household consumption, and the environmental impact of the use of products will need attention as well as the impacts of their manufacture.

The Role of Government

2.4.3 Government should give priority to two ways in which it can encourage changes in consumption. Firstly, it should continue to use economic instruments, such as environmental taxes and tradable permits, to ensure that the price of resources takes into account environmental impacts. This will help consumers and businesses to anticipate that the cost of certain resources such as fossil fuel, energy or water, and hence also of goods that consume them, will increase. They can then take action to reduce their use of such resources and goods. Fiscal incentives have been successful in encouraging the choice of more energy efficient goods. They should be extended to cover a greater range of products; for example, those that are water efficient and those that generate less waste.

2.4.4 Secondly, the Government should provide information to allow business and individuals to make informed choices. Central Government purchases some £13 billion of goods and services every year, and government spending overall is over 40% of GDP. It is therefore a significant player in procurement and its behaviour sends a strong signal to both industry and markets. It should:

- make Integrated Product Policy (IPP) an important way of improving resource efficiency and create a new focus on sustainable product policy;
- draw together existing work on product policy and life cycle analysis to build a central information base on products to guide labelling, procurement, professional buyers, and future policy development;
- use its own procurement policy to promote the market for sustainable products and services;
- support the principle of environmental impact assessments for products, beginning with the adoption of new EU measures for eco-design and product standards.

\textsuperscript{33} Ibid.
\textsuperscript{35} Ibid.
2.5 Organisational structures and costs

2.5.1 Effective implementation of a sustainable development strategy will always rely on action across Departments. Structures and policy mechanisms will never operate effectively if there is not firm commitment and ownership right across Government. Sustainable development must be seen to be at the very heart of Government, not just through production of strategies, but by its explicit incorporation into all policies and actions.

An Objective for all Government organisations

2.5.2 We are pleased to see that sustainable development is being identified as a statutory objective or purpose of an increasing number of public bodies, including the Regional Development Agencies (RDAs). Some of the RDAs have made significant efforts to take on a wider sustainable development viewpoint, but their powers and remit inevitably makes economic development their primary focus. More needs to be done to make sustainable development the common thread that joins up the strategies, and work on the ground, of the range of Regional Government organisations. The proposed Elected Regional Assemblies must have an overarching statutory duty to contribute to the achievement of sustainable development, to which all regional strategies contribute. The overall purpose of spatial and development planning, enshrined in the Planning and Compulsory Purchase Bill, must be enacted, and given real meaning in revised planning policy, including PPS1.

2.5.3 The Agency is encouraged by the progress made by the Welsh Assembly, stemming from its sustainable development duty. We have noted a far greater awareness of sustainable development across a range of Assembly departments, which we believe can be directly attributed to the Scheme. As a consequence of the Scheme, we have also noted a clear shift towards sustainable development among sponsored bodies such as the Welsh Development Agency, and an increase in partnership working across sectors and policy areas. While the final proof must be in changes on the ground, we believe there are lessons to be learned from the approach adopted in Cardiff.

2.5.4 In the light of progress in Wales and elsewhere, the Agency believes that all public bodies, including Ministers, should have a duty to contribute to sustainable development when exercising their functions. While there may need to be supporting guidance on how such a duty may operate for specific organisations, we believe that it would help align the work of the public sector to provide a common, shared purpose.

3. Conclusions

3.1 The Environment Agency welcomes the progress that has been made under the current strategy, but it considers far more must be done to ensure its statements and commitments are adopted right across Government. Delivering sustainable development must be presented as an investment for the future, rather than a cost for the present, with a quality environment as the foundation for a good quality of life.

May 2004

APPENDIX 11

Memorandum from Global Action Plan

1. Introduction

1.1 Global Action Plan welcomes the opportunity to contribute to the Environmental Audit Committee’s inquiry into the Government’s sustainable development strategy. Global Action Plan is an independent national charity that provides practical guidance to support sustainable development through a mix of facilitated behaviour change programmes based on measurable achievements and the promotion of sustainable lifestyles through web and paper-based publications.

1.2 We belong to an international family of Global Action Plan’s which follow similar programmes, each tailored to its specific cultural context. Global Action Plan began in 1993 and over the last 10 years has developed a wealth of experience about how best to support changes in everyday behaviour to achieve reductions in the consumption of natural resources.

1.3 We achieve behaviour change by:

— expressing ideas and information clearly;
— promoting realistic, positive, simple actions whose effects can be measured;
— encouraging social interaction through support and feedback;

— demonstrating that individuals and small groups can make a real difference;
— evaluating our programmes to improve their effectiveness.

1.4 Global Action Plan has a number of carefully structured programmes that promote sustainable consumption to different client groups:
— **Environment Champions** enables organisations to improve their environmental performance by actively engaging employees.
— We are a lead partner in **EnVision**, a programme delivering cost-saving environmental guidance to small business in the SW of England.
— **Action at School** works with secondary schools to improve their environmental performance.
— **Ecoteams** are small groups of six to eight households who work together on ways to change their consumption practices.
— We publish **ergo**, the UK’s first sustainable lifestyles magazine.
— **Small Change** addresses healthy eating and affordable consumption.
— **Community Energy** engages low-income households in energy efficiency practice, focusing on simple behaviour rather than installing expensive new equipment.

2. **Overall Response to SD Strategy**

2.1 The Labour government launched its Sustainable Development strategy, “A Better Quality of Life” (the Strategy) in 1999 after wide-ranging consultation. Alongside the Strategy the government introduced a range of “quality of life” indicators to measure the economic, social and environmental progress towards sustainability. Production of this strategy is to be applauded and the UK Government can be rightly seen to be pioneers in using such Quality of Life indicators. There has been progress on environmental issues such as air and water quality and continued economic growth whilst other areas, such as transport and waste, have got much worse.

2.2 However, the Strategy has not been embedded in the priorities of government departments, nor has it promoted greater understanding or sympathy for sustainable development amongst politicians and officials across Whitehall. The Strategy has not driven “joined up” progress. Instead, ownership of the Strategy remains in a small team in DEFRA and still lacks an obvious Cabinet level political “champion”.

2.3 The greatest failing of the Strategy over the last five years has been in creating a more acceptable political climate. There is no evidence that the term “sustainable development” has won any hearts and minds in the general public; short-medium term concerns over the economy, health and education have dominated political discussions. We do recognise that government needs a mandate to promote sustainable development and is in a difficult position faced by an increasingly cynical media. Much more will be required from the next sustainable development strategy if we are to achieve sustainability.

3. **Inquiry Issues**

3.1 We respond most fully to (D) the role of sustainable consumption and production in the Strategy. Our comments on the other issues raised by the inquiry are limited to our direct experience of dealing with government and our view of the implementation of the Strategy.

4 A: **The Definition of “Sustainable Development”**

4.1 The Government has stated that the Brundtland definition “is excessively narrow and puts undue emphasis on environmental concerns . . . [It] 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.” Does the definition of “sustainable development” matter?

4.1.1 There are many competing definitions of sustainable development, with the UK government defining it as “about ensuring a better quality of life for everyone, now and for generations to come.” Global Action Plan is committed to sustainable development as the most appropriate conceptual framework for delivering environmental, social and economic progress. The debate over the various meanings, interpretations and versions of “sustainable development” is ongoing—we believe that the definition will continue to evolve through time.

4.1.2 The term itself, however, still has little resonance outside a small sustainable development “clique”. There is therefore still a need to raise understanding of sustainable development amongst policy-makers at local, regional and national level. Beyond this, however, we do not believe that sustainable development is a term that resonates with people’s lives and welcome the government’s use of terms such as “quality of life” to promote the idea to the general public. **People do not require any knowledge of the complex and interminable debates surrounding definitions of sustainable development in order to make changes to their lifestyles.**
4.2 The Sustainable Development Strategy (the Strategy) requires all four key objectives to be met at the same time. Is this realistic? Is political support for this concept based upon its ambiguity? Does it fail to place enough weight on the need to make trade-offs between different objectives and the relative importance to be attached to them in that event?

4.2.1 We have serious concerns that the goal of “high and stable levels of economic growth”, as measured by GDP, remains the overriding priority of government. The Strategy does not acknowledge that GDP growth may in many cases be detrimental to the other three goals—GDP growth is closely linked to increase in waste, for example.

4.2.2 Furthermore, there is increasing evidence that higher GDP does not actually achieve higher “quality of life” or life satisfaction. Eurobarometer data shows that life satisfaction and GDP growth have “decoupled” since the 1970s—if this is true then GDP should not remain one of the four core objectives of the Strategy. We would point to the work done on Measure of Domestic Progress\(^3\), the Index of Sustainable Economic Welfare as better measures of progress.

5. B: Has the Strategy acted as a driver or does it occupy a limbo existence which has little impact on departments’ real priorities?

5.1 Responsibility for the Strategy has remained with a small unit in DEFRA. This has had a positive impact in integrating sustainable development within the priorities of that department, but has marginalised the Strategy across government as a whole. Different departments have made varying degrees of progress in embedding sustainable development in their priorities. For example, the DIT’s Aviation White Paper showed scant regard for the principles of sustainable development. Conversely, DfES produced a very welcome SD Action Plan for Education & Skills.

5.2 Several departments have produced their own sustainable development strategies. This is welcome and all departments should be required to produce such strategies. The relationship with these strategies and the overall government Strategy should be clarified. Furthermore, departments must be required to report their progress against these strategies.

5.3 Much power rests with HM Treasury in setting departmental priorities. HMT assesses department’s 3-year Spending Reviews for their sustainability contributions—this is welcome but we would encourage greater transparency and wish these assessments and their results to be made public. There is a lack of political commitment from HMT to sustainable development, in part due to a Chancellor more concerned with the traditional Labour goals of poverty and reduced financial inequality. HMT produced a statement of Intent on Environmental Taxation back in 1997 and made very promising initial progress. Yet there have been no new substantial environmental taxes in the last two budgets and a very obvious lack of urgency in the Environmental Tax Team in HMT. The Environmental Tax Strategy was more a statement of current knowledge and practice than a forward-looking framework for action.

5.4 Most concerning is the lack of a public, Cabinet-level champion for sustainable development.

5.5 How effectively has the Strategy linked to, or acted as the driver for, lower level strategies—whether topic specific strategies, such as the Climate Change Strategy and the Air Quality Strategy, or strategies of devolved administrations, regional and local government?

5.5.1 The Strategy has not driven lower level strategies. For example:

- Progress on climate change has been driven by Kyoto and international commitments and the Energy White Paper by economic, security of supply and evidence of climate change.
- On waste government action has almost exclusively been driven (and in many cases lagged behind) EU Directives.
- The Devolved administrations have taken a lead from the Strategy but have (with the exception of Northern Ireland) devised their own strategies.
- Regional Development Agencies continue to have an overwhelming emphasis on economic development. Although they have a “duty to promote sustainable development” they do not report against any sustainable development indicators.
- The important Local Government Act 2000 had little link with the Strategy. The Act gave local authorities the power to promote social and environmental well-being: this gives considerable potential but was not driven by the Strategy.

5.6 Can a UK Strategy ever amount to more than a set of principles or aspirations, particularly in the context of devolved government? Is it needed, given the fact that—where progress is being made—it seems to be topic-specific and driven from the bottom? If it is needed, should it focus much more specifically on a small number of key themes and targets?

5.6.1 The UK Strategy should set the long-term framework for cultural and institutional change. We need to Strategy that is unapologetically ambitious and forward-looking, not one focused on a small number of themes and targets.

\(^3\) New Economics Foundation, 2004.
6. C: How effectively do the indicators reflect the UK’s “sustainability gap”?

6.1 To what extent do the existing indicators, in particular the headline indicators, properly reflect the extent to which the UK is unsustainable? What additional or alternative indicators could address this gap?

6.1.1 Global Action Plan believes that the UK’s consumption levels are the greatest current sustainability challenge and that the indicators should reflect this. The government’s Framework Sustainable Consumption & Production (SCP) strategy presented a set of 12 indicators which filled many of the gaps in the Quality of Life indicator set. These two sets should be combined. Indicator 12 of the SCP “Decoupling” Indicators focuses on household consumption—this should become a headline indicator. This should be supplemented with data collected from other sectors. Indeed, sectors such as the motor manufacturing or water industries already collect such data.

6.1.2 We believe there is further scope for collected detailed environmental data. We commend the Mass Balance programme funded by Biffa and managed by Forum for the Future and echo their call for HM Treasury to develop a detailed, comprehensive set of “national environmental accounts”. At its most comprehensive this would involve measuring resource flows in and out of the UK, regionally and by sector. Ecological Footprint analysis also has potential to show which resource use streams in which sectors have the greatest environmental impact, thus where interventions can be most cost-effective. However, both these methodologies are incomplete and would perhaps not be universally accepted.

7. D: How can the concept of sustainable consumption be integrated within the Strategy?

7.1 Should sustainable consumption and production be seen as only one constituent part of sustainable development (ie a lower level strategy which sits alongside others), or as another way of looking at sustainable development itself?

7.1.1 The government’s Framework for Sustainable Consumption & Production was one of the few positive outcomes of the Johannesburg WSSD in 2002, but its relationship with the Strategy was not made entirely clear. The idea of sustainable consumption and production (SCP) is useful insofar as it emphasises the challenge posed by our current levels of consumption. Global Action Plan see consumption patterns as driving environmental damage in the UK (and with global implications) so believe the new Strategy should incorporate SCP. However, we do not think SCP should be used as another way of looking at sustainable development itself.

7.1.2 SCP in its current form relies too much on “decoupling”. We have two main concerns with decoupling environmental damage from GDP as an objective:

— The extent to which the concept of “decoupling” can gain popular currency. We would not find such a term easy to communicate to any of the participants in our programmes. People will not be interested in “decoupling” but in absolute improvements or failings. For example, it is of little comfort that GDP goes up if an individual’s local air quality has got worse.

— GDP does not cover the social dimensions of sustainable consumption and is not based on a principle of ensuring “fair shares” of access to natural resources. The applies particularly internationally, where our consumption may have negative impacts abroad not measured by the UK’s GDP.

7.1.3 Finally, SCP treats individuals and organisations as consumers, rather than as citizens. Sustainable development offers a radical critique of the dominant economic paradigm—this edge is not captured by the more market-friendly term SCP.

7.2 Sustainable consumption has so far been interpreted mainly in terms of sustainable production. What is the role of government with regard to encouraging changes in consumption itself—eg by managing demand or facilitating choice? What difficulties does it face in doing so?

7.2.1 Global Action Plan believes sustainable production cannot be treated in isolation. There are several areas in which increasing volume of consumer purchases has outstripped gains made through improved efficiency, including washing machines, dishwashers, cold appliances and vehicles. The last decade has also seen rapid market penetration of new products and technologies with high environmental impacts. For example, DVD players hit the high street in 1997 and by 2003 13% of households owned one. In 1993 25% of households owned a mobile phone. By 2003, 75% of UK adults used a mobile phone and the number of contracts exceeded 50 million. The trend for rapid uptake of new products looks set to continue and even accelerate. This may well outstrip any efficiency gains. Where consumption trends have outstripped efficiency gains, we believe downstream intervention in consumption practices and habits is necessary.

7.2.2 Government has a number of tools at its disposal:

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41 DTI and Ofgem.
— economic signals to consumers, such as fuel duty differentials, vehicle excise duty, lower-rate VAT on energy-efficient appliances and so on. The rationale for intervention is usually to correct market failures such as uncosted environmental effects. HM Treasury eco-taxation efforts appear to have stalled after significant progress in the first term of Labour government.

— eco-labelling. There are a range of eco-labels such as the EU Energy label or the Soil Association’s organic logo and the market for such ethically badged products is growing rapidly. Eco-labels provide a useful short-hand for consumers, but are not sufficient in isolation to change behaviour.

— information provision and awareness raising.

7.2.3 These tools are necessary for government to set the right policy framework. No single tool is sufficient on its own to change people’s consumption behaviours. Overall, we believe that setting the right policy context is necessary but insufficient in achieving more sustainable consumption behaviours.

7.2.4 Government attempts to change behaviour have largely been through information provision. The idea being that people move through the stages of “Attention, Interest, Desire, Action” in a logical way when presented with product information. Policy, through reliance on cognitive models of behaviour, places great emphasis of the role of information as a motivational factor in achieving more pro-environmental behaviours by individual consumers.

7.2.5 Public awareness campaigns have included the Conservative government’s “Helping the Earth begins at Home” (Department of the Environment’s Energy Efficiency Office, 1994) and their “Going for Green” programme. More recently, the Labour government’s “Are you doing your bit?” used multi media adverts to suggest that making “a few changes in what you do at home, at work, when shopping or getting about, is all that you need to do” (Department of Environment, Transport and the Regions, 1999a). Studies of such campaigns has repeatedly shown them to be ineffective at creating behaviour change in the face of complexities and entrenched consumption patterns. What is needed is more in-depth programmes, with higher levels if individual engagement than one-off, one size fits all, information campaigns. There is a large body of evidence to suggest that raising awareness is not the same as changing behaviour.

7.2.6 Government is perhaps not best placed to change people’s consumption behaviours. It seems likely to face opposition to any attempts to curtail people’s “choice”. The consumer is king, and government faces an uphill struggle.

7.2.7 Global Action Plan works with “early environmental adopters” in businesses, schools and communities through its programmes and achieves shifts in consumer behaviour. Two key lessons we have learned are:

7.2.8 Enabling behaviour change requires social interaction.

(i) All our programmes work with groups of people. Strengths of working collectively include: shared commitment; atmosphere conducive to creativity; providing emotional support; questioning and challenging. Above all, it provides a setting for engagement with the issues, and often a process of “negotiation” occurs, wherein sceptical individuals change their attitude through social interaction.

(ii) You can find leaders in every group. Within every group it is always possible to find people who have the desire to promote environmental change. What they often lack is the confidence, support, and structure to encourage their friends and peers to take action.

(iii) Facilitation and training is necessary for groups engaged in behaviour change. Facilitators provide information to the group on different strategies for reducing environmental impacts; motivate team members when morale flags; help the group pace their efforts.

(iv) Working in small groups overcomes the sense of futility many people feel when faced by the scale of environmental problems.

(v) Setting up groups reinforces new, more sustainable habits by providing a kind of “peer review”.

7.2.9 Good quality information is necessary but not sufficient to encourage sustainable consumption.

(i) People are already bombarded with information. They are cynical rather than receptive of knowledge claims, and have more information than they want, rather than less. The results of 30 years NGO campaigns to raise awareness about many different kinds of issues and problems, coupled with media tendencies to represent issues for maximum dramatic effect, has created an audience which is passive rather than active; apathetic rather than engaged; confused rather than clear about which should be done; cynical rather than constructively critical of knowledge claims.

(ii) For several years, Global Action Plan ran an Action at Home programme, based on monthly information packs sent to households who participated. The packs were written in a lively style, with good visuals. They provided factual information on the topic (waste, water, energy, shopping, transport, etc) and offered tips on how to change aspects of behaviour to reduce/change

consumption patterns. Over 30,000 households participated in this programme, our research showed that the packs raised awareness but also engendered feelings of guilt as people “fell away” from the programmes. Reading and changing became a burden.

(iii) But there is a continuing need for publications which promote sustainable lifestyles. We developed ergo in response to our research which suggested that the messages supporting sustainable lifestyles needed to be aspirational—that being “green” could be cool—rather than connoting beards, beans and sandals. Our initial market research suggests we are managing to get this new message across to readers.

(iv) More effort needs to be made to “disaggregate” the sustainability message. We have found it more effective to break down into specific arenas for action; waste; energy; water, and so on. It is much easier for people to appreciate linear chains of connections than think holistically in terms of complex systems of interactions. Taking action makes more sense if the explanation follows the form of links in a chain—natural resource; production processes; consumption practices; implications for the environment—because individuals are better able to see how what they do can make a difference.

8. E: Organisational Structures and Costs

8.1 Do the present organisational structures and policy mechanisms within Government contribute to the effective implementation of the Strategy? What improvements could be made in this respect? Is there a case for rationalising the number of organisations involved in key sectors?

8.1.1 Responsibility for driving the Strategy forward across government should not remain within Defra. Rather, a central department with the power to give a consistent lead across Whitehall should “own” the Strategy.

8.2 Has a lack of sufficient Government financial support for programmes and policies hindered the implementation of the Strategy in any way?

8.2.1 Defra’s spending priorities were altered by Foot & Mouth and work on sustainable development has been correspondingly curtailed. No formal evaluation was done of the Are You Doing your Bit campaign, for example.

8.2.2 Recently, changes to the Landfill Tax Credit scheme, made despite an overwhelmingly negative response to the proposals in consultation, mean that many community-based waste-related education and behaviour-change programmes have been cut in favour of a centralised Waste Implementation Programme in Defra. Expertise in environmental behaviour change is hard won; it requires the skills of trainers/facilitators to support people as they attempt to change habits ingrained from early childhood, in economic and cultural contexts dedicated to driving up levels of consumption. In relation to national expenditure on advertising, for example, the grants and contracts won by charities such as Global Action Plan are minute. The impact of the changes in landfill tax will be devastating for us (and others in our sector). There is a very real danger that charities will fold with a massive loss of knowledge and practical experience.

8.2.3 DfES recently produced an Sustainable Development Action Plan for Education and Skills. This was a welcome move by the Department. However, no new resources have been put in place to implement the action plan, instead DfES believe the targets can be met with existing resources. The changes in the LTCS mean that a substantial amount of funding for waste education and behaviour change has actually been cut. Neither DfES nor Defra seem aware of the scale or implications of this.

May 2004

APPENDIX 12

Memorandum from James Greyson

James Greyson is a researcher with 14 years experience on sustainable development issues. He specialises in the practical use of systems thinking, which enables organisational and economic systems to respond to sustainability goals rather than just the symptoms or impacts of unsustainability. This is relevant to the Committee since much sustainable development work is ineffective due to the focus on symptoms of problems rather than sources of problems.
INQUIRY ISSUES

A: The definition of “Sustainable Development”

The Government has stated that the Brundtland definition “is excessively narrow and puts undue emphasis on environmental concerns...[It] 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.” Does the definition of “sustainable development” matter?

The Brundtland definition does not emphasise environmental concerns: it does not even mention them! Both the Brundtland and Government definitions fail to make clear the distinction between the goal (sustainability) and the sustainable development process for reaching that goal. (The Sustainable Development Commission makes this distinction clearly). The Government definition is particularly dangerous due to its promotion of high economic growth without apparent regard to the sustainability of the activities contributing to that growth.

There may not be an ideal definition of sustainable development. In fact, definitions need not be given their current prominent position at the start of any communication on the subject. The absence of a prescriptive definition in a discussion about sustainable development serves, in my experience, to encourage greater engagement and creative thinking by participants. The use of open-ended visions or scenarios is far more helpful than definitions.

The Sustainable Development Strategy (the Strategy) requires all four key objectives to be met at the same time. Is this realistic? Is political support for this concept based upon its ambiguity? Does it fail to place enough weight on the need to make trade-offs between different objectives and the relative importance to be attached to them in that event?

Political support for the Government’s definition may have more to do with the contrast between the vague phrasing of social and environmental objectives, and the crisp phrasing of the economic goal. I would agree with the Government that success in one is dependent upon the others, though the Government fails to explain why. The reason is that an unsustainable economic system uses resources in a linear way, which inevitably causes systematically falling resource levels and systematically rising waste levels. This situation is harmful to social, environmental and economic objectives. Economic growth appears healthy in an unsustainable economy only by omitting the cost of some impacts and adding others to growth figures.

B: Has the Strategy acted as a driver or does it occupy a limbo existence which has little impact on departments’ real priorities?

Can a UK Strategy ever amount to more than a set of principles or aspirations, particularly in the context of devolved government? Is it needed, given the fact that—where progress is being made—it seems to be topic-specific and driven from the bottom? If it is needed, should it focus much more specifically on a small number of key themes and targets?

The fact that progress is topic-specific demonstrates the need for an improved strategy which can drive a genuinely strategic approach to sustainable development.

I suggest five criteria for a revised sustainable development strategy:

1. Does it provide an overview showing the common patterns and linkages between topics? For example, there is little awareness that climate change, pollution and rubbish problems are all issues about products of different kinds ending up as wastes rather than as new resources.

2. Does it focus on opportunities for preventive solutions more than just minimising problems? For example waste management is currently defined as a post-waste question of disposal options (recycle or landfill), when solutions actually stem from decisions made before products become waste.

3. Does it pursue economic instruments specifically designed to stimulate (and fund) transition of the entire economy to a sustainable basis? The current strategy of environmental taxation uses unnecessarily complicated instruments to fiddle with a seemingly random selection of symptomatic problems and favoured solutions.

4. Does the strategy provide a framework for decision-making suitable for non-experts. The greatest benefit of a strategic shift towards sustainability may be the reduced complexity of decision-making. It is simpler to become sustainable than to remain unsustainable whilst seeking to minimise the impacts.

5. How will every part of society be engaged with sustainable development? We know from experience that most people do not respond to “awareness raising” information about impacts and problems. We know that people do not respond to prescribed solutions from authoritative individuals or organisations. Perhaps pursue peer-to-peer-to-peer group learning which defines their own visions of an attractive future and how to achieve it.
C: How effectively do the indicators reflect the UK’s “sustainability gap”?

Could the Government have made greater use of indicators to drive policy and set targets in departmental business plans and Public Service Agreements?

Greater use of indicators is not advisable since they encourage a topic-specific focus and discourage initiative (who believes they can influence the progress of one of those lines on a graph?). Indicators are produced only by people who are paid to do so and are read only by those who are already on the “sustainable development trail”. Indicators are not a strong tool for learning or innovation with sustainable development.

To what extent do the existing indicators, in particular the headline indicators, properly reflect the extent to which the UK is unsustainable? What additional or alternative indicators could address this gap?

Indicators generally fail to contrast the sustainable and unsustainable alternatives. For example we need total energy use, fossil fuel use and renewables on the same picture. We need total timber use, reclaimed timber use and sustainably-managed timber use on the same picture.

We need indicators showing any trend towards waste-prevention. For example the number of products with publicly-accessible plans for their end-of-life, showing how the product will become a new resource in nature or the economy at no cost to the end-user or local authority. Since there is no existing language for this essential concept, these might be called “preycled” products.

D: How can the concept of sustainable consumption be integrated within the Strategy?

Should sustainable consumption and production be seen as only one constituent part of sustainable development (ie a lower level strategy which sits alongside others), or as another way of looking at sustainable development itself?

SCP is a lower level strategy for sustainable development (since there is more to a sustainable society than dealing with products). However SCP is a very large constituent of sustainable development, with strong linkages to all other aspects.

Sustainable consumption has so far been interpreted mainly in terms of sustainable production. What is the role of government with regard to encouraging changes in consumption itself—eg by managing demand or facilitating choice? What difficulties does it face in doing so?

Changes in consumption will require at least three strategic achievements:

1. A vision or overview of sustainable development which is simple enough to be quickly and widely shared throughout society. One option would be to describe the necessity of a shift from linear to cyclic ways of handling products (so they end up as resources not wastes, which consequently supports environmental, economic and social objectives).

2. A simple vocabulary for the practical implementation of the above vision, which can be shared by producers, sellers and consumers. One option is the term “preycling” to describe actions at any point in a product life cycle which prevent the product becoming waste. Consumers cannot redesign products or remanufacture them but they can precycle by selective shopping, repair and finding new users for unwanted goods.

3. Price signals in the marketplace which are corrected to support sustainable development. This is usually thought to mean including a valuation of the impacts of sustainability (which are almost impossible to measure). Price signals are more practicably corrected by obliging producers to pay a fee in proportion to the risk that their product will end up as waste. This risk is relatively easily calculated and is directly linked to the impacts of unsustainability. The fees collected could be used to fund work which further supports sustainable development.

E: Organisational structures and costs

Do the present organisational structures and policy mechanisms within Government contribute to the effective implementation of the Strategy? What improvements could be made in this respect? Is there a case for rationalising the number of organisations involved in key sectors?

The number of sustainable development organisations seem to be proliferating faster than the associated ideas and practices are spreading throughout society. We probably need better ideas about sustainable development more than we need new organisations. If we look forward to a possible future sustainable society, the good ideas and practices will be everywhere; the sustainable development organisations will not.

The key to progress is to shift current strategy from the impacts of unsustainability to the practice of sustainability. Sustainable development cannot be achieved by aiming to minimise the impacts of unsustainable development. This is like trying to reach a destination by avoiding the places you don’t want to visit.
Is there a need for a more consistent approach to incorporating sustainable development as an overarching objective in all Government organisations? Or would the ambiguity of the term prove unhelpful?

As it is currently conceived, sustainable development is not achievable, so there would be no point instilling it as an overarching objective. There are inevitable limits to minimising impacts within an unsustainable system. Far better to “bite the bullet” and take the decision to actually implement a nationwide shift from an unsustainable (waste-creating) system to a sustainable (resource-creating) system.

There is also no point imposing a second conflicting overarching objective on top of the existing overarching objective of economic growth. If and when a decision is taken to genuinely implement sustainable development a possible solution would be to define and measure economic growth differently so that growth in activities compatible with a sustainable society is measured. The decline in activities incompatible with sustainability could similarly be measured. Both of these measurements should foreseeably improve rapidly and there is no reason why the sustainable economic growth measurement should not continue to grow even when/if a sustainable economy is achieved.

Has a lack of sufficient Government financial support for programmes and policies hindered the implementation of the Strategy in any way?

Since the current (impacts-based) strategy is needlessly complex, its implementation would be needlessly expensive. It is necessary to reinvent sustainable development in terms of what we want, rather than what we don’t want. This will make it easier to gain acceptance and participation, which reduces costs.

There is a striking lack of financial support for programmes and policies which question conventional methods and ideas. For example, since my own research does not follow accepted practice and since it does not neatly address any specific issue, I have been unable to gain either interest of funding from any level of government. Technical innovation is strongly supported but innovation with widely applicable ideas, it appears, is not.

May 2004

APPENDIX 13

Memorandum from Local Works Campaign

1. This submission is made on behalf of the Local Works Campaign, which is campaigning for the Sustainable Communities Bill. Our Steering Group (or Forum for Local Sustainability) consists of ACT—Active Citizens Transform, BASSAC (British Association of Settlements and Social Action Centres), BIFGA (British Independent Fruit Growers Association), CAMRA, Centre for Creative Communities, Charter 88, Community Composting Network, Community Recycling Network, CTC—The National Cyclists Organisation, Disability Rights Commission, Ecology Building Society, Ethical Property Company, FARM, Farm Retail Association, Food Justice, Food Links UK, Friends of the Earth, Living Streets, London Wildlife Trust, National Association of Local Councils, National Association of Farmers’ Markets, National Association of Small Schools, National Federation of Community Organisations, National Federation of Retail Newsagents, National Federation of Women’s Institutes, National Pharmacy Association, Network for Social Change, New Economics Foundation, New Politics Network, Public and Commercial Services Union, the Pub is the Hub, Resurgence Magazine, SHELTER, SIBA—The Society of Independent Brewers, Small and Family Farmers’ Alliance, Soil Association, SUSTAIN: the alliance for better food and farming, Sustainable Energy Partnership, Transport 2000, Triodos Bank, UK Villages, UNISON, ViRSA (the Village Retail Services Association).

In addition we have over 7,000 people who have signed up to support this campaign, 200 locally based organisations, and 225 MPs who have signed Early Day Motion No 169 in support of the Bill. Our “All Party Advisors” group consists of Sue Doughty MP, David Drew MP, Gregory Barker MP and Simon Thomas MP. We are at present establishing an All Party Group, of which those MPs plus Alan Simpson MP have agreed to be officers.

2. Because of this we confine ourselves to the issues on which we have agreement. This will preclude many comments on the Sustainable Development Strategy that, individually, members of our Steering Group might themselves make. But it will mean that the issues on which we can comment have an unprecedented breadth and depth of support.

SUSTAINABILITY: STARTING POINT AND DEFINING POINTS

3. Chapter 1 of “A Better Quality of Life”\textsuperscript{43} lists four objectives as defining points of sustainability, namely:

— social progress which recognises the needs of everyone;

\textsuperscript{43} para 1.2 page 8.
— effective protection of the environment;
— prudent use of natural resources; and
— maintenance of high and stable levels of economic growth and employment.

4. We would not disagree with any of that but we do have two comments:
— Our starting point for sustainability is rather different; and
— we would add one other “defining point” of sustainability.

5. Starting Point. Our starting point is local communities. Put simply, talking of sustainability and quality of life is pretty meaningless to most people if they see their services, provisions, facilities shops, jobs etc being slowly destroyed. And that is exactly what is happening. We do not here intend to quote statistics to prove this (but can do if the Committee should so request) but will confine ourselves to the following back-up comments:
— Specifically we would refer the Committee to two publications by the New Economics Foundation, which initiated this campaign, namely Ghost Town Britain and Ghost Town Britain 2. These publications provide the statistical and analytical back-up.
— But although this is important, these statistics only provide the support for that which we all “know”—the downwards spiral of local shops and other facilities and jobs and local economies.
— We attach as Annex A, a summary of “1,000 Voices”—comments we requested from members of the public via an internet survey done in conjunction with UK Villages. It shows the decline in local services over the past five years.
— We also attach some of the “1,000 Voices” organised on a county basis. We draw the attention of the Committee to the recurring themes in those ‘Voices’:
  — decline of local services etc;
  — the resulting “we have to drive” comment;
  — the resulting worry about access for pensioners and others without a car;
  — the resulting increase in crime; and
  — resulting overall decline of community and quality of life.

If this is accepted (and as stated we can provide a mass of further evidence to support it if required by the Committee) then two points follow:
— something should be done about it if we are serious about sustainability; and
— not enough is currently being done as the problem is getting worse.

6. Additional “defining point”—Citizen Involvement. In “A better Quality of Life” the government recognises the concept of “putting people at the centre”—but then explains this in terms of “enabling people to enjoy a better quality of life now and in the future.” Clearly we do not disagree with that (and indeed that proposition strongly supports the need to put people’s local communities at the heart of sustainability as we argued above) but we would go further. We would add that citizen involvement in society (political, civic and voluntary) is a fundamental defining point and so objective of sustainability. In short, we assert that you cannot have sustainable communities without citizen involvement.

7. Summarising the above. Our definition of sustainability is, thus, based on the following four premises:
— The protection and development of strong local economies.
— Environmental protection.
— Social justice/inclusion.
— Citizen involvement.

8. We assert that these four things are not only linked but inextricably linked. Again without going into detailed statistics, let us this explain this with one illustrative example:
Consider this scenario: for various reasons local shops, services or facilities decline; so people have to drive further to shop or “play” or whatever, and also to work—wrecking someone else’s quiet street or polluting someone else’s air and emitting even more unnecessary CO₂. At least those who have cars do this; those who do not are stuck, more isolated and even more excluded than previously from “the goodies” in society. Then having seen their community smashed up either by or with the collusion of or with little or no action from government bodies at whatever level, people are then exhorted to “get involved in democracy and civic life”: we should not be too surprised if that is seen as a joke.

Repeat that a hundred; or a thousand or ten thousand times and there is a major problem. The 1,000 Voices mentioned above, and all the other evidence that we could produce if required, show that this is exactly what is happening. The question is how to deal with this problem. We describe our approach below.

44 Not printed here.
45 para 4.1 page 22.
Sustainability—Our Approach

9. Our approach to promoting sustainability is contained in the Sustainable Communities Bill (formerly the Local Communities and Sustainability Bill). This approach is described below. The Bill is attached as Annex B—although we emphasize it is not cast in stone and is in an ongoing process of consultation.

10. Rationale/Philosophy

1. Scope. This is based on reversing the decline of local economies (services, facilities, jobs etc); the decline of local environments; social exclusion; and the decline in involvement in civic/democratic life. As a shorthand we call that decline Ghost Town Britain (GTB).

2. Extent. The problem is widespread, severe and getting worse.

3. Response. Because of this government cannot wash its hand of the issue: it needs to be involved and assist with reversing GTB by promoting the reverse of the above. Again as a shorthand we call the reverse of GTB (local) sustainability.

4. What. Saying that the government should “do something” is easy but not good enough: we have to give some (albeit—and we stress this—not definitive) indication of “what”. The indicators in the Bill are designed to give this indication (although they can be changed or added to by local authorities—see below).

5. How. The way in which the government helps must not be top down: it must be bottom up. Our philosophy is that councils and communities (not Whitehall) are experts on their own problems and the solutions to them. Let’s be totally upfront about this: what we are saying is that how the government helps should, as far as is possible, be driven by councils and communities. The process outlined in the Bill seeks to achieve this.

6. Role of Government. Thus we envisage the government’s role not simply to be a “do-er” or “direct implementer” (although some of this may be necessary), but as an enabler, supporter, influencer, door-opener and establisher of the right national policy framework. Or in summary, we are not saying that the government has to do it all—its role is also to assist others in doing also.

11. Local Government “modernisation agenda”. Our approach (and so the Bill) is totally in accord with up-to-date thinking on local government reflexibilities and freedoms. Councils are fed up with more duties imposed by central government, more answerability to central government and more strategies. We sympathise: so let’s summarise the role of local government in the Bill:

— There are no duties placed on councils (subject to a slight caveat mentioned below).
— There is no requirement on councils to draw up any more strategies.
— Councils are given powers (as regards the scope of the Bill) to influence and to an extent drive the activities of central government in their area—including the use of its resources.
— Councils are asked (but not required) to indicate how their own powers might be extended to enable them to reverse GTB and promote local sustainability.
— Councils are empowered (but not required) to implement such measures within the strategy that are within their competence.
— Where they do so decide they are specifically required to be provided with money to do so—see clause 7(b) of the Bill—Annex B.

12. Participatory Bottom-up Process

1. The government is required to draw up a strategy (and there is a process for a draft and then a final strategy) as to how it should help promote local sustainability. But, as stated above this strategy should be driven from below: so the Bill requires government to ask councils not guess or impose solutions from Whitehall.

2. Councils are empowered but not required to tell them ie a council can opt out totally if it considers for instance that there is no problem in its area or if it takes the view that it needs no help in dealing with it. And in such a case that is then end of the matter: the council has exercised its choice to opt out. Its only duty now is to publish a statement to let its electors know why. That is the caveat to the “no duties on councils” point we emphasized above: but this is in pursuance of an objective that councils are wholly signed up to—being answerable to their electors (not to government).

3. There has to be some starting point for this process: and this is the “indicators” in the Bill. Effectively, therefore the government will be saying “we have a duty to help promote local sustainability—here are some indicators on which we want your views to begin the process”.

4. But—and these points are crucial:
— It is councils that will decide the extent (ie targets or objectives) to which any indicator is applied locally.
— Effectively therefore councils can actually dis-apply indicators. If for instance a council thinks that there is no extra help required from government for a particular indicator then it simply sets a “nil” target or objective.

— Councils can also add new indicators that are not in the list for automatic consideration.

5. The government is then required to finalise and implement the strategy and take action to promote local sustainability “as far as is reasonably practicable” in the ways and to the extent indicated by the councils in their responses

6. Thus, the Bill aims to establish a presumption in favour of government action being driven from the bottom up. But this is not an unqualified duty: the government is entitled to balance this with its own legitimate role in determining national policy and objectives; or it may have to decide how to respond to conflicting points from councils’ responses. So: “presumption in favour” is what we are seeking to achieve (and we may need to do some re-drafting to clarify that).

7. As mentioned above, councils are empowered (but not required) to implement such measures within the strategy that are within their competence. Where they do so decide they are specifically required to be provided with money to do so.

13. COMMUNITY INVOLVEMENT

At present this is limited to a requirement on councils and the government to publish information, and for a majority of electors to over-ride councils in specific circumstances. We believe, however, that this may be inadequate and that amendments may be necessary when we re-publish the Bill. Perhaps there should be a specific requirement in the Bill for councils to consult regarding their input into the national strategy.

Councils may argue that they cannot afford this—and we would agree and point again to clause 7(b) that would require it to be funded centrally. We say that because if we believe that if we want a bottom-up decision making process then we have to fund it. Like access to the law, access to democracy and decision-making should not be dependent on money or the discretion or availability of resources of local authorities. It’s a legitimate national policy and so use of central funds.

14. IS THIS ASKING THE GOVERNMENT FOR A BLANK CHEQUE?

Our answer is a clear “no”. The actual passing of the Bill would involve a finite, measurable and not large cost; the cost of the participation process currently in the Bill (and as should perhaps be extended in the way described in para 13 above).

Implementing the strategy would, of course cost money. But:

— We do believe that the kind of pro-active strategy would in fact lead to a reduction in money having to be spent on some other areas of national policy. Local sustainability may save money in the long term.

— However, our main (procedural) point here is that the final strategy would have to be approved by Parliament after the participation process described above. And at that time Parliament could set priorities and programmes based on the bottom-up strategy before it and be answerable to electors for them.

15. A STATUTORY BASIS: PUTTING (LOCAL) SUSTAINABILITY CENTRE STAGE

What the Bill would do, if enacted, is put the issue of assistance by the government with the promotion of (local) sustainability on a statutory footing thus ensuring that it remains there. We would argue that that is necessary to reverse Ghost Town Britain and to ensure the promotion of sustainability. If housing, planning, energy, transport etc are given statutory importance and are all meant to take sustainability into account—then why not the promotion of sustainability itself?

With this need in mind, we would draw the Committee’s attention to the words of the chair of the Sustainable Development Commission. Jonathon Porritt wrote:

“Since the Earth Summit back in 1992 in Rio de Janeiro, and the emergence of the UK’s first sustainable development strategy under John Major as Prime Minister, sustainable development has lurked around the fringes of UK politics, occasionally warranting a starring role (as at last year’s World Summit on Sustainable Development in Johannesburg, for example) but never quite making it into the big time.”

46 Subject to the difficult and accountable process of repeal.
That local sustainability is not high enough as a priority has also been argued by the recent Rowntree Report “Seeing the bigger picture”. And we would put it very simply: if enough is being done why is Ghost Town Britain increasing?

May 2004

Annex A

NATIONAL TABULAR OF THE AREAS PEOPLE WHO RESPONDED TO THE QUESTIONNAIRE MAY 2004

<table>
<thead>
<tr>
<th>Type of Area</th>
<th>Yes—there was decline</th>
<th>No—there was no decline</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban</td>
<td>287</td>
<td>35</td>
<td>322</td>
</tr>
<tr>
<td>Rural</td>
<td>505</td>
<td>89</td>
<td>594</td>
</tr>
<tr>
<td>Market Town</td>
<td>155</td>
<td>12</td>
<td>167</td>
</tr>
<tr>
<td>Totals</td>
<td>947</td>
<td>136</td>
<td>1,083</td>
</tr>
</tbody>
</table>

THE NATIONAL TABULAR OF DECLINE IN SERVICES

<table>
<thead>
<tr>
<th>Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport</td>
<td>359</td>
</tr>
<tr>
<td>Shops</td>
<td>594</td>
</tr>
<tr>
<td>Doctor</td>
<td>81</td>
</tr>
<tr>
<td>Pub</td>
<td>218</td>
</tr>
<tr>
<td>Post Office</td>
<td>333</td>
</tr>
<tr>
<td>Dentist</td>
<td>121</td>
</tr>
<tr>
<td>School</td>
<td>84</td>
</tr>
<tr>
<td>Community Centre/ village hall</td>
<td>79</td>
</tr>
<tr>
<td>Police Station</td>
<td>210</td>
</tr>
<tr>
<td>Chemist</td>
<td>54</td>
</tr>
<tr>
<td>Library</td>
<td>72</td>
</tr>
<tr>
<td>Sport/ recreation facilities</td>
<td>100</td>
</tr>
</tbody>
</table>

Annex B

The Sustainable Communities Bill—current draft.

A Bill to require the drawing up and implementation of a strategy to promote sustainability among local communities; to make provision for the inclusion of targets and indicators in the strategy; to make provision for councils to implement the strategy in their area; to make provision in respect of the powers of electors in relation to the implementation of the strategy; and for connected purposes.

Duty of the Appropriate Authority to promote local sustainability

1 (1) It shall be the duty of the Appropriate Authority to promote the sustainability of local communities.

2 In this Act the sustainability of local communities shall be measured by the indicators listed in the Schedule.

Local Community and Sustainability Strategy

2 (1) The Appropriate Authority shall, within one year of the passing of this Act prepare a draft Local Community and Sustainability Strategy (“the draft strategy”) on the measures that in its opinion are required to increase the sustainability of local communities and that it proposes to take to achieve this objective; and

2 (2) In preparing the draft strategy the Appropriate Authority shall consult:

(a) all local authorities in the area in respect of which it is the Appropriate Authority;
(b) such other public bodies that in its opinion might help with the preparation of the strategy;
(c) such representatives of local communities as are practicable;
(d) in London, the Assembly.

49 As of 13.5.04.
(3) The Appropriate Authority shall within two years of publication of the draft strategy, after consulting those bodies and persons specified in subsection (2) then
(a) in England, lay before Parliament in draft for approval by both Houses; or
(b) in Wales lay before the National Assembly for Wales in draft for approval; or
(c) in London, publish

a final Local Community and Sustainability Strategy (“the final strategy”) which sets out the measures the Appropriate Authority proposes to take to increase the sustainability of local communities.

Principal councils

3 (1) Before publishing the draft strategy or final strategy the Secretary of State shall request every principal council to submit to it a written report which sets out
(a) measures;
(b) targets in relation to indicators set for its area;
(c) any new indicators for its area, or more generally, which in the principal council’s opinion should be included in the strategy.

(2) A report or joint report submitted under this section may indicate what further powers, in the opinion of the principal council making the report should be given to principal councils
(a) to enable them to increase the sustainability of local communities; and
(b) to help them achieve any of the targets in the strategy.

(3) A report under this section shall be available for inspection and copying by members of the public at all reasonable hours.

(4) Where a principal council declines to submit a report under this section it shall state in writing the reason for so declining and that statement of reasons shall be available for inspection and copying by members of the public at all reasonable hours.

(5) In responding to a request under subsection (1) above two or more principal councils may submit a joint report.

Targets and implementation

4 (1) In the final strategy
(a) there shall be indicated such measures and targets as the Appropriate Authority considers are desirable and practicable to increase the sustainability of local communities according to the indicators listed in the Schedule or included pursuant to section 3 above; and
(b) different targets may be set for different areas or regions.

(2) The final strategy shall contain any local targets or new indicators (whether general or local) proposed by principal councils, unless in the opinion of the Appropriate Authority it is impracticable or undesirable to do so, and in any such case the Appropriate Authority shall state its reasons for not including any such targets or new indicators.

(3) Subject to the following subsections and to section 5 below it shall be the duty of the Appropriate Authority to implement the final strategy and achieve as far as is reasonably practicable the targets specified in the strategy.

(4) Subject to subsection (5) below the Appropriate Authority, or the Secretary of State in respect of the provisions of section 5(2), shall not implement any measures or seek to achieve any targets in any region if a majority of principal councils in that region have stated in writing their opposition to those measures or targets and in such case any such statement by a principal council shall be available for inspection and copying by members of the public at all reasonable hours.

(5) Subsection (4) shall not apply if in the opinion of the Appropriate Authority or the Secretary of State in respect of the provisions of section 5(2),
(a) that any opposition to any measures or targets by principal councils does not have the support of the majority of electors in the region; or
(b) that paragraph (a) applies in as many principal councils in a region as would deprive those councils in that region of a majority under subsection (4) above

and in such cases the Appropriate Authority shall publish its reasons for reaching that opinion.

(6) A principal council
(a) shall take such steps as it deems appropriate to
   (i) implement any measures that are within its power and
   (ii) assist with the achievement as far as is reasonably practicable of any targets
which have been suggested by it in its report laid under section 3 and which are contained in the final strategy; and

(b) may resolve to implement the strategy as regards its area and set targets which it will seek to achieve if it does so resolve;

(c) shall publish statement of the reasons for any decision taken pursuant to this subsection and, for the avoidance of doubt it is hereby stated that this paragraph shall apply if the council declines to

(i) take any action regarding measures to which paragraph (a) above applies; or

(ii) pass a resolution pursuant to paragraph (b) above.

(7) Where a principal council resolves to implement the strategy in accordance with the provisions of subsection (6)(b), it shall be the duty of the council to take steps to achieve those targets so far as is reasonably practicable.

Wales and Greater London

5. (1) In Wales and Greater London the duty of the Appropriate Authority to implement measures and achieve targets pursuant to this act shall be subject to the powers of the relevant Appropriate Authority.

(2) As regards any measures in the final strategy for Wales and Greater London that are not within the power of the relevant Appropriate Authority, the Secretary of State shall consider implementing such measures and in such a case the provisions of section 4(4) and (5) shall apply.

(3) If the Secretary of State declines to implement any measures to which subsection (2) refers he shall publish his reasons for declining to do so.

Interpretation

6. In the Act

“Appropriate Authority” means

(a) in Wales the National Assembly for Wales; and

(b) in London the Mayor; and

(c) in England other than London, the Secretary of State

“London” has the same meaning as Greater London in the London Government Act 1963

“Principal council” and “local authority” have the same meanings as in the Local Government Act 1972

“Region” has the same meaning as in the Regional Development Agencies Act 1998.

Financial Provisions

7. There shall be paid out of money provided by Parliament

(a) any expenses incurred by the Secretary of State in consequence of this Act; and

(b) a reasonable allowance for any expenditure required to be incurred by a principal council in consequence of this Act

(c) any increases attributable to this Act in sums payable out of money so provided by virtue of any other Act.

Short title and extent

8. (1) The Act may be cited as the Sustainable Communities Act 2004.

(2) This Act extends to England and Wales only

Schedule 1

1. The indicators referred to in section 1(2) are:

(a) the provision of local services,

(b) the extent to which the volume and value of goods and services that are

(i) offered for sale and

(ii) procured by public bodies and

that are grown or produced within 30 miles of their place of sale or of the boundary of the public body,

(c) the rate of increase in the growth and marketing of organic forms of food production and the local food economy,
(d) the number of local jobs,
(e) the quantity of energy supplies which are produced from sustainable sources within a 50 mile radius of the region in which they are consumed,
(f) measures taken to reduce the level of road traffic including but not restricted to local public transport provision and measures to decrease the amount of product miles,
(g) the increase in social inclusion, including an increase in involvement in local democracy
(h) Measures to increase mutual aid and other community projects
(i) measures designed to decrease emissions of greenhouse gases,
(j) measures designed to increase community health and well being.

2. In this Schedule the following terms shall have the following meanings:

“local services” includes but is not restricted to retail outlets, public houses, banks, health facilities including hospitals and pharmacies, social housing, post offices, schools, eating places, leisure facilities and open spaces

“local food economy” means a system of producing, processing and trading, primarily of organic forms of food production, where the activity is largely contained in the area or region where it was produced and which delivers health, economic, environmental and social benefits to the communities in those areas

“local jobs” means
(a) jobs in companies that in the opinion of the Appropriate Authority will spend a significant proportion of their turnover in the locality of the place of operation;
(b) jobs which are taken by people living within 30 miles of that job

“mutual aid” means actions or initiatives by people in the community to improve services or provisions for themselves and other persons in the community

“product miles” means the total distance travelled by produce from the place of growth or production to the place of consumption

“social inclusion” means the opportunity for all people resident in any area to play an equal role in the economic, social and civic life of the area

“local democracy” means the ability to participate in, by means of voting at elections or otherwise, decision making that is as local as practicable to people’s place of residence.

“community health and well being” means the degree to which persons resident in an area identify with that area and receive an increased quality of life as a result of the nature and the environment of the area.

APPENDIX 14

Memorandum from the National Consumer Council

The National Consumer Council (NCC) is an independent consumer expert, championing the consumer interest to bring about change for the benefit of all consumers. We do this by working with people and organisations that can make change happen—governments, regulators, business and people and organisations who speak on behalf of consumers.

We are independent of government and all other interests. We conduct rigorous research and policy analysis and draw on the experiences of consumers and other consumer organisations. We have linked organisations in England, Scotland and Wales, and a close relationship with colleagues in Northern Ireland. And we work with consumer organisations in Europe and worldwide to influence governments and institutions.

We are a non-departmental body, limited by guarantee, and funded mostly by the Department of Trade and Industry.

This memorandum responds to a request from the Clerk of the Committee for a written submission in connection with the Committee’s Inquiry into Sustainable Development.

Sustainable Development

In developing its 1999 strategy, the Government showed commitment to sustainable development and highlighted its importance. The Strategy gives a point of reference and the indicators a yardstick by which we can measure progress. Every year the annual report gets media coverage and helps to raise public awareness. All of this is welcome but is not in itself a measure of progress towards sustainable development, which is the job of the indicators.
Progress against the headline indicators shows a mixed picture of successes and failures. Certain indicators have come in for particular criticism, for example that on road traffic, which gives a positive assessment of progress, despite the fact that road traffic continues to increase and makes a major contribution to the UK's carbon emissions. The UK Government is not considered to be on track to meet its own carbon reduction targets, and yet this is not reflected in the headline indicators. Such ambiguous conclusions highlight how the strategy fails. Where progress is slow, it fails to show what to do, how to do it or who should do it.

So the revised strategy will need clearer priorities showing links between different policies and a clear implementation plan. The last year has seen WSSD, the publication of the Energy White Paper and the Government's framework for sustainable consumption and production, Changing Patterns. All of these need to be explicitly reflected and referenced in the revitalised strategy. All stakeholders from big business to individual consumers need to be engaged and know how they can play their part.

The NCC wants to see it become possible for everyone to consume sustainably. Consumer behaviour is vital to the success of many sustainable development policies, and yet the current picture amongst consumers is one of confusion as to what they can and should do. The 1999 strategy has done little to make sustainable consumption easier for people in their daily lives. A new strategy needs to focus on creating strong markets for sustainable goods and services, and to equip consumers with the awareness, knowledge, motivation and resources to act sustainably. This will mean focusing on the social as well as environmental and economic aspects of consumption. A one-size-fits-all approach does not work in motivating people. We need far greater understanding of the characteristics of sustainable consumption.

**How can the issue of sustainable consumption be integrated within the strategy?**

The NCC is looking forward to working alongside the Sustainable Development Commission and Government in creating an agenda for action on sustainable consumption and hopes that the Sustainable Consumption Roundtable will prove to be effective in informing government policy. The Round Table will run until February 2006 and will build an ongoing ownership of the sustainable consumption agenda amongst a wider group of actors across relevant sectors. It will also produce timely advice on policy actions for Government, including early on in relation to the Sustainable Development Review. Looking towards measures that can create a shift towards sustainable consumption.

Like other developed countries, the UK currently has damaging and unsustainable levels of consumption of natural resources. Following the World Summit on Sustainable Development 2002, we are seeing greater efforts than ever before to promote policies for sustainable consumption at national and local levels. The government has an ambition to reduce carbon dioxide emissions from energy by 60% by 2050. Consumers are at the centre of environmental issues. Everything they do in their daily lives impacts on the environment. For example, household electrical appliances and lights account for one-quarter of UK electricity use (costing £5 billion each year). It is crucial that policy-makers clearly understand the attitudes and behaviour of consumers, including those who are disadvantaged by low incomes and other factors, in order to help all consumers make a stronger contribution.

Consumers are confused by the whole “sustainable development” agenda. Research by the Welsh Consumer Council showed that at least seven out of 10 consumers do not know what the term means. The field of sustainability suffers from a patchwork of legislation and voluntary agreements, for example, around environmental labelling or the responsibility of business. This all adds to the confusion for consumers.

We cannot rely on individuals to motivate themselves towards government goals. Government and industry have far more power to promote sustainable products.

NCC research published in July 2003, Green choice: what choice? Summary of NCC research into consumer attitudes to sustainable consumption—is part of a three year programme of work towards ensuring a consumer voice in UK decision-making around sustainable consumption.

Among the findings are:

- Consumers have a positive, but passive, view of sustainable consumption.
- While 90% of consumers say they are “happy to do their bit”, confusion, convenience, habit and cost can over-ride environmental concerns.
- People are unsure what sustainable consumption entails in practice.
- Low-income consumers have a much more local outlook than higher-income consumers. They also suffer most from local environmental degradation and feel powerless to improve their circumstances.
- Disadvantaged consumers are often shut out from making sustainable choices—they have less access to facilities and lack the income to invest in more sustainable products.
- For policy measures to encourage these consumers, they should look to improve quality of life as well as the environment.
- Four in five people say they know how to cut household energy bills, but only one in five are aware of energy-efficiency schemes in their area to help insulate homes.
NCC Recommendations

Consumers alone will not be able to drive the transformation to a sustainable society. It requires commitment from industry and government. The NCC has made recommendations in these areas:

— Greater understanding of consumers’ views about the shift to sustainable consumption is desperately needed.

— Policies should be spelled out clearly to consumers. Policy measures should balance investment, taxation, incentives and regulation. The best way to gain acceptance and trust from consumers is to focus on incentives that minimise inconvenience and offer tangible short-term benefits for consumers’ households or local environments.

— There needs to be better implementation of existing policies. Local government needs to involve consumers so that implementation of sustainable activities is right for different groups of people.

— Consumers need a range of sustainable products to choose from. Industry and business have a powerful role in introducing less harmful products to the market, promoting sustainable product design, developing renewable energy resources, and cutting packaging.

— Consumers need clear messages. We would like to see common information, labelling standards and more effective national awareness campaigns.

Policies that aim solely at protecting the environment are likely to fail to improve the quality of life of the most disadvantaged consumers. Low-income consumers need improved local environments, more targeted education, better facilities and more control over their circumstances to be able to take part in consuming sustainably. By integrating social and economic factors that improve disadvantaged consumers’ quality of life, policies stand a chance of being inclusive and so more effective in moving us all closer to sustainable consumption. Indications are that the Child Trust fund or “baby bond” is a popular measure, with Government providing a cash incentive to save. These kind of joint approaches might provide useful lessons in tackling the joint problem of consuming more sustainably.

Sustainable consumption needs to become our collective norm. This means starting way before awareness campaigns. It is about changing the structures that govern what is normal in our lives. People want Government and industry to take a lead here, and are in favour of strong legislative and regulatory enforcement measures. They want to have a realistic choice of sustainable goods and services, rather than a Hobson’s choice between sustainable and unsustainable.

As part of the NCC’s forthcoming work programme we will be looking at how to create more positive incentives for sustainable consumption. In April 2004 the NCC published a report, Carrots not sticks: the possibilities of a sustainable consumption reward card for the UK (http://www.ncc.org.uk/pubs/report1.htm). This report investigates the potential and practicalities of developing a consumer reward card for sustainable consumption in the UK. The NCC’s research has shown that consumers tend to favour positive measures that create an incentive to behave more sustainably, rather than penalties to dissuade unsustainable behaviour. This report analyses the features of success of the model given by the NU card, a Dutch sustainable consumption reward card. The report is a call to action for local, regional and national Government and business to take positive action and pilot a similar scheme here in the UK.

May 2004

APPENDIX 15

Memorandum from the National Environment Research Council (NERC) Centre for Ecology and Hydrology

Introduction

The NERC Centre for Ecology and Hydrology (CEH) welcomes the opportunity to contribute to this inquiry. CEH is one of the UK’s foremost environmental research organisations; one of its newest research programmes is the Sustainable Economies Programme, which covers land-use, energy, and hazards and risks of several kinds.

Comments

A: The definition of “Sustainable Development”

— The Government has stated that the Brundtland definition “is excessively narrow and puts undue emphasis on environmental concerns...[T]his 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.” Does the definition of “sustainable development” matter?
Yes! It is essential that “sustainable development” be clearly defined even if the definition is not universally agreed upon. Without a definition it is impossible to set appropriate targets for assessing whether progress towards sustainability has been made. The definition should be broadened from the Brundtland definition, but should not lose the significant emphasis upon, and primacy of, environmental qualities. Economists and sociologists need to be able to agree and integrate economic and societal aspects into the definition.

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**The Sustainable Development Strategy** requires all four key objectives to be met at the same time. Is this realistic? Is political support for this concept based upon its ambiguity? Does it fail to place enough weight on the need to make trade-offs between different objectives and the relative importance to be attached to them in that event?

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It is important that all four objectives be addressed at the same time, although the objectives may appear to be contradictory or mutually exclusive. The assessment of trade-offs between objectives is dependent on methods of valuation which are not always objective or balanced. Research is needed to develop further the ideas of “green accounting” and the methods assessing full external costs of systems. Improved communication and collaboration across and between disciplines needs to be encouraged.

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B: Has the Strategy acted as a driver or does it occupy a limbo existence which has little impact on departments’ real priorities?

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What specific impacts can be attributed to the Strategy since its introduction in 1999?

Initially the launch raised public awareness, especially of the indicators (Quality of Life Counts), but that has now declined and needs to be revived.

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How effectively has the Strategy linked to, or acted as the driver for, lower level strategies—whether topic specific strategies, such as the Climate Change Strategy and the Air Quality Strategy, or strategies of devolved administrations, regional and local government?

Following the introduction of regional strategies, CEH was consulted about the development of some of them. Although these unfortunately have not had the same public impact (as the National Strategy), they may have contributed to the increased regional awareness of sustainability at council and development-agency level. Although it is difficult to identify how much is due to the Strategy, local government is now looking seriously at sustainability (eg NWDA has formed a NW Energy Council to consider sustainable-energy generation and use).

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How much impact has the Strategy had on mainstreaming the environment in terms of objectives and targets set for individual departments in Public Service Agreements and in departmental strategies and business plans?

Again it is difficult to attribute the changes that have occurred to the Strategy alone, but organisations are now acting under schemes such as the ISO Environmental Management (eg ISO 14001), which was generated also as a result of the Rio Summit in 1992.

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Can a UK Strategy ever amount to more than a set of principles or aspirations, particularly in the context of devolved government? Is it needed, given the fact that—where progress is being made—it seems to be topic-specific and driven from the bottom? If it is needed, should it focus much more specifically on a small number of key themes and targets?

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“Think globally—act locally” is an effective maxim. The UK Strategy, because of its scale, will of necessity be more aspirational than directive; however its value is as a goal against which we can assess our national achievement. We need to think about sustainability at various levels, both at the level of the United Kingdom as a whole, and at the level of its component parts. They are clearly not isolated from each other, so a UK Strategy is valuable, but better linkage with the strategies of the devolved administrations would be advantageous. Change should appear to be driven both from the bottom up and from the top down, since decision-making must be inclusive—ie it is not exclusive to one level or scale. Focus on specific themes may be beneficial, but they need to be seen in the context of the wider picture—a holistic overview is essential.

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C: How effectively do the indicators reflect the UK’s “sustainability gap”?

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Could the Government have made greater use of indicators to drive policy and set targets in departmental business plans and Public Service Agreements?

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It would not be appropriate for indicators to directly drive policy. They are there to facilitate the monitoring of progress, and they are valuable partly because people can relate to them, ie they have resonance. But they may be of limited value in setting specific targets. It should be clear that they are only an indication of a much larger system or process. Effective analysis and interpretation will always be required. For example, caution over the use of indicators as targets is needed, as systems can be modified to alter the state of an indicator without addressing the conditions the indicator is supposed to represent—such decoupling of indicators and their systems makes them useless.

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To what extent do the existing indicators, in particular the headline indicators, properly reflect the extent to which the UK is unsustainable? What additional or alternative indicators could address this gap?
Two points can be made here. Firstly, indicators can be misinterpreted. By definition they do not show the full picture and should not be expected to—what they should do is increase awareness and cause deeper investigation. It’s like a petrol-warning light in a car; when it is on the car is close to running out of fuel—disconnecting it will not prevent that happening, and equally if the light is off there is no guarantee that the car will go, since there may be a different problem (eg flat battery, brake on, etc) or a fault with the indicator. The second point concerns the use of the words sustainable and unsustainable. The headline indicators will help identify unsustainability vs. sustainability, but are not so good at indicating degrees of unsustainability, eg how far conditions are from being sustainable. Further indicators are probably not the answer; we need more comprehensive monitoring of complete systems and research to help understand them. Indicators can still be used to present the situation, but not as a method of management or to replace more in-depth analysis.

D: How can the concept of sustainable consumption be integrated within the Strategy?

— Should sustainable consumption and production be seen as only one constituent part of sustainable development (ie a lower level strategy which sits alongside others), or as another way of looking at sustainable development itself?

Production and consumption are two key components of development. As environmental scientists we are more comfortable examining production (eg the impacts of and potential for electricity generation) rather than consumption (eg turning heat and light on in your house). We need to start looking at the latter, possibly by collaborating with a wider range of scientists, including eg sociologists, behavioural psychologists. We need to recognise that sustainable development has a number of component parts and understand not only how they function, but also how they interact.

E: Organisational structures and costs

— Is there a need for a more consistent approach to incorporating sustainable development as an overarching objective in all Government organisations? Or would the ambiguity of the term prove unhelpful?

The use of standards (such as ISO 14001) may well provide a consistent approach. However, the justification for their use must be clear and appreciated by those affected by their imposition, to avoid them being seen simply as bureaucratic procedure.

May 2004

APPENDIX 16

Memorandum from the Optimum Population Trust

SUMMARY

We do not believe that a sustainable development strategy for the UK can be conceived or achieved without incorporating an environmentally sustainable population policy. The population of the UK has grown 20% since 1950 and is now growing faster in real terms than at any time in our history. In view of the effects of continuous population growth on the environment of the UK, we submit that there should be no delay in introducing a policy to stabilise and gradually reduce its population. The outline policy we recommend incorporates a greater effort to reduce unintended pregnancies, particularly among teenagers; social and financial support for the raising of families of up to replacement size; and strict curbs on inward migration to bring it in balance with outward migration or to a level that does not incur further population growth.

Note: the environmental effects of population distribution are complex and different from the effects of overall growth, so they are not dealt with here. We do not believe, however, that problems of population distribution or density within the UK can be addressed without an acknowledgment that solutions would be consistently undermined by continuous growth of overall numbers.

INQUIRY ISSUES

A: The definition of “Sustainable Development”

— The Government has stated that the Brundtland definition “is excessively narrow and puts undue emphasis on environmental concerns . . [It] 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.” Does the definition of “sustainable development” matter?
OPT response A1

We submit that the definition of sustainable development does matter. The current definition ("ensuring a better quality of life for everyone, now and for generations to come") is appropriate, but the interpretation of this definition has been weighted too heavily in favour of conventional economic goals, without a corresponding and scientifically based recognition of the long-term economic effects of continuous environmental degradation. The interpretation and implementation of the definition need to be reconsidered if its aim is to be achieved, particularly concerning the conflict between high levels of GDP growth and environmental sustainability. There is also the fundamentally important error of omitting the effects of continuous population growth. The natural environment is the basis of the most fundamental elements of an economy—such as food, clean water, healthy soil, and a stable climate—and an economy cannot remain healthy if this relationship is ignored.

— The Sustainable Development Strategy (the Strategy) requires all four key objectives to be met at the same time. Is this realistic? Is political support for this concept based upon its ambiguity? Does it fail to place enough weight on the need to make trade-offs between different objectives and the relative importance to be attached to them in that event?

OPT response A2

We submit that Key Objective (4) “The maintenance of high and stable levels of economic growth” is incompatible with Key Objectives (2) “Effective protection of the environment” and (3) “Prudent use of natural resources”. We suggest that Objective (4) should be amended to “The maintenance of high per capita quality of life and employment.” This needs to be based on revised indicators of quality of life which can incorporate measures of environmentally benign per capita GDP growth. Total GDP can be increased simply by increasing population, which (other factors being equal) increases resource depletion and environmental degradation. To this end sustainable development indicators need to be amended to show the effects of demographic increase on resource depletion and environmental degradation.

B: Has the Strategy acted as a driver or does it occupy a limbo existence which has little impact on departments’ real priorities?

— What specific impacts can be attributed to the Strategy since its introduction in 1999?

— How effectively has the Strategy linked to, or acted as the driver for, lower level strategies—whether topic specific strategies, such as the Climate Change Strategy and the Air Quality Strategy, or strategies of devolved administrations, regional and local government?

— How much impact has the Strategy had on mainstreaming the environment in terms of objectives and targets set for individual departments in Public Service Agreements and in departmental strategies and business plans?

— Can a UK Strategy ever amount to more than a set of principles or aspirations, particularly in the context of devolved government? Is it needed, given the fact that—where progress is being made—it seems to be topic-specific and driven from the bottom? If it is needed, should it focus much more specifically on a small number of key themes and targets?

OPT response B1:

We submit that the Strategy has helped to mainstream environmental issues, and that a small number of key themes and targets is vital. We submit one key target that should be added: a Sustainable Population Target, requiring a policy to stabilise and gradually reduce UK population to a lower and more environmentally sustainable level, and incorporating target ranges set for the end of every decade at least up to 2050. These target ranges can be set and regularly reviewed according to best estimates of projected per capita resource depletion, environmental degradation and other factors. There is no substantive economic case for a larger population—the high quality of life in low-population countries such as Norway and Sweden is an example, and the economic problems of dealing with an ageing or reducing population are dealt with in OPT appendices (to be separately submitted). Our initial suggested target is to achieve a reduction to 52.5 million by 2050.

Note: we use the term environmental degradation to cover two levels of degradation. The first (Superficial Environmental Degradation) is degradation that affects easily perceived quality of life, such as the number of parks in a city or the spoiling of a rural area by excessive development. The second (Fundamental Environmental Degradation) refers to deep-seated changes such as climate change impacts and energy substitution problems, where we believe the environmental degradation risks to be large enough and the speed of deterioration rapid enough to make population policies an immediate necessity.
C: How effectively do the indicators reflect the UK’s ‘sustainability gap’?

— Could the Government have made greater use of indicators to drive policy and set targets in departmental business plans and Public Service Agreements?

— To what extent do the existing indicators, in particular the headline indicators, properly reflect the extent to which the UK is unsustainable? What additional or alternative indicators could address this gap?

OPT response C.1:

We submit that while the current range of indicators is extremely useful, the omission of demographic impact indicators is a serious flaw and results in incorrect measurements of sustainability. For example, indicators that relate decreasing water supplies, decreasing areas of unspoilt countryside, climate change-induced expansion of flood plains, or the amount of non-urbanised and ecologically healthy land available per capita to the population of the UK would demonstrate clearly the extent to which current development plans to accommodate ever-rising population are both environmentally and economically unsustainable.

OPT response C.2:

We submit that Indicator K3 (Population growth) be abandoned, because it does not relate population size or growth to any environmental or other quality of life factor.

OPT response C.3:

We submit that Indicator K3 be replaced by a new headline indicator H16—a UK Population Density Indicator—which would show the declining amount of the UK’s finite supply of land available per capita that has resulted from population growth of more than 2,000,000 since 1990. This approach has already been accepted in measuring economic growth per capita in Indicator H1. We suggest a 1990 baseline so that the new population density indicator could be related to Kyoto climate change obligations.

OPT response C.4:

We submit that all indicators be examined to see if a per capita or real change interpretation can be added to demonstrate the effects of demographic trends and therefore introduce the concept of sustainable population levels. For example, Indicator N4 measures “Electricity from renewable resources 1989 to 2002”, showing an improvement in the percentage of electricity generated from renewables, but it does not show the percentage improvement that could have been achieved had the UK’s population not grown by more than 2,000,000 during that period.

D: How can the concept of sustainable consumption be integrated within the Strategy?

— Should sustainable consumption and production be seen as only one constituent part of sustainable development (ie a lower level strategy which sits alongside others), or as another way of looking at sustainable development itself?

— Sustainable consumption has so far been interpreted mainly in terms of sustainable production. What is the role of government with regard to encouraging changes in consumption itself—eg by managing demand or facilitating choice? What difficulties does it face in doing so?

OPT response D1:

We submit that long-term sustainable consumption and production levels—in view of the Fundamental Environmental Degradation factors referred to above—should be a key focus of the Strategy. There should be more emphasis, however, on demand management, including an end to population growth, which increases overall demand and environmental impacts at current technology and consumption levels. While there has been some decoupling of energy use from GDP growth, for example, real energy demand continues to be created by a rising population—demand management should involve consideration of the numbers of people creating that demand. We believe that the widest possible choice of methods of demand restraint should be available to individuals, for example, by using fiscal incentives and disincentives to influence energy consumption. We also submit, however, that without a reversal of pro-population growth policies, demand management is likely to prove politically unacceptable, since restraints on demand would have to be continuously tightened to allow for the additional demand created by continuous population growth.
E: **Organisational structures and costs**

— Do the present organisational structures and policy mechanisms within Government contribute to the effective implementation of the Strategy? What improvements could be made in this respect? Is there a case for rationalising the number of organisations involved in key sectors?

— Is there a need for a more consistent approach to incorporating sustainable development as an overarching objective in all Government organisations? Or would the ambiguity of the term prove unhelpful?

— Has a lack of sufficient Government financial support for programmes and policies hindered the implementation of the Strategy in any way?

**OPT response E1:**

We submit that the Strategy needs to be overseen by a single minister with an inter-departmental co-ordinating role in order to be effective, and that a population policy should also be formulated and overseen by a single minister with full inter-departmental coordination. We believe the consequences of failure to fully integrate population into all decision-making, as recommended by the government-appointed Population Panel in 1973, and the passive acceptance of continuous population growth on a predict-and-provide basis, without limits, have been a major policy error. We submit that the environmental consequences of this failure are already apparent.

**FURTHER EVIDENCE FROM THE OPTIMUM POPULATION TRUST**

The OPT also submitted for following list of appendices, all of which are available on their website at http://www.optimumpopulation.org and are, therefore, not printed here:

1. UK population growth 1750–2002
2. Earth’s population problem
3. Climate change
4. Climate change: the crucial limits
4a. The UK’s population problem
4a. Too many people: UK
5. Energy
6. Countryside, development, housing and biodiversity
7. Transport
8. Fresh water
9. Ageing populations and unemployment
10. OPT Population projections and policy
11. Population, fertility and birth planning
12. Migration
13. About OPT: who we are

_May 2004_

**APPENDIX 17**

Memorandum from Plymouth Marine Laboratory Sustainability Group

**INQUIRY ISSUES**

_A: The definition of “Sustainable Development”_

_The Government has stated that the Brundtland definition “is excessively narrow and puts undue emphasis on environmental concerns...[It] 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.” Does the definition of “sustainable development” matter?_

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50 PML commentary on the inquiry issues as set out in the Committee’s press notice of 5.4.04, are set out in italics.
PML comment: Yes, the definition of Sustainable development does matter. This is an issue of both local and global concern that requires a common reference point for everyone. The definition might not be politically convenient, but any changes that might appear to do away with it, or dilute it, would be a serious retrogressive step. The argument, as Jonathan Porritt puts it, is that “at our heart, it would seem, lies a concept so unsexy, so slippery, so obstinately incommunicable as to necessitate instant decommissioning. Sustainable development is dead: long live Quality of Life. Well sorry, but no way . . .!” (Porritt, 2001).

The reason that the environment has featured so highly on the agenda is that it finds itself hard to compete elsewhere in government departments. For example of the four key objectives identified early on in “ A Better Quality of Life”, (QoL), progress in social inclusion, employment, and economic growth are championed by departmental heavyweights from Health, Education, Trade and Industry. Similarly, until recently MAFF/DEFRA’s role was more focused on production than the other key QoL objectives of environmental protection and the prudent use of resources.

Because much of the funding for sustainable development has been managed through the DTI, there has been an over emphasis on the environmental mechanics of consumption—reduce, recycle and reuse—which, whilst very worthy, provide a false impression that everything, because it is neat and tidy is being resolved. In fact underneath are the real issues of corporate responsibility—global wealth distribution and social deprivation and environmental degradation.

Sustainability is a word that is otherwise elusive, and lacking in any self-charisma. Most people on the street still would not know what it meant, yet when faced with the principles underlying it, would say they made common sense. The definition reminds us of the need to balance all the issues. At present in the government and wider community it is enabling us to broaden our concern from what was and still is the first priority—the environment, to community issues of social inclusion and wealth distribution.

The Brundtland definition is not narrow; it is instead our interpretation of it that has been narrow. Nonetheless if our intuitive interpretation of the definition sees the environment as the leading issue then we should take notice and take action on this issue, “otherwise Nature will do what she has done to over 99% of species that have ever lived”, (Tickell, 2000).

The definition keeps our eye on all the goals, maintains plurality, mainstreams the issues, and ensures that SD retains a wide remit crosscutting all departments and engaging society.

In practice this does mean that we now need a new breed of professionals responsible for sustainable development strategy within organisations who can work alongside environmental practitioners and LA21 coordinators. (Khan, 2001).

PML has embraced this challenge and it now has a Sustainability Group headed by the Director, Prof Nicholas Owens, and comprising various members of staff. Our aim is to be at the forefront of renewable, environmentally friendly and sustainable ways of living and working, that protect both the local and global environment for future generations. Our objectives are as follows:

1. Provide foundations for sustainable development initiatives in all areas of Laboratory work.
2. Maximise the potential of the Laboratory’s scientific output without compromising the principles of sustainability and individual integrity.
3. Pursue the sustainable procurement of goods and services that retain “best value”, whilst taking into account our environmental, social, and ethical responsibilities.
4. Reduce and minimise the need for fossil hydrocarbons required to service the Laboratory.
5. Plan for zero waste and energy generation at source.

The Sustainable Development Strategy ( the Strategy ) requires all four key objectives to be met at the same time. Is this realistic? Is political support for this concept based upon its ambiguity? Does it fail to place enough weight on the need to make trade-offs between different objectives and the relative importance to be attached to them in that event?

PML comment: Sustainable development is a cross-cutting topic but at the same time has broken down into manageable chunks—hence the four key objectives, and the success of campaigns like “Are you doing your bit”, (Wright and Hooper, 2001). The problem is that breaking the issues down leads to a reductionist approach and oversimplifies the issues. Instead of balance there is competition between objectives, and instead of the issues crosscutting policy, they become isolated from one another. Further down the line this problem has an opportunity to be overcome by addressing sustainable development delivery geographically rather than topically. However the plethora of institutes, partnerships and trusts each with their own formulae, setting up tables to sell what appear to be the same topics, is very confusing for the person or organisation at the end of the line looking for help. As an environmentally concerned organisation with a social conscience PML would welcome regional incentives and assistance from the government to combine our efforts with other similarly minded organisations in our vicinity. The considerable benefits would include for example economies of scale in our commitment to achieve a sustainable procurement of good and services (G&S). Negotiating for a competitive range of suitable G&S would be more effective coming from a group rather than an individual.
B: Has the Strategy acted as a driver or does it occupy a limbo existence which has little impact on departments’ real priorities?

What specific impacts can be attributed to the Strategy since its introduction in 1999?

PML comment: The introduction of the Strategy led the Natural Environment Research Council (NERC) to develop and implement policies, including the introduction of environmental and energy efficiency managers, and the initiation of procedures including indicators with targets. A target culture developed which was not always helpful when it came to engaging everyone. Within NERC the targets concentrated on basic utilities and did not capture the imagination of staff as a whole. If targets are to work people need to be involved with them and come forward with those of their own. However the more thought provoking Headline Indicators were extremely valuable when the former parent organisation of PML, CCMS, first looked at how to set about implementing a Sustainable Development Policy, (George C 1999). Everyone was/is at a different stage in grasping the nettle with sustainable development, in the case of CCMS, using the indicators for the purpose intended was, with hindsight, aspirational, however the exercise in redesigning and localising them for the needs of marine research provided a step change in how we began to look at our own work. As mentioned earlier, PML has established its own Sustainability Group under the chairmanship of its Director, Professor Nicholas Owens, through which this consultation document is being addressed.

How effectively has the Strategy linked to, or acted as the driver for, lower level strategies—whether topic specific strategies, such as the Climate Change Strategy and the Air Quality Strategy, or strategies of devolved administrations, regional and local government?

PML comment: As with most Strategies lower down in the system one is not aware that one is working to a strategy. This gets back to the issue of mainstreaming SD. This is not so much an issue of awareness but of getting rid of the “arcane jargon . . . professionals have created their own opaque specialism- a cosy club . . . sustainable development doesn’t need dumming down, it needs opening up . . . ” (Townsend, 2001). Thus mainstreaming is really an issue of relinquishing control. As Sarah Parkin puts it: “sustainable development is a process which enables all people to realise their potential and to improve their quality of life in ways which enhance the Earth’s life support systems,” (Parkin, 2001).

At PML it led to us using the BRECSU matrix, (Building Research Establishment), to monitor our progress with an energy audit, (financed under the, Government Energy Efficiency Best Practice Programme), as part of our energy efficiency arrangements, (Osmaston, N, 2002).

The strategy has encouraged us to make links with our local community, in particular, Plymouth City Council, Devon and the South West Regional Assembly where we work alongside the Local Strategic Partnership and Assembly’s Council on sustainable development advisory panels and groups assisting with implementing their own strategies, frameworks, etc, within local community and business. However the time to move on from an era of producing strategies to one of actions is frustratingly overdue.

How much impact has the Strategy had on mainstreaming the environment in terms of objectives and targets set for individual departments in Public Service Agreements and in departmental strategies and business plans?

PML comment: We are not aware that it has done much yet, it is still very much at a paper level exchanging policies and not really getting down to practical issues. The Greening of Government, if it is to remain credible, has to translate from the paper stage to reality.

Simon Hooton, Head of Policy South West Regional Development Agency takes this viewpoint in his presentation, “Tripping Over the Stool”, to SWRA:

“How might a sustainable economy happen? How might we mainstream?"

— Changes to government policy (eg a measure that integrates “free goods”).
— New production technology.
— Changes in consumer behaviour (re travel, waste packaging, taxes)."

Can a UK Strategy ever amount to more than a set of principles or aspirations, particularly in the context of devolved government? Is it needed, given the fact that—where progress is being made—it seems to be topic-specific and driven from the bottom? If it is needed, should it focus much more specifically on a small number of key themes and targets?

PML comment: We do need a UK Strategy. But we also need genuine leadership at the top with real resources; any appearance that gives rise to a suspicion of environmental tokenism will not do. If this is given then the regional follow through will be equally genuine otherwise we will understand that the reality is between the lines.

C: How effectively do the indicators reflect the UK’s “sustainability gap”?

Could the Government have made greater use of indicators to drive policy and set targets in departmental business plans and Public Service Agreements?

PML comment: Very definitely, but not at that time. To be effective indicators and targets have to involve people. However the words in strategy documents at various levels, regeneration, social inclusion, etc, are hardly mouth watering and there is a major hiatus between the global debate, for example, over whether...
climate change is real, and the office environment with its energy efficient light bulbs and mahogany veneer furniture. Many people are not aware and even if they are, feel unempowered or too small to make a difference.

To what extent do the existing indicators, in particular the headline indicators, properly reflect the extent to which the UK is unsustainable? What additional or alternative indicators could address this gap?

PML comment: In the 2003 Government Annual Report, within the review of progress 4.4. and 4.5, “indicators have become the means of holding Government and the country as a whole to account in making progress towards sustainable development . . . media coverage has focused more on headline indicators than all other aspects of the government’s reporting on sustainable development . . .”

Even though the Daily Mirror penned the Quality of Life Indicators as “the Happy Table”, LA21 indicators were, in the main, well thought out and provided a real stepping stone for ensuring that paper deliberations like this become action. Networking within the LSP, the LA21 indicators have not been universally used, and within the other organisations and businesses in our local network the majority do not use the indicators even if they are using environmental QAs such as ISO14001. There was a lot more that could and can still be done with the indicators. During a recent consultation exercise on this issue with West Devon we decided to retain but add to them. The indicators we added were provided by the local community thereby retaining their interest and involvement. Indicators and targets are only successful if they engage people. It will be interesting to see how successful the Environment Agency is with their “Make a Pledge” scheme, (Environment Agency 2004), due to be launched on World Environment Day. They have tried to break down the barriers, getting celebrities from television to sign up, and offering to calculate each individual’s contribution to saving energy. Schemes like this and “ecofootprinting”, to enable organisations and cities like Plymouth see how much carbon dioxide they are contributing to, do help bridge the gap between cause and effect.

D: How can the concept of sustainable consumption be integrated within the Strategy?

Should sustainable consumption and production be seen as only one constituent part of sustainable development (ie a lower level strategy which sits alongside others), or as another way of looking at sustainable development itself?

PML comment: The problem with writing down these four key objectives, of which this is the third, is that really it crosses all the other issues just as they cross the issues of what constitutes progress. It’s a pity that we can only write from left to right and not up and down at the same time.

Sustainable consumption has so far been interpreted mainly in terms of sustainable production. What is the role of government with regard to encouraging changes in consumption itself—eg by managing demand or facilitating choice? What difficulties does it face in doing so?

PML comment: We believe this is already happening, consumers are looking for “green label” goods, more information on packaging probably won’t help, public message broadcasting on television using advertisements are beginning to make an appearance, and my recollection to date is that the messages are a lot more palatable than a typical Party broadcast or when ministers start trying to sell the cause. The Environment Agency’s “World Environment Pledge” campaign, mentioned earlier, provides an excellent example of a well thought out attempt to engage the public in the issue of consumption and how an individual can make a difference.

E: Organisational structures and costs

Do the present organisational structures and policy mechanisms within Government contribute to the effective implementation of the Strategy? What improvements could be made in this respect? Is there a case for rationalising the number of organisations involved in key sectors?

PML comment: The geographic distribution of information and assistance at present is both systematic and helpful. However there can be a bit of a gap when it comes to working on the delivery of the SDS between the some bodies eg the local unitary and the county body in which it stands. Whether this has a political basis or is just down to a lack of resources we are not able to say.

There are too many organisations representing waste, energy etc, in many ways what is needed is a one stop shop. Again the best way round this is to focus on one (regional) source like the GOSW “Ours South West” or “Envirowise” which are both very good web sites from just about every point of view.

Is there a need for a more consistent approach to incorporating sustainable development as an overarching objective in all Government organisations? Or would the ambiguity of the term prove unhelpful?

PML comment: Yes. At the moment response it uneven and patchy, and again focuses on the comfort zone of environmental tidiness. The key to the issue is through Green Procurement. At present what is happening is Departments appears to be reinventing the wheel and writing its own documents for interpreting as well as handling this.

Has a lack of sufficient Government financial support for programmes and policies hindered the implementation of the Strategy in any way?
PML comment: Absolutely. There is neither the driver of legislation or a truly visible crisis to unbutton the corporate wallet. Government funds are fragmented and obscure. Regionally they have been criticised for their short termism. Bryony Holding, Chief Executive of the SWRA, identified short termism and low awareness within SWRA in her paper within the conference “Moving in the Right Direction?”. November 2003, examining the Regional Sustainable Development Framework. At the same conference Richard Creswell Regional Director, Environment Agency, and Chair of Sustainability South West, highlighted the need for all of us to change our priorities.

Feedback during Q&As at a Renewable Energy Office Cornwall workshop with local SMEs, (REOC), made the repeated comment that when you do find them they are very complex and often favour big player who can work through the paper pile and provide matched funding. If you can match the funding you probably didn’t need the money anyway.

So should the overriding reply in this consultation be one of despair? Probably we should leave it to James Lovelock to remind us “20% carbon reduction targets are a joke: its almost a waste of time trying to do anything until such time as we know the Titanic has started to sink...big changes in the way people think take about 40 years to settle in...” (Lovelock, 2000). This according to one person at least—Sir David King—is too long to wait, (King 2004).


May 2004

APPENDIX 18

Memorandum by Professor David Pearce OBE, Professor of Environmental Economics, University College London, and Visiting Professor, Imperial College London

Historical note: Professor Pearce was Special Advisor to the Secretary of State for the Environment 1989–92. He was the main author of the UK Government’s response to the Brundtland Commission’s 1987 report Our Common Future (Pearce et al 1989), and was one of the contributor’s to the UK’s first White Paper on environmental policy—This Common Inheritance released in 1990. He has written extensively on the economics of sustainable development

THE DEFINITION OF SUSTAINABLE DEVELOPMENT

A common confusion relates to the definition of sustainable development and the conditions necessary to achieve it. Sustainable development is simply development that lasts. How far into the future one should look is open to debate: most would probably agree that thinking 50 years hence is very sensible, and perhaps 100 years too. Thinking ahead 1,000 years or more hardly seems consistent with human preferences (our “coefficient of concern” declines with time) or the reliability of information, but see below. “Development” is a value word: it means whatever people want it to mean. But most people would accept that rising material
The chances of sustainable development are largely invariant with the definition. If so, debating definitions is interesting but not particularly helpful. Nonetheless, it is clear that some people advocate, or imply, definitions of sustainable development that would require radically different actions—the issue is discussed shortly.

The Conditions for Achieving Sustainable Development

The economics literature on sustainable development is much further advanced than the literature from other disciplines. That literature emphasises the role of capital assets as the means for “producing” development, i.e., capital assets define our capabilities for development. Of course, any generation can fail to achieve this potential by mismanaging those assets, and there is plenty of evidence that many countries have done this. It is vital to understand what is meant by “capital assets”. They comprise the conventional meaning—manufactured assets such as infrastructure and machinery (the old-fashioned definition of capital); the stock of skills and knowledge—human capital as it is now called; the stock of environmental assets and natural resources (oil, coal, water, water quality, the global atmosphere etc); and the set of trusting social relationships between people and between people and institutions—so-called “social capital". Human freedoms are usually regarded as part of social capital. There is an extensive literature in development economics showing how human wellbeing varies with the endowment of these assets. Technological change permits any of these assets, or all of them, to be more “productive”—just as we know workers are more productive the more manufactured capital they have, so we know that technological change has raised the productivity of natural resources, and so on. Whilst debated by some, population growth tends to dissipate capital resources—spreading them out over more and more people, and thus lowering the per capita endowment of those resources. Research shows that surprisingly low rates of population growth (around 1% per annum) are sufficient to place sustainable development at very serious risk. Political correctness has tended to downplay these findings, but nothing is gained by pretending that the chances of sustainable development are unaffected by population growth.

Achieving sustainable development thus requires that we increase the endowment of the overall stock of assets per head of the population through time. At the very least, that per capita stock should not decline unless we are satisfied that the positive effects of technological change are outstripping the negative effects of population change.

The Brundtland Commission

While sustainable development was discussed well before the Brundtland Commission’s report of 1987, that Commission placed the concept “on the map”. There are two features of that Report worth noticing. First, the Commission was as concerned, if not more so, about distribution of wellbeing across people now, as they were about distribution through time. Curiously, most of the subsequent literature has focused on the inter-temporal distribution, perhaps because the problems of poverty are well known, and the problems facing “future generations” are, for some reason, more attractive to debate. The phrase “sustainable development” obviously contributes to this asymmetry of treatment. But the challenges of dealing with distribution of wellbeing now are arguably greater than the challenges facing future generations, and this presents a problem for policies purporting to be in keeping with “sustainability”. Resources devoted to avoiding or ameliorating future problems could well be at the expense of resources that could alleviate poverty problems now. The added puzzle is that future generations have a higher probability of being richer than the current poor than being poorer. If there is a trade-off—see below—it seems odd to allocate resources to the potentially richer than the actually poorer.

Brundtland never resolved this issue because, excellent though it is in many ways, it was a political report that contained a message that any politician finds attractive: there are no trade-offs—we can have everything. This illusory message has fostered much of the subsequent “popular” literature on sustainable development. This literature argues that we can have economic growth, environmental quality, social justice for the poor now, limited life risks for future generations, and so on. The kind of picture thinking that results is typified by the endless triangle and other diagrams showing the “three pillars” of sustainable development: social, economic and environmental. That simply is not true, and it seems that only economists have faced the reality that there are, and always will be, trade-offs.

At the domestic level even casual empiricism testifies to the trade-offs. The UK government’s policies on housing and airport expansion alone are not consistent with maintaining environmental assets in their current form. Overall land-take and fragmentation of habitats means that biodiversity must decline. It is true that one can think of other policies—e.g., the Water Framework Directive—which might actually increase biodiversity through improved water quality. But whether one environmental asset substitutes for another raises interesting issues of trade-offs within the “environmental account”.

Standards of living (real GNP per capita) are important, as is good health, education, environmental quality and human freedoms. An almost endless list of indicators exists for measuring “development”—a virtual industry in producing them has emerged. But it can be argued that what has to be done to achieve sustainable development is largely invariant with the definition. If so, debating definitions is interesting but not particularly helpful. Nonetheless, it is clear that some people advocate, or imply, definitions of sustainable development that would require radically different actions—the issue is discussed shortly.
SUSTAINABLE CONSUMPTION

Like “sustainable development”, sustainable consumption is a much abused term. But it is possible to give it rigorous meaning. The simplest way is to think in terms of the following two arguments. First, we are used to the idea that income is made up of what we consume (consumption) and what we save (saving). This holds true regardless of the agent (household, government, company) doing the consuming and saving. Second, no agent is economically viable (sustainable) if he or she fails to put aside resources each year to cover the depreciation on assets. Restated, the rule for sustainability is that savings (what we put aside) must cover depreciation on all assets. But we know that assets consist for the four types of capital outlined above. So, the rule for a nation (it is more complex for a sector or even a corporation) is that the nation must save more than the depreciation on man-made assets, on the environment and on social trust. Human capital is probably in a “special” situation because although we lose wisdom and knowledge when (some) people die, others tend to replace them, and the stock of knowledge expands. National accountants are used to calculating depreciation on man-made assets (“capital consumption” in the accounts) and are increasingly understanding that they also have to calculate resource depreciation (extraction and use of resources which are not replenished) and environmental depreciation (pollution damage). Others (rightly in my view) also worry about “social depreciation” which shows up in increased lawlessness, social breakdown, disrespect and unruly behaviour.

All this suggests that one can define a concept of “genuine savings” which is simply the difference between savings and asset depreciation. If savings exceed overall depreciation, “genuine” savings is positive. What this reduces to is a simple requirement—we can consume as much as we like so long as the capital base of the economy (the stock of assets) does not decline. Put another way, (maximum) sustainable consumption is that level of consumption consistent with genuine savings being zero.

This is the essence of the economic analysis of sustainable consumption. It gets more complex once we allow for population change and technological change, but the basics are as set out above. It may be worth noting that, while the argumentation may look slightly complicated, it is all consistent with old fashioned views that one should not “sell the family silver”. It does have considerable implications for policy, however. If one runs down North Sea oil and gas, it is necessary to use the proceeds (the “rents”) to build up other capital assets. Many countries, including the UK in the past, have failed to do this—they “consume” the proceeds and because of the way national accounts are calculated, this fosters the illusion that they are growing “sustainably”. Proper construction of capital accounts would show that they are not necessarily sustainable. Work at the World Bank, using these notions, has shown, for example, that under reasonable assumptions even an economy as large and powerful as the USA can fail a sustainability test.

One could make this sustainability test stricter. Some people believe that environmental assets are so “special” that, not only should we insist on the overall stock of assets growing, we should add a further requirement that environmental assets should not decline. This is sometimes called “strong sustainability”. It contrasts with the notion of sustainability introduced above because it would not allow a decline in environmental assets to be offset by an increase in other assets. Thus, extracting North Sea oil cannot be compensated for by building more universities, say. The loss of oil assets must be compensated by some other environmental asset—perhaps more renewable energy. This notion has many problems and space forbids a discussion here, but it is easy to see why it is attractive. We know far less about what environmental destruction will do to future wellbeing than we know about man-made assets. We can also build and “unbuild” roads and houses: we can’t recreate many environmental assets when they have gone.

Changing the notion of sustainable consumption to allow for this view is quite easy. What happens is that the added constraint—keeping environmental capital constant (whatever that means)—means that some resources must be devoted to honouring that constraint when they might have yielded a higher social return by being invested in, say, education or health. There is an “opportunity cost” of the constraint on using natural resources and this will lower the maximum sustainable consumption level. Simply put, in a world where strong sustainability ruled, there would still be a sustainable consumption level but it would be less (per capita) than in the world where all assets are substitutable for each other. (It is important to avoid another confusion which pervades the literature: no-one is suggesting one can substitute for all natural resources. The issue is substitution “at the margin”. Moreover, substitution is never one-way: it could be the case that it is better to invest in natural resources than more universities. It is an empirical matter, not one of faith or dogma).

OTHER NOTIONS OF SUSTAINABLE CONSUMPTION

Both the above notions of sustainable consumption have rigorous content. The same cannot be said for other notions which are, nonetheless, quite popular. Confusion is again generated by a failure to define terms properly: consumption is income not saved. Call this final consumption. The consumption of materials and energy is an input to this concept of consumption. It makes a lot of difference if one is arguing about the former or the latter, or both.

The first alternative notion has no real definition of what is and what is not “sustainable” consumption. Instead, it simply requires that consumption levels be reduced. There are two meanings to this.
One is (presumably) totally uncontroversial. It requires that we consume less materials and energy per unit of final consumption. This is resource efficiency or resource productivity, and the UK government has a modest programme of work on this notion. We know that, in terms of technological potential, resource productivity gains could be enormous (the so-called “factor Four” argument). The debate then shifts to the costs and benefits of securing this potential and the means of achieving it (market-based environmental policies seemingly being particularly effective in this context).

The second meaning of “reduced consumption” is that final consumption is reduced. We simply “consume less” by spending less money on consumer goods. One reason for doing this is that someone may think it “wrong” to spend money on “frivolous” goods or even goods they consider to be harmful. Such a view, quite widespread among the more “evangelical” of environmentalists, raises all kinds of issues about who decides, and whether overriding human preferences is itself consistent with any sensible notion of sustainable development. My own view, for the record, is that such an approach to sustainable development is both undemocratic and self-defeating (which does not mean that the viewpoint should not be aired!).

Another reason for reducing final consumption, relevant to sustainable consumption, is that if we reduce consumption we will also reduce the use of energy and materials. This second argument might have some merit if the ratio of energy and materials used to consumption is fixed in some way. The resource productivity argument tells us that these ratios are not at all fixed. Initially, it seems perverse to argue for reduced consumption on environmental grounds if we can secure the same end by resource productivity without interfering with what people want.

The reality is that this alternative view of “sustainable consumption” is a weakly disguised version of the 1970s anti-growth literature. Some of its advocates are honest enough to say so, some are not. As noted, it has major, and I would say, insuperable problems. It does not appear to be consistent with what people want, it could not be usefully implemented on a unilateral basis, it would harm those supplying us with goods and services (including poor countries) and it would raise a myriad social problems. But suppose all these were regarded as an acceptable trade-off for the environmental returns. How would one implement an anti-growth (anti high consumption) policy? One could tax consumption and subsidies savings. But savings are simply tomorrow’s consumption so nothing is achieved by this. One could have campaigns telling people they should not consume this or that. One could reduce expenditure on education and health and on technological change, because these are the things we believe generate higher consumption possibilities. A moment’s reflection shows that “sustainable consumption” on this approach is not a feasible goal.

There is a sustainable consumption literature that shows how many resources are used by the “rich” compared to the “poor” and this is used to argue that the rich should be less rich and the poor less poor. But several muddles are involved in this argument. The aim of development is, in part, to make people “rich”, so it seems illogical to complain that the policy should not be successful. It also tends to imply that if we take $1 away from, say, an American citizen, this $1 will magically reappear as $1 for a poor person. It will only do this if the $1 actually materialises and is then taxed away and given to the poor. But this sustainable consumption literature says that the $1 should not have been generated in the first place. If so, it simply never appears for rich or poor: it is, to paraphrase Monty Python’s parrot sketch, a “non-dollar”. If this “literature is complaining about is the high volume of materials and energy used per person in rich countries (interestingly, not per dollar, because resource efficiency tends to be higher in rich countries than in poor countries) then we can have sympathy. But this is an argument about resource productivity, not reducing consumption.

Finally, there is a notion of sustainable consumption which argues that we should consume less because that will reduce environment pollution and resource use and hence what resources we have will last longer and we can hence have more future generations than we otherwise would have done. The idea here is to maximise human survival time on Earth. It has a kind of evolutionary arrogance about it as a goal, but no doubt some people would find another, perhaps religious, rationale for it. But if maximising survival term did make any sense, its implications are formidable. The easiest way to bring it about would be to lower the consumption level of every generation (except the last one ever to exist!) to subsistence levels. This hardly has any appeal to any generation, save the last one to exist.

**Conclusions**

— Clarity in arguing about sustainable development can be aided by differentiating definitions of sustainable development from conditions for sustainable development.

— The definition involves defining a value word—“development”—but this definition may not matter if the conditions for achieving whatever the goal is, are similar.

— While most of the discussion about sustainable development is about inter-temporal development, the Brundtland Commission was clear in giving priority to development for the poor now.

— Allocating resource to inter-temporal concerns involves using resources that could be used to help the poor now. The result could be perverse, with resources being allocated to people in the future who will probably be richer than the poor now.
— The correct context for policy is one of trade-offs. The popular literature, aided by the Brundtland Report, has given the impression that sustainable development is about having everything at the same time. This is an illusion.

— Actual policy proceeds with trade-offs that are often ill-informed. Housing and other land use policy in the UK might be an example. It is certainly not an example of “development” that protects environmental assets.

— “Sustainable consumption” can be defined rigorously, although this is not how it is treated in the major part of the popular literature.

— The first rigorous notion defines sustainable consumption as that level of consumption that is consistent with not running the nation’s overall capital assets down. This is equivalent to saying that “genuine savings” must not be negative.

— The second rigorous notion of sustainable consumption is that level of consumption consistent with maintaining all capital assets, and, maintaining environmental assets at their existing level as well. If investing in resource conservation has a lower rate of return than investing in, say, education, this definition implies a lower level of maximum sustainable consumption than the previous definition.

— Other notions of sustainable consumption are usually muddled or infeasible. One popular notion is simply that consumption levels should be reduced in order to save resources and the environment. If so, one would want to know why this cannot be better achieved by resource productivity than by reducing consumption. There are also problems in terms of thinking what the policies are that would reduce consumption. Most would be infeasible because they would be politically suicidal, but there are also questions about whether such policies could ever be implemented without sacrificing the means of development—education, health, and technological change—which are regarded as good in themselves.

— Much of the “sustainable consumption” literature is actually a rebirth and restatement of the 1970s anti-growth literature. The idea that the rich should be less rich and the poor less poor is muddled. Certainly the poor should be richer, but making the rich less rich is simply a gratuitous loss of wellbeing—it does not make the poor any less poor. But it is correct to insist that we do all we can to make the rich more resource productive per capita, just as they are already more resource productive per dollar or pound.

May 2004

APPENDIX 19

Memorandum from the Public Utilities Access Forum

INTRODUCTION

Founded in 1989, the Public Utilities Access Forum (PUAF) is an informal association of organisations that helps to develop policy on the regulation of the public utilities providing electricity, gas, communications and water services in England and Wales. PUAF facilitates the exchange of information and opinions between bodies concerned with the provision of those utilities to consumers with low incomes or special service needs, such as the elderly and people with mental and physical disabilities. It draws the particular problems of such consumers to the attention of the industries, the regulators and other relevant bodies, promoting the adoption of policies and practices that cater for their needs, exchanging information about service provision and promoting research.

1. The Forum has become increasingly concerned with the issue of the way social protection in the energy and water sectors is accommodated and achieved within sustainable development. There are two main reasons for this. First, it is by no means clear how the social, environmental, and economic elements within sustainable development are in practice reconciled—not for that matter is it at all clear how indeed they might be! Second, we believe that all too often, the social dimension is left out and “sustainable development” is taken to have the limited meaning “environmental sustainability”.

THE ABSENCE OF CLARITY ABOUT SUSTAINABLE DEVELOPMENT

2. The definition of “sustainable development” is of critical importance. We need to know what it does—and does not—include, and whether all its elements are to be afforded equal importance or subject to some form of hierarchy. This is vital if we are to be clear about the implications of sustainable development for policy-making, and how its objectives are to be achieved.
3. At present, it is assumed that sustainable development consists of three pillars, which are normally characterised as economic, social and environmental. However, our view is that all too frequently the social element is treated at best as an add-on; at worst, a poor relation that may be ignored. It is instructive that the quotation cited in the Committee’s first question refers solely to the environmental and economic aspects.

4. Our concerns are illustrated by the view of the Sustainable Development Commission’s recent report, which states that:

We see a society and a Government whose prime objective is still the achievement of economic growth ..., with as much social justice and environmental protection as can be reconciled with that central goal. We envisage a society whose primary goal should be the wellbeing of society itself and of the planetary resources and environment that sustains us all, with economic objectives shaped to support that central goal rather than the other way around.52

5. The need to bolster the status of the social element of sustainable development is further amplified by the Commission’s reference to the omission of “equity” within the government’s sustainable development principles.52

6. We consider that the Sustainable Development Strategy fails to place sufficient weight on the need to make trade-offs between different objectives. In particular, we are extremely concerned about the lack of clarity surrounding the ways in which social objectives are reconciled with, or traded off against, environmental protection and economic aims. Such concerns were recognised by the government in its annual report on sustainable development, which stated that: “There is concern that . . . all too often economic, social and environmental objectives are in conflict and that little explicit guidance exists on how to handle this.”55

7. The failure to make explicit the inter-actions and potential conflicts between the different objectives of sustainable development is also illustrated by the question posed in the current consultation on the UK sustainable development strategy: “How should we bring together ‘environment’ and ‘social’ concerns at national, regional or local level”?54 Posing the question in this way fails to bring the economic aspects of sustainable development into the equation.

8. We recognise that the government has placed growing weight on the sustainable development strategy, and has set up a myriad of inter-departmental committees, networks and processes in order to further its objectives. Moreover, in energy we have the Secretary of State’s Social and Environmental Guidance to the Gas and Electricity Markets Authority, and Ofgem’s Social Action Plan and Environmental Action Plan. But we are no clearer how the priority to be accorded to social protection is determined.

WHY SUSTAINABLE DEVELOPMENT MATTERS

9. The need to examine how the social objectives of sustainable development are accommodated and achieved is especially urgent because of rising prices in both the energy and water sectors.

10. A fall in energy prices has been the main driver in helping to cut the number of households in fuel poverty. The government’s recent report on its fuel poverty strategy recognised that the fall in prices is not expected to continue.55 We await the government’s forthcoming fuel poverty implementation plan to see what options are proposed to ensure that the fuel poverty targets can be achieved. However, we are concerned that too much emphasis has been placed on market-driven solutions, in particular, on encouraging households to find cheaper prices by switching suppliers. Tariff differentials mean that customers with pre-payment meters are frequently worse off and are also most likely to encounter barriers to switching. In any case, rising prices are likely to minimise possible future gains from retail competition.

11. Energy efficiency is frequently held up as the “win-win” solution to social and environmental problems in the energy sector. Whilst we recognise the importance of improving the energy efficiency of the housing stock and would not seek to minimise its significance in environmental terms, we cannot rely on this route, combined with dependence on the market, to ensure that our society is able to eradicate fuel poverty.

12. Sustainable development is a matter of public policy. However, paying for the furtherance of these policies tends to fall on the shoulders of consumers, which is essentially regressive in nature. Investment in energy efficiency measures is largely financed through consumers’ energy bills. In addition, the costs of greater reliance on renewable energy sources and related investment in the infrastructure also fall increasingly on consumers. This inevitably gives rise to potential conflicts and trade-offs between economic, social and environmental aims. Even without taking a view on whether these courses of action are justified or not, it is vital that policy-makers and regulators step back and take a coherent and comprehensive look at the nature and extent of the conflicts, and how any trade-offs should be reconciled. We do not consider that this is done at present within existing arrangements.

52 Ibid, para.62.
54 Taking it on: developing UK sustainable development strategy together, section 7, Defra, April 2004.
13. There are similar concerns for water, as you are aware from your recent enquiry into the Periodic Review. In the water sector, there is no effective social protection of a kind that would make water affordable. “Affordability” has the implication of entitlement, and with respect to water in England and Wales public policy is in the halfway position of guaranteeing supply (the disconnection ban) but doing nothing effective to ensure people are in a position to pay for it. In lamenting this, your committee has in its Fourth Report of 2003–04 also deplored the secondary status of the regulator’s sustainable development duty, compared with his primary economic duty. If we may say so, while we welcome your call upon Government to address the affordability of water, we would say this is not quite the point. The need as we see it is for Government to “do sustainable development” coherently and transparently, attending to the social dimension in an integrated way together with environmental and economic concerns.

CONCLUDING SUGGESTIONS AND OBSERVATIONS

14. To conclude, may we suggest the following be put to Government?

— Ask the Government to explain how sustainable development is “done”. Public policy that nobody understands is unacceptable.

— Quite apart from the question whether the “right” quality of life counts have been identified, how do we know that their separate pursuit adds up to sustainable development?

— The current arrangement for “doing sustainable development” appears to rest on a “Kentucky Derby model”. That is, the horses in each of the three dimensions proceed along their separate straights, each with its own adherents willing on their mount, and each faction urging its favourite to win—though not by so great a margin as to bring the race into disrepute. Can we not do better than this?

— If sustainable development is illusory—or, putting it more kindly, no more than a distant aspiration—should we not have an interim, perhaps lesser, policy goal that is coherent, and to which the Government can be held accountable?

May 2004

APPENDIX 20

Memorandum from Scientists for Global Responsibility (SGR)

This is a brief response from SGR, a UK-based organisation whose aim is to promote ethical science and technology, based on the principles of openness, accountability, peace, social justice and environmental sustainability. Our membership includes some 600 scientists and technologists.

While the Government has made some progress since it published its sustainable development strategy in 1999, SGR believes it has failed to appreciate the serious conflict between the economic indicators it uses, especially GDP growth, and environmental and social well-being. As various commentators have pointed out (including SGR), many activities which damage the environment and society contribute to economic growth (as measured by GDP). The Government needs to better understand that environmental problems such as biodiversity loss, climate change, and other forms of pollution are extremely serious and will result in damaging effects on both human society and the economy. Furthermore social problems, especially international poverty exacerbated by an unfair global economic system, need much more attention. Hence, it needs to give far greater priority to the environment and to social needs. One important way of doing this is by adjusting the indicators as recently recommended by the Sustainable Development Commission (SDC, 2004) and setting demanding targets for the environmental and social indicators which reflect the seriousness of these problems. Policies could then be more effectively judged as to how they are contributing (or not) to sustainable development.

May 2004
APPENDIX 21

Memorandum from Scottish Natural Heritage

Scottish Natural Heritage (SNH) is a non-departmental public body, sponsored by the Scottish Executive, responsible for promoting the conservation, enhancement, enjoyment and understanding of the natural heritage. The natural heritage comprises Scotland’s habitats, wildlife, and landscapes and the amenity which these natural resources offer. In our founding legislation (Natural Heritage (Scotland) Act 1991) we are required to “have regard to the desirability of securing that anything done, whether by SNH or any other person, in relation to the natural heritage of Scotland is undertaken in a manner which is sustainable”. We also have a range of “balancing duties” which include being required to take account of the needs of social and economic development in Scotland.

A: THE DEFINITION OF “SUSTAINABLE DEVELOPMENT”

The Government has stated that the Brundtland definition “is excessively narrow and puts undue emphasis on environmental concerns...[It] 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.” Does the definition of “sustainable development” matter?

1. Yes, the definition of sustainable development is important, as a reference to which more specific aims and objectives can relate. We think that the Brundtland definition is the best place to start because it captures all aspects of sustainable development. Like any definition of sustainable development it is contested, but the alternatives that have sought to clarify it are all disputed as well. These debates reflect the difficulties in resolving the conflicts of interest that are embedded in sustainable development.

2. We disagree that the Brundtland definition “lies at the environmental end of the spectrum of views...”. It recognises the importance of development (which is much broader than “economic growth”) such that the biosphere remains suitable for the existence of human kind. The Brundtland definition acts as a centre point from which the complex landscape of sustainable development can be explored. Evidence for this lies in the use of the Brundtland definition by people, organisations and governments espousing both “strong” and “weak” sustainability.

3. The Brundtland definition has international recognition and sustainable development raises a complex range of international issues. It could be hard for the UK to show that it remains fully engaged with those issues while working to a different definition of sustainable development to that used by the rest of the international community.

The Sustainable Development Strategy (the Strategy) requires all four key objectives to be met at the same time. Is this realistic? Is political support for this concept based upon its ambiguity? Does it fail to place enough weight on the need to make trade-offs between different objectives and the relative importance to be attached to them in that event?

4. As indicated above (paras 1–2), we agree that sustainable development necessarily brings together a range of social and environmental objectives. Decisions we take now that affect the environment will have a long-term effect on the wellbeing of this and future generations. We believe that any vision of the future should include looking after and improving Scotland’s high-quality natural heritage, not only for its own sake and to benefit people now but also to leave the best possible legacy for future generations.

5. We recognise that there is merit in the hierarchy proposed by the UK Sustainable Development Commission, as stated in “Mainstreaming Sustainable Regeneration: a Call to Action”, thus:

— protect critical natural capital in all circumstances;
— wherever possible, seek to optimise economic, social and environmental benefits over time;
— where that is not possible, seek to minimise any potential damage to the environment, people and their communities;
— only then can one trade off potential economic benefits against unavoidable social and environmental disbenefits.

However, a potential flaw of this hierarchy lies in the extent to which mainstream decision-making is driven by economic growth which tends to emphasise short-term cost considerations over long-term social and environmental sustainability.

6. There is a fundamental question emerging over the importance attached to “economic growth”. In particular we have always questioned the need to include “high”, as applied to economic growth, within the fourth of the UK Strategy’s four overarching objectives: as compared to “stable” economic growth, which we support. Emphasis on economic growth in decision-making can give greater weight to short-term economic cost considerations over long term social and environmental sustainability. While economic growth is often used as a measure of economic well-being, a number of insightful reports have shown the two to be poorly correlated (eg Life satisfaction: the state of knowledge and implications for government,
Cabinet Office, Strategy Unit, 2002; and Redefining prosperity, UK Sustainable Development Commission, 2003). Economic growth that leads to environmental degradation fails a major test of sustainability but is even less defensible if it fails to enhance well-being. The use of the title “A Better Quality of Life” for the UK Strategy has however been helpful in setting economic growth within a wider perspective.

B: HAS THE STRATEGY ACTED AS A DRIVER OR DOES IT OCCUPY A LIMBO EXISTENCE WHICH HAS LITTLE IMPACT ON DEPARTMENTS’ REAL PRIORITIES?

What specific impacts can be attributed to the Strategy since its introduction in 1999?

7. A key success of the 1999 strategy lay in the breadth of the debate and the challenging agenda that it set. The main weakness of its impact is in the extent to which the strategy has become part of mainstream decision-making, for example in transport policy in general, and air transport in particular.

How effectively has the Strategy linked to, or acted as the driver for, lower level strategies—whether topic specific strategies, such as the Climate Change Strategy and the Air Quality Strategy, or strategies of devolved administrations, regional and local government?

8. From a Scottish perspective, the links between the UK strategy (1999) and the Scottish approach to sustainable development set out in “Meeting the Needs . . . priorities, actions and targets for sustainable development in Scotland” (2002), are poor. These difficulties are explored very well in the current consultation paper (“Taking it On”), and the current process has the potential to develop a much more coherent and coordinated approach to sustainable development throughout the UK.

How much impact has the Strategy had on mainstreaming the environment in terms of objectives and targets set for individual departments in Public Service Agreements and in departmental strategies and business plans?

9. Within Scotland, at Parliamentary level there is a policy presumption that all policies should aim for sustainable development; there is a Ministerial subcommittee on Sustainable Development, and departmental programmes have been appraised against sustainable development in arriving at the last Spending Review decisions. It is arguable that none of these would have happened had there not been a Sustainable Development Strategy in existence. We believe the UK Strategy has acted as an important driver as an overarching policy perspective.

10. From any perspective, whether UK, devolved administration or local, the key test of any sustainable development strategy lies in the extent to which it becomes part of mainstream decision-making. This may require changes in the way that public expenditure is justified, for example by auditing of public accounts so that long-term social and environmental sustainability can be more effectively taken into account over short term cost considerations. This relates back to the question of emphasis on economic growth (para 6). “Mainstreaming” sustainable development may also require reviewing the remits of public bodies to make sure they have duties for sustainable development (eg Local Government in Scotland Act, 2003), or “balancing duties” with respect to social, environmental and economic interests.

Can a UK Strategy ever amount to more than a set of principles or aspirations, particularly in the context of devolved government? Is it needed, given the fact that—where progress is being made—it seems to be topic-specific and driven from the bottom? If it is needed, should it focus much more specifically on a small number of key themes and targets?

11. A UK strategy is important, because it can help send out clear messages from government. The existence of a UK strategy, coordinated with sub-national approaches, which clearly drives decision-making on day-to-day matters in government on how scarce public resources are allocated and accounted for, sends a clear message about how seriously government itself is taking sustainable development. Without this signal there could be a reduced incentive for the private sector to take appropriate action.

12. The question of priorities is important, and is central to the Scottish approach (“Meeting the Needs . . .”, 2002) and is raised in “Taking it On”. An overarching strategy for Sustainable Development is necessarily wide-ranging, and hence on its own may not be able to provide answers about the allocation of scarce resources. However, focusing on priorities can be problematic if they are pursued to the detriment of “non-priority” issues. For example, in Scotland, we are seeing loss of biodiversity and local landscape character associated with terrestrial wind-farm development, driven by government pursuit of climate change objectives. While that aim is worthy and has our strong support, there is an inadequate effort being made to secure a strategic approach which minimises adverse effects on the local environment. There is a danger that in this way, focusing on a small number of priorities can lead to successive issues “leapfrogging” to priority status. Tackling the key priorities in way that does not exacerbate other issues would lead to much sounder progress towards sustainable development. One way of doing this would be to test all decisions against all the major principles of sustainable development (eg the 10 principles contained in the 1999 strategy, currently under review).
C: HOW EFFECTIVELY DO THE INDICATORS REFLECT THE UK’S “SUSTAINABILITY GAP”?

*Could the Government have made greater use of indicators to drive policy and set targets in departmental business plans and Public Service Agreements?*

13. Yes. The breadth of the 147 “Quality of Life Counts” is impressive and the UK government has attracted international regard for its work on indicators. However, there is less evidence of significant steps to address adverse trends, or how to prioritise work on a range of adverse trends. As suggested above (para 12), the action arising from indicators needs to be aligned with other measures (such as principles of sustainable development) to make sure positive action on one trend is not contributing to an adverse trend in another.

**To what extent do the existing indicators, in particular the headline indicators, properly reflect the extent to which the UK is unsustainable? What additional or alternative indicators could address this gap?**

14. We note and support much of the analysis carried out by the UK Sustainable Development Commission on this subject (Shows Promise, but Must Try Harder, April 2004; Assessment of progress against the headline indicators, April 2004). This study highlights the tendency to report narrowly against the indicators themselves, rather than as a “way-in” to the complicated picture that indicators are designed to simplify. Our answers to the previous two questions highlight the need to combine the use of indicators with more rounded evaluation against underlying principles—which is the methodology used by the UK SDC in their study.

15. Our main concern is that there should be a consistent set of headline indicators in use across the whole of the UK. We welcome discussion of this issue in “Taking it On”. Our view is that the indicators for the UK strategy should be capable of being broken down to sub-national or local levels, so that the measures of sustainable development (and other indicators, for example on energy) are directly comparable across the whole of the UK. The current differences in approaches in different parts of the UK and in different sectors, makes like-for-like comparisons very difficult.

16. We have commented elsewhere (paras 6 and 10) on questions raised about the emphasis on economic growth, and agree with the UK SDC that a different approach is required to measure economic progress, and one that better reflects “wellbeing”.

D: HOW CAN THE CONCEPT OF SUSTAINABLE CONSUMPTION BE INTEGRATED WITHIN THE STRATEGY?

*Should sustainable consumption and production be seen as only one constituent part of sustainable development (ie a lower level strategy which sits alongside others), or as another way of looking at sustainable development itself?*

17. Sustainable consumption and production relate primarily to resource use and hence are focussed on a particular aspect of sustainable development—environmental capacity. This is only one of a range of objectives which require to be met—the “Taking it On” consultation identifies “environment and social justice” and “helping communities to help themselves” as two others. Hence, we would argue against viewing sustainable consumption and production as another way of expressing the totality of sustainable development. They are a means of securing some, but not all, of the required objectives.

*Sustainable consumption has so far been interpreted mainly in terms of sustainable production. What is the role of government with regard to encouraging changes in consumption itself—eg by managing demand or facilitating choice? What difficulties does it face in doing so?*

18. This question is particularly relevant to the questions of energy policy and climate change. Repeated analyses show that the main threat to meeting targets for the reduction of greenhouse gas emissions lie in the transport and domestic sectors. In these areas, and especially in transport, the overall increase in demand is far outstripping any efficiency gains. Managing demand in these sectors is politically very challenging. The use of the emission trading scheme model might be useful here, as it has the potential both to penalise over-consumption and to incentivise ongoing reductions in resource use. Consideration might be given to extending this model both at a business level (eg to waste production) and at a personal and domestic level (eg to transport fuel consumption). Care would have to be taken so as not to contribute to adverse redistributive effects, and to safeguard other interests that are not the direct focus of specific emission trading schemes. These are difficult issues, and some trials may be required to test the tool.

19. Any drive to reduce consumption overall may be seen by some as conflicting with the need for economic growth—and our comments on that raised in the other sections are relevant here.
E: ORGANISATIONAL STRUCTURES AND COSTS

Do the present organisational structures and policy mechanisms within Government contribute to the effective implementation of the Strategy? What improvements could be made in this respect? Is there a case for rationalising the number of organisations involved in key sectors?

20. See our response to Section B (paras 9–10).

Is there a need for a more consistent approach to incorporating sustainable development as an overarching objective in all Government organisations? Or would the ambiguity of the term prove unhelpful?

21. Yes. The ambiguity could be removed by testing decisions against the principles of sustainable development (as agreed through the current consultation “Taking it On”).

Has a lack of sufficient Government financial support for programmes and policies hindered the implementation of the Strategy in any way?

22. Our comments under paragraph 10, indicates that it is the degree of “mainstreaming” that is key, rather than specific funding. Even if specific funding streams were increased if they are viewed in isolation of mainstream decision-making, then the latter are likely to outweigh many of the benefits gained through increased funding. Significant changes are required in aspects of public accounting, the remits of public bodies and audit functions to encourage solutions that favour long term social and environmental sustainability over short term cost considerations. The latter tend to be driven by an emphasis on economic growth and minimisation of immediate costs, combined with a more risk averse rather than innovative culture.

May 2004

APPENDIX 22

Memorandum from South Gloucestershire Council

ABOUT SOUTH GLOUCESTERSHIRE COUNCIL

South Gloucestershire Council is a unitary authority created in 1996. It was formed from the previous districts of Kingswood and Northavon, and part of the former County of Avon and has a population of approximately 250,000. The population is expected to rise by approximately 2,500 per year, reaching 290,000 in 2021. The population is increasing faster than anywhere else in the South West and South Gloucestershire is one of the fastest growing areas in the country. Promoting and achieving sustainable development is therefore a priority for the Council.

“Has the Strategy acted as a driver or does it occupy a limbo existence, which has little impact on departments’ real priorities?”

1. General Comments
The UK Sustainable Development Strategy has been helpful in setting out sustainability as a national priority and has helped with the development of action at a local level. However there are certain limitations and some of these are set out here.

1.1 The definition of sustainable development in the strategy in particular the reference to growth means that it’s 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.

1.2 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 to the interpretation of the meaning of sustainable communities and sustainable development.

1.3 The Local Government Act sets out the requirement for Community Strategies to contribute to sustainable development in the UK and in South Gloucestershire we have agreed a Strategy that provides a strategic sustainability
framework. However there is no requirement for a sustainability appraisal of the strategy or subsequent monitoring and this has meant that in some areas Community Strategies are very parochial and only deal with local environmental issues. As Community Strategies are meant to mainstream Local Agenda 21 it is of concern that these monitoring arrangements are not in place.

1.4 A lot of effort is expended on developing strategies and at the moment there are a proliferation of strategies at a sub regional level that set out aspirations but do not seem to have any teeth. Greater use of legislation to control resource use and waste and the impact of private and public sector organisations would be more effective and help implementation of UK Sustainable Development Strategy at a local level.

1.5 Complicated funding streams for carbon reduction initiatives result in a disproportionate amount of time being spent in submitting funding bids for relatively small scale projects with little impact on overall CO₂ emissions.

2. The limitations on implementing the Strategy for Local Planning Authorities

2.1 Emerging national planning policy guidance, which is now issued in the form of Planning Policy Statements, often refers to the Sustainable Development Strategy, and planning policies are in theory designed to achieve it. In practice there is often a gap between the aspirations set out in national planning policy documents and the powers that local planning authorities have to ensure those outcomes.

2.2 The Development Plan Regulations require local authorities to have regard to environmental considerations when preparing development plans. PPG12 outlines issues that local authorities may address in development plans including the reduction of CO₂ emissions through energy efficient design.

2.3 The Audit Commissions inspection of the Council’s Building Control Service recommended that the Council should be promoting energy efficiency standards above those set out in the Building Regulations.

2.4 A policy on energy efficient design was included in our Deposit Draft Local Plan. The Government Office for the South West objected to this on the basis that the Building Regulations are the appropriate legislative regime for promoting energy conservation measures through building design and the local plan should not seek to duplicate or extend such provisions. This is now being considered through the Public Inquiry.

2.5 This type of inconsistent and conflicting advice from different government departments and agencies make it difficult for local authorities to have an impact at a local level.

2.6 Without additional regulation it is unlikely that Local Planning Authorities will be able to influence significant improvements to new homes, buildings and developments in terms of sustainable construction.
APPENDIX 23

Memorandum from the Woodland Trust

1. BACKGROUND

1.1 The Woodland Trust welcomes the opportunity to respond to submit written evidence to this inquiry. The Trust is the UK’s leading woodland conservation charity. We have four main aims: no further loss of ancient woodland, restoring and improving woodland biodiversity, increasing new native woodland and increasing people’s awareness and enjoyment of woodland. We own over 1,100 sites across the country, covering around 19,000 hectares (47,000 acres) and we have 250,000 members and supporters.

1.2 Our comments cover both some of the specific issues raised by the Committee and as suggested, a number of other issues which we consider relevant.

A: THE DEFINITION OF "SUSTAINABLE DEVELOPMENT"

Does the definition of sustainable development matter?

2.1 The definition of sustainable development matters greatly. We disagree with the statement that the Brundtland definition “is excessively narrow and puts an undue emphasis on environmental concerns”. This definition has become widely accepted and informed the original UK Sustainable Development Strategy (UKSDS), “A Better Quality of Life”, produced in 1999. Effective action for the environment is likely to be diluted if the consensus which exists around Brundtland is jettisoned in favour of a more fluid approach to the definition. This is an overarching definition which has stood the test of time for 17 years and is capable of continuing to do so.

2.2 We already have a situation where despite the fact that our dependence upon the natural world is acknowledged in a concept of sustainable development which attempts to place environmental concerns on a par with economic and social ones, decision makers remain seduced by short term economic needs. As this committee has stated “the barometer clearly shows the environmental element of sustainable development to be the “Cinderella” of the three with little indication of how this situation is being tackled”.

2.3 It is vital that the imperative to protect and enhance the environment as a central part of sustainable development is recognised in the revised strategy. Any process redefining the concept must ensure that the desire to provide, for example, more homes in the South East of England does not compromise our ability to protect the environment now and in the future. Seeking a shift to a definition which places less emphasis upon the environment would seem to be opening the floodgates to an approach based more on expediency.

3. The SDS requires all four key objectives to be met at the same time. Is this realistic? Is political support for this concept based on its ambiguity? Does it fail to place enough weight on the need to make trade-offs between different objectives and the relative importance to be attached to them in that event?

3.1 One of the strengths of the existing strategy is the emphasis which it places upon the objectives being met at the same time. This avoids the kind of trade-offs described above. An increasing difficulty that we have found with government departments including ODPM is a shift away from the integrationist approach and towards an approach which seeks to “balance” or trade-off the different aims of sustainable development. This is a dangerous route to go down because most balancing exercises involve attempting to rate the economic value of the environment, which will almost inevitably cause the environment to be undervalued, although there is a growing body of evidence highlighting the value of “non-market” benefits of the environment to society. Instead, sustainable development should value the environment for its own sake as something worth protecting in its own right.

3.2 We do not doubt that meeting all four key objectives at the same time is a difficult process, but this is not a reason for not attempting to achieve this. It is essential that this process takes place. Development which pursues one of the four objectives to the detriment of one or more of the others should not be permitted and this is why the overarching definition provided by Brundtland is so useful.

3.3 All too often we have found that development ignores the fact that certain environmental resources such as ancient woodland are irreplaceable and that their loss cannot be offset by compensatory tree planting elsewhere, for example. It is vital that the dilution of the objectives by providing for the possibility of trade-offs is not promoted in the new strategy.

B: Has the Strategy acted as a real driver?

4.1 One of the strengths of the existing approach is the way that it has been presented in terms of quality of life rather than in more austere terms. This has made it easier for the public to identify with what might be in danger of remaining an abstract concept.

4.2 The difficulty however, arises from the extent to which the strategy has remained the province of Defra and has not appeared to inform the work of other departments to any meaningful degree. This has been especially apparent with regard to transport where the Government has pandered to growing demand for air travel fuelled by its own price subsidies despite the fact that it is predicted to be one of the largest individual contributors to climate change by 2050. The proposed developments at Stansted will include the loss of 86 hectares of ancient woodland, the UK habitat that contains more threatened species than any other. This has clearly not been informed by the Brundtland definition as by its very nature, this would demand protection of the irreplaceable. We would also question whether the proposals have been informed by the UKSDS’s own definition—there is little evidence of any attempt to meet all four aims of sustainable development in the Department for Transport’s approach to the issue.

4.3 The production of a new strategy should be accompanied by a new emphasis on truly cross-Government implementation and greater efforts to build the understanding of sustainable development issues within other departments. Number 10, the Cabinet Office, ODPM and the Treasury have an especially important role to play in this regard.

5. How effectively has the Strategy linked to, or acted as the driver for, lower level strategies—whether topic specific strategies, such as the Climate Change Strategy and the Air Quality Strategy, or strategies of devolved administrations, regional and local government?

5.1 A weakness of the current strategy is that it was developed just before devolution took place across the UK. As a result there seems to have been little buy-in from some of the devolved administrations to the UK strategy. Although Wales has developed a strategy along similar lines, Northern Ireland is yet to develop one and the Scottish strategy has gone down a completely different route.

5.2 In terms of specific topic strategies, the Climate Change Strategy is an interesting example. Clearly any programme attempting to address the issue of climate change by cutting emissions and adapting to its impacts must be informed by sustainable development. However, we would question the lack of emphasis placed on climate change by the current UKSDS. Although it does address the issue, we do not believe it places enough importance on the issue in its current form. Climate change is perhaps the biggest threat to the natural and human world and it is essential that the revised strategy places more emphasis on the need to both reduce emissions, but also on the need to adapt to the impacts of climate change.

C: How effectively do the indicators reflect the UK’s sustainability gap?

6.1 As the Royal Commission on Environmental Pollution have noted: “There are seven environmental indicators among the headline indicators for sustainable development established for the UK as part of that strategy but although some of them relate to targets set previously they do not in themselves represent policy commitments and they do not cover all aspects of the environment”.57 The Commission went on to recommend an approach similar to that which has been adopted in the Netherlands and Sweden, with a comprehensive and definitive statement of priority objectives for the environment being produced now for each part of the UK and widely publicised. It also went on to add that the statements should be prepared on the basis that “sustainable development is achievable only if the environment is safeguarded and enhanced”.58 This is an approach which we believe should guide the revision of the current strategy and which would serve to add greater weight to its status.

6.2 One of the main strengths of the current strategy is the breadth of the indicators contained in Quality of Life Counts. Although there are 150 of them, they do provide a good broad suite of indicators against which sustainable development can be measured. It is important that the review of the strategy does not involve loss of indicators on the basis that there are too many to monitor, or data not yet being available. As they stand at present, the indicators present a reasonably balanced selection of indicators for sustainable development. If an indicator was worthy of inclusion in the first place, then it still is now and should be maintained in the revised strategy.

6.3 We are concerned about the hierarchy that has been created between the headline and the wider suite of indicators. To some extent this undermines the fact that the wider suite of indicators is so broad (which is an advantage of them), by suggesting that in fact only 15 of them are really important.

6.4 One area with an especially strong contribution to make to the achievement of sustainable development is woodland, rightly described in the Rural White Paper as “a true multi-use activity”.59 This has been borne out by Making woodland count, recent research on the contribution of woodland to quality of life carried out for the Woodland Trust by ERM. This found that woodland was delivering on 11 of the

58 RCEP op cit. para 8.10.
15 headline UK indicators of sustainable development set out in Quality of Life Counts and 21 of the wider set of indicators. This should mean that any revised strategy recognises the very wide contribution this resource is able to make to sustainability and ensures that protection of the most precious resource—ancient woodland, our richest habitat for wildlife, and expansion of woodland cover (the UK is one of the least wooded countries in Europe) are afforded the prominence they warrant if we are to achieve a more sustainable future.

6.5 If however, as seems inevitable, the hierarchy between headline and other indicators is maintained, we believe it is important that the Indicator S11 (Area of ancient woodland in GB) be included in the headline set. Ancient woodland (land that has been continually wooded for at least 400 years) is our richest habitat for wildlife, being home to more species of conservation concern than any other habitat. Despite this, we are losing ancient woodland at an alarming rate. The reporting on this indicator is still too lax despite the fact that we do have an inventory of ancient woods in Britain and a professed desire by the Forestry Commission, English Nature and environmental NGOs to keep this up to date. The result of this is that the reporting on the figures in the annual report suggests there is not enough data to assess whether the area of ancient woodland in GB is in fact declining. In the absence of such data, the Woodland Trust has had to take action to attempt to assess this, and we are currently aware of over 300 sites that are under threat. Many of these sites have been severely damaged or lost and it is important that this fact be reflected in the reporting process for the strategy.

6.6 Ancient and mature trees harbour a unique array of wildlife and the Woodland Trust and the Ancient Tree Forum (ATF) wish to see this priceless legacy conserved for the benefit of all in our society. It is important that there is no further avoidable loss of ancient trees through development pressure, land use intensification, mismanagement or poor practice. We also believe that ancient trees should be included in the wider suite of indicators. The Trust and the ATF would therefore like to see a commitment to auditing the ancient tree resource of the UK fully and to use the results as the basis of a UK sustainability indicator to be included in the wider suite.

E: Organisational structures and costs

7. Do the present organisational structures and policy mechanisms within Government contribute to the effective implementation of the Strategy? What improvements could be made in this respect? Is there a case for rationalising the number of organisations involved in key sectors?

Is there a need for a more consistent approach to incorporating sustainable development as an overarching objective in all Government organisations? Or would the ambiguity of the term prove unhelpful?

7.1 As described above, there are several key departments in the UK Government whose actions do not appear to reflect the objectives outlined in the UKSDS. We believe that the problems associated with implementing a cross-departmental strategy have hampered its implementation. Perhaps a better approach would be to give Number 10 greater responsibility for implementation of the UKSDS. This would ensure that all departments including Transport, for example, would be aware of the importance of the strategy. By its very nature, sustainable development must be implemented throughout each and every department both in Whitehall and throughout Scotland, Wales and Northern Ireland.

7.2 A consistent approach to incorporating sustainable development as an overarching objective in all Government organisations is vital. It is surprising that this has not been pursued as a process. The agenda of the strategy is not ambiguous, it only loses clarity when people try to adapt the definition to their own ends. Providing consistency of approach across all departments would be a great step forward. We have seen the benefits of having sustainable development written into the aims of the Welsh Assembly and would expect similar results across government if a more overarching approach was adopted.

May 2004

APPENDIX 24

Further Supplementary Memorandum from The Royal Society for the Protection of Birds (RSPB)

1. You stress the need to work safely within ecological limits as the bottom line. In the case of greenhouse gas emissions and global warming, the concept of an environmental limit has become widely understood and accepted. How well developed is this concept in other areas?

62 Please also see supplementary memorandum, Ev.
We know that human life depends on healthy ecosystems that supply life-sustaining resources and absorb wastes. However, current growth and consumption patterns are placing increasing stress on ecosystems. This is evidenced through signs such as environmental degradation, biodiversity loss, deforestation, and the breakdown of social and economic systems. Each of these can be monitored and measures in different ways, such as threatened species status, loss of old growth forest cover etc.

Ecosystems threatened, for example, by over-harvesting and/or overwhelmed by more wastes than can be absorbed, lose resilience (i.e. the ability to absorb shocks and disturbances) and may suddenly break down and/or settle into a different system with less resilience. This implies there are thresholds at which the levels of stress will lead to the disruption of the system.

One concept used to understand these critical limits and thresholds is “carrying capacity” which assumes that there are a finite number of people who can be supported without degrading the natural environment and social, economic and cultural systems and, as such, “is an indirect measure of the maximum level of stress that the ecosystem can maintain” (Barbier, Burgess and Folke 1994). Rees (1996) has developed this to address per capita consumption by defining carrying capacity not as a maximum population but rather as the maximum “load” that can safely be imposed on the environment by people. This is significant as per capita consumption is increasing even more rapidly than population due to expanding trade and technology. As Catton (1986) observes: “The world is being required to accommodate not just more people, but effectively ‘larger’ people . . .”. For example, in 1790 the estimated average daily energy consumption by Americans was 11,000 kcal. By 1980, this had increased almost twenty-fold to 210,000 kcal/day (Catton 1986).

In a finite world, economic assessments of the human condition need to be based on, or at least informed by, ecological and biophysical analyses. Appropriate ecological analyses should focus on the flows of available energy/matter particularly from primary producers (at a most basic level green plants and other photosynthesisers) to sequential levels of consumer organisms in ecosystems (specifically, humans and their economies) and on the return flows of degraded energy and material (wastes) back to the ecosystem.

A fundamental question for ecological economics, therefore, is whether the physical output of remaining species populations, ecosystems, and related biophysical processes (i.e. 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. “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 functional ones. This recognised through the Convention on Biological Diversity and the 2010 biodiversity target.

The interaction of ecological, economic, and social factors is complex with the disruption of ecosystems having economic and social consequences as well as fundamental changes in the economic and social subsystems leading to changes in the ecosystem. However, there is still a general lack of knowledge regarding ecosystem functioning and ecological limits to economic and social activity (i.e. carrying capacity). Greater research is needed in this sphere, particularly in relation to international development and degradation of the tropics, which represent some of the most biodiverse areas in the world.

In light of this lack of knowledge, the precautionary principle*, as set out in Agenda 21, and its use to guide policy and action becomes fundamentally important.

*Definition of the Precautionary Principle: Where there are threats of serious or irreversible damage, lack of full scientific certainty should not be used as a reason for postponing cost-effective measures to prevent environmental degradation. (Agenda 21, Principle 15).

It asserts there is a “premium” on a cautious and conservative approach to human interventions in the natural environment where our understanding of the likely consequences is limited and there are threats of serious or irreversible damage to natural systems and processes. (As noted by Myers 1993 in Barbier, Burgess and Folke 1994, 172).

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