



House of Commons
Environmental Audit
Committee

**A 2010-15 progress
report**

Eleventh Report of Session 2014–15

*Report, together with formal minutes relating
to the report*

*Ordered by the House of Commons to
be printed 11 March 2015*

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.

All publications of the Committee (including press notices) and further details can be found on the Committee's web pages at www.parliament.uk/eacom.

Membership at the time of the report

[Joan Walley MP](#) (*Labour, Stoke-on-Trent North*) (Chair)

[Peter Aldous MP](#) (*Conservative, Waveney*)

[Neil Carmichael MP](#) (*Conservative, Stroud*)

[Martin Caton MP](#) (*Labour, Gower*)

[Katy Clark MP](#) (*Labour, North Ayrshire and Arran*)

[Zac Goldsmith MP](#) (*Conservative, Richmond Park*)

[Mike Kane MP](#) (*Labour, Wythenshawe and Sale East*)

[Mark Lazarowicz MP](#) (*Labour/Co-operative, Edinburgh North and Leith*)

[Caroline Lucas MP](#) (*Green, Brighton Pavilion*)

[Caroline Nokes MP](#) (*Conservative, Romsey and Southampton North*)

[Dr Matthew Offord MP](#) (*Conservative, Hendon*)

[Dan Rogerson MP](#) (*Liberal Democrat, North Cornwall*) [ex-officio]

[Rt Hon Mrs Caroline Spelman MP](#) (*Conservative, Meriden*)

[Mr Mark Spencer MP](#) (*Conservative, Sherwood*)

[Dr Alan Whitehead MP](#) (*Labour, Southampton, Test*)

[Simon Wright MP](#) (*Liberal Democrat, Norwich South*)

The following members were also members of the Committee during the parliament:

Richard Benyon MP (*Conservative, Newbury*) [ex-officio], Chris Evans MP (*Labour/Co-operative, Islwyn*), Ian Murray MP (*Labour, Edinburgh South*), Sheryl Murray MP (*Conservative, South East Cornwall*), Paul Uppal MP (*Conservative, Wolverhampton South West*).

Contents

Report	<i>Page</i>
1 Work of the Committee	3
2 Areas for further scrutiny in 2015–2020	9
Inquiry areas of future focus	9
Global sustainable development	9
Responding to climate change	10
Protecting the environment	13
Transitioning to a green economy	14
Embedding sustainable development in government	16
Wider ranging issues for the next Parliament	18
Achieving a better balance of sustainability	18
Following the precautionary principle	20
Engaging UK civil society and young people	21
Localism	22
The role of the market	23
Recommendations	25
Annex: Summary of key inquiry findings	29
Formal Minutes	47
Witnesses	48
Published written evidence	49

1 Work of the Committee

1. In the 2010–2015 Parliament, we have consistently focussed our attention on environmental and sustainability issues, often as a lone voice at a time when, despite the rhetoric, it has been low down on the political agenda. In our many interconnected reports we have exposed gaps and failures in government policy and also a silo mentality sometimes embedded in decision-making. The agenda is urgent, so this needs to change. The forthcoming UN conferences on Sustainable Development Goals and Climate Change provide an opportunity immediately after the General Election to pursue the ‘step change’ often advocated for climate change but in reality also affecting the wider sustainability agenda, including biodiversity, air quality and resource efficiency. Parliament and our successor Committee should lead this step change.

2. The next Environmental Audit Committee could play an important role in achieving this aim, facilitating better communication with and between policy-makers, community and youth groups, media, business and other stakeholders.¹ The process of holding Committee inquiries on a very wide range of different subjects has, over this Parliament, become a platform for generating more informed debate, often online, on important sustainable development issues and we hope this will continue.

3. In this 2010–2015 Parliament, we have met formally 177 times. We have published 45 inquiry reports, including this one, most of which have covered policies and issues cutting across a number of Government departments. Twenty-two of our reports have been debated or linked to a debate in the House of Commons. Cabinet Ministers have appeared before us on 18 occasions, other Ministers on 43 occasions and Government officials 113 times. We also heard from 437 academics, experts and interested parties and received over 1,300 written submissions. Our Committee webpage received over 38,000 ‘hits’ in 2014, ranking only behind the Public Accounts Committee and Health Committee webpages in popularity.

4. We have undertaken annual visits to Brussels for briefings on evolving European initiatives tied to ongoing or prospective inquiries; for example for our inquiry on *Pollinators and pesticides* (paragraph 9). Engagement with the European Scrutiny Committee, and Westminster’s permanent staff in Brussels, will continue to be important in the year ahead, following the decision to drop prospective air quality and circular economy directives from the Commission’s 2015 Work Programme (paragraph 45), and the forthcoming Fitness Check of the Habitats and Birds directives.² We have consciously sought in our inquiry programme to revisit relevant sustainable development and

1 For example: Science and Technology Committee, Eighth Report of Session 2013–14, [Communicating climate science](#), HC 254

2 European Commission, [‘Fitness Check of EU Nature Legislation \(Birds and Habitats Directives\)’](#), accessed 9 March 2015

environmental issues from previous inquiries, sometimes from those completed in previous Parliaments, including our inquiries on air quality and on pesticides.³

5. We have benefitted from external support: for example, on one of our inquiries—*Invasive non-native species*⁴—from the Parliamentary Office of Science and Technology. For our *Energy subsidies* inquiry we commissioned external academic research.⁵ We have greatly benefited from the advice and support of our specialist advisers, including Professor Tim O’Riordan who developed the Sustainability Knowledge Alliance and organised annual workshops for the Committee at the British Academy to consider sustainability issues. We have continued our predecessor Committees’ valuable relationship with the National Audit Office (NAO). Their auditors provided briefings and audit reviews to inform a number of our inquiries,⁶ and two of them were seconded to us. This source of support has had added importance during this Parliament. The abolition of the Sustainable Development Commission in 2011 removed an important resource that had supported our predecessor Committee’s inquiries. While the NAO has provided support when our inquiries have needed their audit skills and when our inquiry timescales have allowed them to allocate the necessary staff to the work, the extensive remit of our Committee has justified more resources—from whatever quarter—than have been available to get to the ‘devil in the detail’.⁷ If the next Environmental Audit Committee is to play an integral role in scrutinising departmentally cross-cutting policies, it will need to engage with the NAO to consider how a commitment for further allocation of resources might be made to support the Committee.

6. The Environmental Audit Committee’s formal remit is to consider the extent to which the policies and programmes of Government contribute to environmental protection and sustainable development.⁸ In fulfilling that remit, we have covered a wider range of subjects than perhaps most select committees because we have a reach across many Government departments. The **Annex** to this report provides a summary of the themes and subjects that we have covered.

3 For example: Environmental Audit Committee, Sixth Report of Session 2014–15, [Action on Air Quality](#), HC 212 and Seventh Report of Session 2012–13, [Pollinators and Pesticides](#), HC 668. See also: First Report of Session 2002–03 [Pesticides: the Voluntary Initiative](#), HC 100; Eleventh Report of Session 2002–03, [The Sustainable Development Headline Indicators 2002](#), HC 1080; Sixth Report of Session 2008–09, [Greening Government](#), HC 503; Fifth report of Session 2009–10, [Air Quality](#), HC 229-I; Sixth Report of Session 2009–10, [Adapting to Climate Change](#), HC 113.

4 Environmental Audit Committee, Fourteenth Report of Session 2013–14, [Invasive non-native species](#), HC 913

5 Environmental Audit Committee, Ninth Report of Session 2013–14, [Energy subsidies](#), HC 61

6 NAO, [Sustainable Development](#) (July 2010), [Aid and the Environment](#) (February 2011), [Carbon budget management](#) (July 2013), [The modelling used to set Feed-in Tariffs for solar photovoltaics](#), (November 2011), [Briefing for The Environmental Audit Committee on delivery of the target to reduce central government’s office carbon emissions](#) (July 2011), [Appraisal and sustainable development](#) (July 2012), [Sustainability reporting in government](#) (December 2012), [Sustainable procurement in Government](#) (February 2013), [Departmental Sustainability Overview: Business, Innovation and Skills](#) (July 2013), [Departmental Sustainability Overview: Home Office](#) (March 2014), and [Environmental protection](#) (June 2014). The NAO also provided informal briefs on a range of subjects, including on the draft Sustainable Development Indicators, Sustainability in the NHS, DECC’s future energy pathways work and Hinkley Point.

7 Hansard Society, [The Devil in the Detail: Parliament and Delegated Legislation](#) (December 2014)

8 [Standing Order No. 152A](#) (Environmental Audit Committee)

7. Our work has influenced particular policies or the House's consideration of them. That includes the way sustainable development is managed in departments. After the abolition of the Sustainable Development Commission,⁹ we monitored progress on the Government's systems to embed sustainable development in departments, initially by engaging with Defra and the Cabinet Office as the two lead departments involved. That had been the approach of our predecessor Committee too. We made a decision early on,¹⁰ however, to supplement that monitoring by undertaking a series of inquiries on sustainability in individual departments—in BIS,¹¹ the Home Office¹² and the NHS.¹³ These inquiries have helped departments' sustainable development staff to raise the profile of the discipline internally. BIS filled a 'Sustainability Champion' post that had been previously vacant for nine months just before the NAO began the audit we requested, and she was subsequently able to give evidence to us. Although we had criticisms about the sustainability of some of its policies (paragraph 54), it did make improvements to its sustainability governance and reporting arrangements as a result of our recommendations.¹⁴ Separately, Defra used the analysis undertaken by the NAO at our request for cross-departmental workshops and a seminar for departmental staff held at the NAO in December 2013, which was addressed by our Chair.¹⁵

8. Our *Environmental scorecard* in September 2014,¹⁶ identifying progress across ten environmental areas, was well received.¹⁷ We endorsed the work of the Natural Capital Committee (NCC) because of its importance in linking the economic and environmental pillars of sustainable development. With the NCC's 3-year mandate finishing just before the 2015 Election, we urged the Government to reduce uncertainty about its future by putting it on a long-term footing to reflect the 25-year Plan for Natural Capital that the NCC had advocated.¹⁸ The Government subsequently extended the NCC's term to September 2015 to allow the next Government to reach a decision on the organisation's future¹⁹ (paragraph 35).

9 Environmental Audit Committee, First Report of Session 2010–12, [Embedding sustainable development across Government](#), HC 504

10 Environmental Audit Committee, Fourth Report of Session 2010–12, [Embedding sustainable development: the Government's response](#), HC 877

11 Environmental Audit Committee, Seventh Report of Session 2013–14, [Sustainability in BIS](#), HC 613

12 Environmental Audit Committee, Fourth Report of Session 2014–15 [Sustainability in the Home Office](#), HC 222

13 Environmental Audit Committee, '[Sustainability in the NHS](#),' accessed 9 March 2015

14 Environmental Audit Committee, Sixth Special Report of Session 2013–14, [Sustainability in BIS: Government response](#), HC 1069

15 Environmental Audit Committee, Sixth Special Report of Session 2013–14, [Sustainability in BIS: Government response](#), HC 1069

16 Environmental Audit Committee, Fifth Report of Session 2014–15, [An environmental scorecard](#), HC 215

17 RSPB submission ([LEG0004](#)) para 6

18 Environmental Audit Committee, Fifteenth Report of Session 2013–14, [Well-being](#), HC 59, paras 24-5

19 Written Ministerial Statement, Defra, [The Government's response to the Natural Capital Committee's 2nd State of Natural Capital Report](#), 21 October 2014

9. We contributed the results of our inquiry into *Pollinators and pesticides*²⁰ to the deliberations underway in the European Commission in 2013—directly to the then Health & Consumer Affairs Commissioner—which resulted in a moratorium on the use of neonicotinoid pesticides, much along the lines that we advocated. Subsequently, the Government timed the publication of its *National Pollinator Strategy* to allow our report on the subject to be taken into account.²¹

10. Other inquiries raised awareness of critical issues, including air quality (on which we published two reports),²² the Arctic (our report²³ was presented to the Arctic Council by the UK as an observer state), the Rio+20 Earth Summit (with a public seminar outside Westminster at St Martin in the Fields in June 2012 as well as two reports),²⁴ and on UK Overseas Territories²⁵ (discussing our environmental concerns at meetings with UKOTs leaders in 2013 and 2014 when they were in London for their annual Joint Ministerial Council meetings with the Government, and ensuring that the FCO included environmental matters on the discussion agenda).

11. In our 2014 *Action on Air Quality* report, we criticised the confusion around the respective roles of local authorities and central government for air quality, and recommended that the Government clarify the position of local authorities and how best practices could be shared.²⁶ Two weeks after our report the Government signalled that there would be a consultation later in 2015 leading to guidance for local authorities on responsibilities and good practices (an announcement in a separate Defra consultation on air quality monitoring arrangements).²⁷

12. Our *Protecting the Arctic* report in 2012 prompted the Foreign and Commonwealth Office to publish the Government’s Arctic ‘policy framework document’,²⁸ in response to our recommendation for an arctic strategy “to bring together the UK’s diverse interests in the Arctic and engage all stakeholders”.²⁹ It was the first such UK document for the Arctic.

20 Environmental Audit Committee, Seventh Report of Session 2012–13, [Pollinators and pesticides](#), HC 668

21 Environmental Audit Committee, Second Report of Session 2014–15, [National Pollinator Strategy](#), HC 213. See also RSPB ([LEG0004](#)) para 32

22 Environmental Audit Committee, Ninth Report of Session 2010–12, [Air Quality a follow up Report](#), HC 1024 and Sixth Report of Session 2014–15, [Action on Air Quality](#), HC 212

23 Environmental Audit Committee, Second Report of Session 2012–13, [Protecting the Arctic](#), HC 171

24 Environmental Audit Committee, Eighth Report of Session 2010–12, [Preparations for the Rio+20 Summit](#), HC 1026; Environmental Audit Committee, First Report of Session 2012–13, [The St Martin-in-the-Fields seminar on the Rio+20 agenda](#), HC 75 and Second Report of Session 2013–14, [Outcomes of the UN Rio+20 Earth Summit](#), HC 200

25 Environmental Audit Committee, Tenth Report of Session 2013–14, [Sustainability in the UK Overseas Territories](#), HC 332

26 Environmental Audit Committee, Sixth Report of Session 2014–15, [Action on Air Quality](#), HC 212

27 [Environmental Audit Committee’s letter to Dan Rogerson MP](#), 21 January 2015, and the [Defra minister’s reply](#), 31 January 2015

28 FCO, [Adapting To Change: UK policy towards the Arctic](#) (October 2012)

29 Environmental Audit Committee, Second Report of Session 2012–13, [Protecting the Arctic](#), HC 171

13. We were able to persuade the Government to pause its plans to introduce *biodiversity offsetting*—a system to regulate the provision of new compensatory biodiversity habitats when existing habitats are lost through housing and other development. Our report, contributing to a Green Paper consultation, criticised the proposals for the risks they would present for the environment, including for ancient woodlands which, we highlighted, could not be reproduced whichever offsetting formula was used. Following our recommendation to pause the introduction of this initiative until six offsetting pilots had been allowed to run their course and their lessons absorbed, the Government agreed to do so.³⁰ In the event, no further work appears to have been taken forward by the Government on this policy since our report in November 2013.³¹

14. On a different front, we examined a project—*HS2*—which would use a different model of biodiversity offsetting,³² and were able to obtain a commitment from the HS2 Bill Committee that it would take the environmental risks examined in our report into account in its deliberations.³³ We welcomed that response, but this could be an important matter for the next Environmental Audit Committee to pursue, including scrutinising the level of expertise employed in undertaking assessments for the Bill Committee.

15. Further afield, our inquiry into *Sustainability in the UK Overseas Territories*³⁴ prompted Defra to begin research to fill gaps in biodiversity data across the Territories; a significant undertaking because they comprise 90% of the biodiversity for which the UK Government has responsibility.³⁵ We hope the designation of new Marine Conservation Zones in UK Overseas Territories will be delivered, to further strengthen the protection of these valuable habitats.

16. On energy, we raised the issue of the ‘carbon bubble’—the over-valuation of oil companies if their oil reserves are unburnable as a result of a climate deal which cuts energy emissions.³⁶ We recommended that the Financial Policy Committee of the Bank of England monitor carbon bubble risks for potential instability in financial markets, and the Governor told us in October 2014 that “the FPC would consider the [carbon bubble] issue as part of its regular horizon-scanning work on financial stability risks”.³⁷ In our inquiry on the *Environmental risks of fracking* we concluded that fracking was inconsistent with our climate change obligations and should be halted. Linking our conclusions to the progress of the Infrastructure Bill, we recommended that the Bill should be revised so that “the

30 Environmental Audit Committee, Sixth Report of Session 2013–14, [Biodiversity offsetting](#), HC 750

31 Qq 159-160

32 Environmental Audit Committee, Thirteenth Report of Session 2013–14, [HS2 and the environment](#), HC 1076

33 [High Speed Rail \(London - West Midlands\) Bill Select Committee's letter to the Environmental Audit Committee](#), 22 October 2014

34 Environmental Audit Committee, Tenth Report of Session 2013–14, [Sustainability in the UK Overseas Territories](#), HC 332

35 FCO, [The Overseas Territories: Security, Success and Sustainability](#), Cm 8374, June 2012, p8. See also RSPB ([LEG0004](#)) para 50 and [UK Overseas Territories Forum](#), accessed 9 March 2015

36 Environmental Audit Committee, Fifth Report of Session 2013–14, [Progress on Carbon Budgets](#), HC 60 and Twelfth Report of Session 2013–14, [Green Finance](#), HC 191

37 [Bank of England's letter to the Environmental Audit Committee](#), 30 October 2014

‘principal objective’ [of the petroleum strategy, included in the Bill] is not the objective of maximising the economic recovery of UK petroleum but ensuring that fossil fuel emissions are limited to the carbon budgets advised by the Committee on Climate Change and introducing a moratorium on the extraction of unconventional gas through fracking in order to reduce the risk of carbon budgets being breached”.³⁸ Members of our Committee tabled a similar Bill amendment. Our concerns resonated with those of the House: on the same day that we agreed our report the Government tabled an amendment to its Bill, attracting cross-party support, to require the Committee on Climate Change to advise on the carbon budgets impacts of shale gas extraction.

17. Members of our Committee tabled other amendments to the Infrastructure Bill to add an explicit air quality remit for the Strategic Highways Company (an issue we had raised in our *Action on air quality* report)³⁹ and to the HS2 Bill (reflecting our recommendations for environmental safeguards on HS2).⁴⁰

18. We produced a seminal report on *Sustainable food*⁴¹ intended to provide a framework for individual policies on food. We found that the Government’s approach appeared to be focused on the concept of ‘sustainable intensification’ which risked damaging the environment and society and concluded that a sustainable food strategy was needed to unify policy areas that impact food production, supply and demand. The next Environmental Audit Committee could return to this matter, and food security, in the next Parliament.

19. Other parts of our work over the last five years have met resistance from the Government, because we have scrutinised policies through a sustainability lens that has often been missing in the departments themselves. As a result, as we discuss below, there are issues from our inquiries that may require further monitoring and scrutiny, as well as wider ranging issues that affect the future prospects for sustainability more deeply. Our analysis in this report draws on our inquiries as well as three sessions over the last month with the joint DECC/BIS minister and the Defra minister and, mindful of the inter-generational nature of the sustainability agenda, a range of youth organisations.

20. Below we discuss areas for further scrutiny in 2015–2020, many of which will be inquiry themes and approaches that the next Environmental Audit Committee may wish to consider. In the run up to the General Election other specialist organisations are producing their own analysis of sustainable development priorities for the next Government—for example, the Society for the Environment⁴²—and it may be useful for the next Committee to review these when setting its inquiry programme for the 2015–20 Parliament.

38 Environmental Audit Committee, Eighth Report of Session 2014–15, [Environmental risks of fracking](#), HC 856

39 Environmental Audit Committee, Sixth Report of Session 2014–15, [Action on Air Quality](#), HC 212

40 Environmental Audit Committee, Thirteenth Report of Session 2013–14, [HS2 and the environment](#), HC 1076

41 Environmental Audit Committee, Eleventh Report of Session 2010–12, [Sustainable Food](#), HC 879

42 Society for the Environment, *Environment: Priorities for the next Government* (March 2015)

2 Areas for further scrutiny in 2015–2020

Inquiry areas of future focus

21. From our inquiry work over the last five years covering five broad themes, described in the **Annex** in more detail, we have drawn out below those which will require follow up and further scrutiny in the next five years.

Global sustainable development

22. The prospect of agreeing both global Sustainable Development Goals (SDGs) in New York and a climate change deal (paragraph 26) in Paris in late 2015, and related discussions and prospective agreements at the third UN Conference on Financing for Development in 2015 and the Convention on Biological Diversity in 2016, provide the next government with an exceptional opportunity to “achieve environmentally and socially sustainable economic growth, together with food, water, climate and energy security”.⁴³ WWF-UK highlighted how the work on SDGs was “a one-in-fifteen year agreement that the new Government will need to prioritise early in its term”.⁴⁴ **It is imperative that ambitious and measurable SDGs are secured at the UN General Assembly in the autumn. In its input to the EU and UN, the next Government should actively lead and champion the inclusion of ambitious SDG targets for biodiversity and air quality, having a separate climate change goal, and addressing inequality reduction alongside efforts to tackle extreme poverty. The next Government must also start work on Financing for Development immediately after the Election, and ensure a coherent and ambitious approach to the opportunities for embedding sustainable development offered by the forthcoming UN conventions and conferences.**

23. Agreeing the right domestic indicators for the SDGs is a vital step in ensuring that they have traction here in the UK. It is essential that the UK is accountable for its progress in delivering the SDGs. Appropriate and transparent data and systems need to be in place to monitor and report on the UK’s own delivery of the SDGs.⁴⁵ **The next Government must co-ordinate all departments to pursue policies that are consistent with sustainable development and the agreed SDGs, and transparently report performance against our domestic indicators.** The next Environmental Audit Committee will no doubt have an important role in that accountability process.

43 HM Government, *The Natural Choice. Securing the value of Nature*, June 2011, p58

44 WWF-UK ([LEG0006](#)) para 5.1. See also Professor Tim O’Riordan ([LEG0012](#)).

45 Environmental Audit Committee, Seventh Report of Session 2014–15, *Connected world: Agreeing ambitious Sustainable Development Goals*, HC 452

24. The new goals will set a powerful vision for the next 15 years. The British Youth Council informed us that the SDGs were “an urgent priority [for young people] as they encompassed all of the other [sustainability] issues and provide an opportunity where the UK can have large, immediate influence”.⁴⁶ **It is critical that young people in the UK are engaged with the SDGs and involved in the development of national implementation policies and targets.**

25. Our youth organisation witnesses suggested a ‘Youth Environmental Audit Sub-Committee’ to help our successor Committee to hold the Government to account in contributing to the SDGs.⁴⁷ They believed that more needed to be done to promote sustainable development and the Goals, and that “it is all very good having the SDGs but unless you link it into education ... then they are fairly meaningless to young people”.⁴⁸ It is crucial to build sustainable development in education and ensure the UK workforce has adequate environmental training to meet the sustainable development challenges ahead (paragraph 40). **The next Government must make a commitment to ‘education for sustainable development’ and integrate it consistently across primary, secondary and tertiary education, with a duty for teaching sustainable development added to the National Curriculum.**

Responding to climate change

26. The December 2015 Climate Change Conference in Paris will be vital for minimising the risk of dangerous global temperature rises.⁴⁹ The climate change agreement, together with the new SDGs, will “define the direction of international development and environmental policy for at least the next decade.”⁵⁰ The recent halving of oil prices makes low-carbon energy relatively more expensive, but to the extent that lower prices reflect a falling demand for fossil fuel energy they also present an opportunity to drive an ambitious agreement in Paris to limit global emissions. **It is critical that the next Government lead from the front in the EU and UN, building on the recent three-party climate change pledge, in order to help secure an ambitious international agreement that limits global warming.**

46 British Youth Council ([Written evidence submitted to the Environmental Audit Committee’s Outcomes of the UN Rio+20 Earth Summit inquiry](#)) para 6.5

47 Q225

48 Q221. See also Society for the Environment, *Environment: Priorities for the next Government* (March 2015)

49 Aldersgate Group ([LEG0010](#)). See also Society for the Environment, *Environment: Priorities for the next Government* (March 2015)

50 Royal Society ([LEG0001](#)) para 12

27. With the UK's per capita carbon footprint one of the largest in the world, we have repeatedly called for strengthening of emissions reduction policies to put the UK on a credible trajectory for meeting the fourth carbon budget (covering the period 2023–27).⁵¹ **As an early priority, the next Government must set out new policies to deliver the carbon budgets, focussing on residential and commercial energy efficiency, electrification of heat and transport, power sector decarbonisation and reducing energy demand.**

28. The Committee on Climate Change will publish its advice to the next Government on the fifth carbon budget in December 2015 (covering the 2028–32 period) and the Government will propose secondary legislation for that budget in 2016. **The next Government must consider and act on the Committee on Climate Change's advice on the fifth carbon budget promptly. It must not repeat the lengthy hiatus that occurred in securing the agreement of the fourth budget and which served to damage renewable energy business confidence.**

29. WWF-UK wanted the Government to focus on “setting a carbon intensity target for the electricity sector in 2030 ... [and] prioritise the transition to a low carbon heat sector if we are to meet our [emissions reduction] targets”.⁵² We too had called for a decarbonisation target in earlier inquiries.⁵³ DECC/BIS minister Matthew Hancock MP subsequently told us that the Government:

Do not want to be overly prescriptive about where we get that fall [in greenhouse gas emissions] because I strongly believe that the best way to tackle climate change—and the risks of a very significant damage from climate change—is in the most cost effective way.⁵⁴

Whilst we recognise the need to have a “good portfolio of [mixed energy] projects in the hopper”,⁵⁵ there is an inescapable need to bring forward “high-volumes of low-carbon [renewable] electricity at decreasing cost”.⁵⁶ It is important that community energy projects have ready access to the electricity grid.⁵⁷ **If the energy sector is to achieve the agreed carbon budgets the next Government will need to set out a clearer direction with a consistent focus on renewable energy in place of fossil fuel energy. It should set a carbon-intensity target under the Energy Act 2013 as an early priority.**

51 Environmental Audit Committee, Fifth Report of Session 2013–14, [Progress on Carbon Budgets](#), HC 60; Ninth Report of Session 2013–14, [Energy subsidies](#), HC 61; Twelfth Report of Session 2013–14, [Green Finance](#), HC 191

52 WWF-UK ([LEG0006](#)) para 7.5–.6. See also RES ([LEG0008](#))

53 Environmental Audit Committee, Fifth Report of Session 2013–14, [Progress on Carbon Budgets](#). See also Society for the Environment, *Environment: Priorities for the next Government* (March 2015)

54 Q8

55 Q71

56 Friends of the Earth ([LEG0003](#)). See also Society for the Environment, *Environment: Priorities for the next Government* (March 2015)

57 Q13 [John Fiennes]

30. Government subsidies for fossil fuels and providing export-insurance for fossil fuel projects overseas are inconsistent with the UK's international obligations to eliminate harmful fossil fuel subsidies.⁵⁸ The Government has provided additional and longer-lasting subsidies for new nuclear than those for renewable energy. The next Government will have to consider the deal finally negotiated for the Hinkley Point new nuclear power station, taking account of the NAO's planned value for money audit and our own initial scrutiny.⁵⁹ **The next Government must reconsider UK Export Finance's remit which allows it to support fossil fuel energy projects abroad. And at home, the next Government should set out a clear and straightforward position on the role of subsidies for new nuclear and renewables.**

31. Shale gas cannot be regarded as low-carbon energy and questions remain about whether fracking will be consistent with carbon budgets beyond the fourth carbon budget, by which time large scale extraction of shale gas in the UK might be possible.⁶⁰ The danger is that, if fracking takes place at a volume that jeopardises the budgets, the Government of the day might be tempted to loosen the budgets rather than seek to turn off shale gas production. The next Environmental Audit Committee should monitor the Committee on Climate Change's analyses of shale gas and carbon budget compatibility, required under the recently passed Infrastructure Act, as well as scrutinise the Government's response.

32. Adaptation to climate change will be increasingly important as extreme weather events become less uncommon. If the next National Adaptation Programme, due in 2018 and reflecting the Adaptation Sub-Committee's advice later in 2015, is to be effective, it will need to present a more top-down strategic direction.⁶¹ **The next Government must respond quickly and positively to the advice on the National Adaptation Programme from the Adaptation Sub-Committee later in 2015, and indeed to our recent report on this subject.**

33. The Arctic ice-cap continues to shrink and thin as a result of climate change.⁶² There continues to be debate about how quickly the region could be ice-free in summer, potentially speeded up by methane releases. The risks to the environment from oil exploration in the region remain significant, despite recent operational setbacks for oil companies there and recent US Government moves to strengthen environmental safeguards on drilling.⁶³ **The next Government's revision of the Arctic strategy (paragraph 12) should reconsider the current version's arms' length approach which leaves Arctic regulation of UK-based oil companies to the Arctic states.**

58 Environmental Audit Committee, Ninth Report of Session 2013–14, [Energy subsidies](#), HC 61

59 [NAO's letter to Environmental Audit Committee](#), 26 Feb 2015, and the [Committee's reply](#), 11 March 2015

60 Environmental Audit Committee, Eighth Report of Session 2014–15, [Environmental risks of fracking](#), HC 856, [Committee on Climate Change letter to the Environmental Audit Committee](#), 23 February 2015

61 Environmental Audit Committee, Tenth Report of Session 2014–15, [Climate change adaptation](#), HC 453. See also Angela Martin ([LEG0005](#))

62 Environmental Audit Committee, Second Report of Session 2012–13, [Protecting the Arctic](#), HC 171 and Fourth Report of Session 2013–14, [Protecting the Arctic: The Government Response](#), HC 333

63 ["New safety rules for offshore Arctic drilling proposed to avoid repeat of Shell disaster"](#), The Guardian, 20 February 2015

Protecting the environment

34. Our 2014 *Environmental Scorecard* found none of the 10 environmental areas we examined were achieving satisfactory progress. We called for an environmental strategy, overseen by an ‘office for environmental responsibility’.⁶⁴ **The next Government should set out an Environment Strategy, setting out the actions needed to embed environmental protection into policy-making, and underpinned by an independent ‘office for environmental responsibility’.** But, in the absence of such a body, the next Environmental Audit Committee might wish to repeat and update our *Environmental Scorecard* assessment.

35. Protecting the environment and valuing natural assets were clear ambitions of the Natural Environment White Paper.⁶⁵ Whilst we were concerned about poor progress in some areas in our *Environmental Scorecard*, we welcomed the work of the Natural Capital Committee, whose 3-year remit has now been extended by six months (to September 2015).⁶⁶ Our recent ongoing inquiry into Local Nature Partnerships has shown that more work is needed on this important initiative of the White Paper, to get all Local Nature Partnerships to fulfil their potential.⁶⁷ **The next Government must quickly consider the NCC’s position, and put it on the long-term footing needed to take forward their recommended 25-year plan to improve our natural capital.**

36. The Woodland Trust reminded us of the Government’s pledge to introduce a Forestry Bill to help secure the Public Forest estate and the essential protection of irreplaceable ancient woodland, WWF-UK and the RSPB echoed our earlier concerns about fragmented wildlife protection laws and the long-term funding of the Wildlife Crime Unit, the Royal Society called for an assessment of the environmental provisions of the reformed Common Agriculture Policy, and Buglife advocated further scrutiny of the use of neonicotinoid pesticides and the National Pollinator Strategy.⁶⁸ There are many environmental protection uncertainties still unresolved from a number of our inquiries. **The next Government should set out clear policies in regard to biodiversity offsetting, the use of neonicotinoid pesticides, environmental safeguards for HS2 and other major infrastructure programmes, fracking and forestry (including its position on the 2015 review of EU timber regulations). It should also act early on to give long term financial certainty for Kew Gardens (potentially with DfID providing some of its funding) and for the Wildlife Crime Unit.**

64 Environmental Audit Committee, Fifth Report of Session 2014–15, [An Environmental Scorecard](#), HC 215

65 Defra, *The Natural Choice: Securing the Value of Nature*, [Cm 8082](#), June 2011

66 Written Ministerial Statement, Defra, [The Government’s response to the Natural Capital Committee’s 2nd State of Natural Capital Report](#), 21 October 2014

67 Environmental Audit Committee, [‘Local Nature Partnerships inquiry’](#) accessed 9 March 2015

68 The Woodland Trust ([LEG0011](#)) para 33-6, WWF-UK ([LEG0006](#)) para 2.9, RSPB ([LEG0004](#)) para 59-60, 34 and 62, Royal Society ([LEG0001](#)) para 18, National Trust ([LEG0009](#)) para 2 and Buglife ([LEG0014](#)). See also Science and Technology Committee, Seventh Report of Session 2014–15, [Royal Botanic Gardens, Kew](#), HC 866

37. The definitions of ‘protected groundwater source areas’ and ‘other protected areas’ linked to the environmental safeguards on fracking activities provided for in the Infrastructure Act 2015 are to be determined by secondary legislation.⁶⁹ We have concerns that this approach does not allow for sufficient scrutiny of these important, and not inconsequential, designations.⁷⁰

38. We have produced three reports on air pollution in the last five years, and still it continues to cause a significant number of early deaths.⁷¹ **The next Government will have to complete the revision of the Air Quality Strategy, currently underway, and reach decisions on a potential national framework for low emission zones and a rebalancing of the tax treatment of diesel and petrol. It will have to urgently consider its approach to meeting EU air pollution targets to reduce the likelihood and scale of possible infraction fines, and before the end of 2015 set out clear demarcations in responsibility for tackling air pollution between central and local government.**

39. In several policy areas, including pesticides and marine protected areas, the Government is increasingly relying on industry to fund environmental research and undertake monitoring. Companies should indeed take some responsibility for the costs of their activities.⁷² **Nevertheless, the next Government must review its environmental research resources to ensure that it has the necessary future capacity to give itself, and the public, sufficient independent assurance on the effective operation of environmental protections.**

Transitioning to a green economy

40. The Government’s approach to the green economy has lacked a sustainable development grounding. **The next Government must demonstrate its commitment to a green economy that balances the three elements of sustainable development—economy, environment and society, and produce a green skills strategy to ensure that skills and training provision supports the aspirations of green economy policies.**

41. Despite its pivotal role in shaping *Enabling the transition to a green economy* in 2012, the Green Economy Council has not met since January 2013.⁷³ **The next Government must reactivate the Green Economy Council and put it at the heart of the Government’s further work on the green economy.**

69 Infrastructure Act 2015, [section 4B\(4\)](#)

70 See also Environment, Food and Rural Affairs Committee, Sixth Report of Session 2012–13, [Draft Water Bill](#), HC 674 page 3 and Hansard Society, [The Devil in the Detail: Parliament and Delegated Legislation](#) (December 2014)

71 Environmental Audit Committee, Fifth Report of Session 2009–10, [Air Quality](#), HC 229; Environmental Audit Committee, Ninth Report of Session 2010–12, [Air Quality a follow up report](#), HC 1024; Sixth Report of Session 2014–15, [Action on Air Quality](#), HC 212. See also Dave Davies ([LEG0002](#)) and Society for the Environment, *Environment: Priorities for the next Government* (March 2015)

72 [Prime Minister’s letter to the Liaison Committee](#), 27 January 2015

73 Q88

42. Subsidies and incentives for low-carbon energy are part of the solution to closing the ‘green finance gap’, but a green economy also needs wider Government support, targeted environmental taxes and alternative sources of finance. The Green Investment Bank was a key strand in efforts to close the green investment gap by making finance available for renewable energy and waste projects that found it difficult to get funding, but it could do more if it were permitted to borrow to invest. **The next Government must give early consideration to granting the Green Investment Bank borrowing powers, to allow it to significantly scale up its investments.**

43. The transition to a green economy requires investors to take account of a carbon constrained world, but stock markets are currently inflating a ‘carbon bubble’ by over-valuing companies with fossil fuel reserves that would be unburnable if a global climate deal is agreed (paragraph 16). The Deputy Head of the Bank of England’s Prudential Regulation Authority, said in March 2015:

One live risk right now is of insurers investing in assets that could be left ‘stranded’ by policy changes which limit the use of fossil fuels. As the world increasingly limits carbon emissions, and moves to alternative energy sources, investments in fossil fuels and related technologies—a growing financial market in recent decades—may take a huge hit. There are already a few specific examples of this having happened.⁷⁴

The Bank of England Financial Policy Committee will review of the status of ‘stranded assets’ during 2015,⁷⁵ and the next Environmental Audit Committee could monitor their assessment of the risks. **The next Government must produce a green finance strategy that ensures that markets price-in the cost of carbon, and creates greater market certainty and a more favourable investment outlook for low-carbon energy by clearly setting out policies on the linkages between the green economy, climate change action and Industrial Strategies.**

44. **The next Government will have to engage quickly with the already underway negotiations of the EU/US Transatlantic Trade and Investment Partnership, and work with the European Commission to ensure that there is no ‘race to the bottom’ in environmental regulations.** The next Environmental Audit Committee could scrutinise the deal emerging from those negotiations during 2015, to follow up the potential issues of concern flagged up in our recent report.⁷⁶

74 Bank of England speech, [Confronting the challenges of tomorrow's world](#), Tuesday 3 March 2015

75 [Bank of England letter to the Environmental Audit Committee](#), 30 October 2014

76 Environmental Audit Committee, Ninth Report of Session 2014–15, [Transatlantic Trade and Investment Partnership](#), HC 857

45. DEFRA Minister, Dan Rogerson MP, told us “being more efficient and using the resources we have more efficiently will allow us to be more competitive on the world stage ... and we can be at the forefront of innovation.”⁷⁷ **In light of the recent decision of the European Commission to drop a prospective directive on the circular economy from its 2015 Work Programme, the next Government must consider what action it might take at national level to facilitate a circular economy, with less waste and greater resource efficiency.** An ambitious circular economy approach, advocated in our 2014 report,⁷⁸ should be taken regardless of the European Commission’s future work programme⁷⁹ and we hope the next Environmental Audit Committee will explore ways of strengthening UK and European measures to reduce waste and increase resource efficiency.

46. The Aldersgate Group and others highlighted the importance of the Treasury for delivering sustainability in Government policy-making.⁸⁰ The next Environmental Audit Committee might consider the scope for a ‘Sustainability in the Treasury’ inquiry, to complement the inquiries we have undertaken in three other departments (paragraph 7).

Embedding sustainable development in government

47. Our scrutiny of the performance of Government against sustainable development targets—‘Greening Government Commitments’ (GGC)—identified actions required to make government policies and operations more sustainable. Public and Commercial Services Union believed that “for the Government to meet its [climate change] obligations [it] needs to get its ‘own house in order’ and lead by example.”⁸¹ Continuing areas of weak performance indicated that sustainable development had still not been fully embedded in departments.⁸² We welcomed BIS and the Home Office’s establishment of a senior ‘Sustainability Champion’ (paragraph 7) and expected to see this and additional sustainable development staff training expanded across all departments.

77 Q153

78 Environmental Audit Committee Third Report of Session 2014-15, *Growing a circular economy*, HC 214

79 [Environmental Audit Committee’s letter to President of EC](#), 15 December 2014, and the [President of EC’s reply](#), 9 March 2015. See also Society for the Environment, *Environment: Priorities for the next Government* (March 2015)

80 WWF-UK ([LEG0006](#)) para 1.2, Aldersgate Group ([LEG0010](#)) and Friends of the Earth ([LEG0003](#))

81 Public and Commercial Service Union ([LEG0013](#)) para 3

82 Environmental Audit Committee, Seventh Report of Session 2013-14, *Sustainability in BIS*, HC 613 and NAO, *Sustainability reporting in central government: An update*, February 2015. See also BIS Sustainability Champion ([LEG0007](#)) para 9, Friends of the Earth ([LEG0003](#)), para 21 and WWF-UK ([LEG0006](#)) para 4.2

48. A delay in issuing the 2013–14 GGC results until February 2015, with no indication of performance expectations for the now imminent end of the GGC period, is regrettable. Despite this, progress towards meeting the targets appears to have been made in 2013–14, although not consistently across departments.⁸³ Dan Rogerson MP told us the GGC was:

Not a piece of work that you finish ... It will be a matter for [the next Government] to see whether they want to carry on that process in the way that we have done or change how these sorts of assessments are taken forward.⁸⁴

The next Government must introduce a system to address sustainable development policy gaps in departmental plans, and initiate action to improve government sustainable procurement standards. New departmental targets for emissions, waste, water and procurement must be introduced after the Election. Targets should be established as long term goals aligned with UK sustainability and emissions commitments, with interim milestones for each five-year Parliament.

49. In advance of the proposed Restoration and Renewal of the Palace of Westminster, the next Environmental Audit Committee might have an opportunity to scrutinise the role of Parliament itself, in leading by example and embedding sustainable development in its own estate and operations.

50. The Prime Minister stated that we should be “measuring our progress as a country not just by our standard of living but by our quality of life”,⁸⁵ but we found that well-being measures were not receiving the same consideration as economic ones.⁸⁶ Lord Stern has said “you have to be a complete idiot to think that GDP sums up prosperity”⁸⁷ and the Royal Society told us that “the measurement of national wealth must move beyond just Gross Domestic Product to comprehensive wealth measures”.⁸⁸ That could open up scope for policy-making more directly linked to well-being data and analysis. Professor Tim O’Riordan highlighted a need for a more active engagement in the social pillar of sustainable development, including ‘social investment’, in the face of the increasing challenge likely to come from a “new sustainability”.⁸⁹ **Well-being and inequality will be increasingly urgent public policy issues. These considerations must increasingly influence policy decision-making and the next Government should immediately start to use the increasingly available data to identify new policies.**

83 HM Government, *Greening Government Commitments Annual Report 2013-14*, February 2015. See also Public and Commercial Service Union ([LEG0013](#)) para 31

84 Q172. See also WWF-UK ([LEG0006](#)) 2.4, 4.2 and Public and Commercial Service Union ([LEG0013](#)) para 38

85 Speech by Rt Hon David Cameron MP, 25 November 2010.

86 Environmental Audit Committee, Fifteenth Report of Session 2013–14, *Well-being*, HC 59

87 “*Lord Stern: global warming may create billions of climate refugees*”, The Guardian, 22 September 2014

88 Royal Society ([LEG0001](#)) para 16. See also Friends of the Earth ([LEG0003](#)) and Professor Tim O’Riordan ([LEG0013](#))

89 Prof Tim O’Riordan ([LEG0012](#))

Wider ranging issues for the next Parliament

51. Our work over this Parliament has identified additional issues in which further work will be needed, and some resolution obtained, in the next Parliament, as we discuss below. These cut across the subject themes we have discussed above, and comprise issues which will require a more fundamental debate about the way we as a society approach sustainability.

Achieving a better balance of sustainability

52. Our work over the last five years has demonstrated that the Government has failed consistently to strike a balance between the three elements of sustainable development, with economic growth too often trumping environment and social well-being. That has increasingly prevented opportunities to tackle widening inequality being missed.

53. In overseas aid programmes the Government has found itself unwilling or unable to focus its support for exporters in ways that promote sustainability.⁹⁰ Instead, the UK has continued to give export support to fossil fuel projects, on the grounds that its position as a global leader in some fossil fuel technologies is not one to be discarded.⁹¹ On the Arctic, the Government's focus has been on economic issues—leaving it to UK oil companies to deal with Arctic countries' regulatory regimes, rather than itself weighing the potential impact of further fossil fuel extraction against the global need to curtail emissions.⁹² The National Planning Policy Framework has been criticised by us, and others, for following a mainly economic agenda in its “presumption in favour of sustainable development” (paragraph 69).⁹³

54. On some policies the environment appears to have been considered only as an after-thought. We found that the Regional Development Grant initiative, which prioritises economic and jobs objectives, did not proactively seek information on environmental aspects (applications could highlight ancillary environmental benefits of their proposals but BIS did not require environmental information when there might have been environmental disbenefits).⁹⁴ Many Local Nature Partnerships, with limited funding support from Government, are struggling to get their environmental agenda taken forward when much more significantly funded Local Enterprise Partnerships are following a narrow growth and jobs agenda.⁹⁵ The Industrial Strategies, we found, had also given little or no consideration to environmental or climate change considerations, even when there

90 Environmental Audit Committee, Fifth Report of Session 2010–12, [The impact of UK overseas aid on environmental protection and climate change adaptation and mitigation](#), HC 710

91 Environmental Audit Committee, Fifth Report of Session 2010–12, [The impact of UK overseas aid on environmental protection and climate change adaptation and mitigation](#), HC 710; Environmental Audit Committee, Ninth Report of Session 2013–14, [Energy subsidies](#), HC 61

92 Environmental Audit Committee, Second Report of Session 2012–13, [Protecting the Arctic](#), HC 171 and Fourth Report of Session 2013–14, [Protecting the Arctic: The Government Response](#), HC 333

93 Environmental Audit Committee, [Sustainable development in the National planning Policy Framework](#), Letters to the CLG Committee and Prime Minister 9 November 2011, HC (2010–12) 1480

94 Environmental Audit Committee, Seventh Report of Session 2013–14, [Sustainability in BIS](#), HC 613

95 Oral evidence taken on [4 March 2015](#), HC (2014–15) 858, Q5

would clearly be disbenefits that should at least be recognised and weighed in any trade-offs. We noted for example that the Aerospace Industrial Strategy emphasised the need to maximise aircraft manufacturing without considering the emissions implications of greater air travel. The Oil & Gas Industrial Strategy sought to maximise North Sea extraction without any assessment of the climate change context,⁹⁶ an issue which resurfaced subsequently in our inquiry into fracking (paragraph 16). As a result of our work, the Green Economy Council undertook a review of sustainability in the Industrial Strategies which concluded, as we had done, that the environmental and social aspects of sustainability were not getting the same attention as economic factors. The review concluded that both Government and industry needed to look beyond the immediate needs of the economy and seek to broaden the Strategies' vision to include an unequivocal commitment to environmental and social sustainability.⁹⁷

55. The definition of a green economy adopted by Government did not address all three pillars of sustainable development: focussing on the economic rather than the social well-being and environmental pillars. Furthermore, our review of the *Transatlantic Trade & Investment Partnership* identified potential environmental regulatory risks which will have to be addressed as negotiations on the prospective treaty continue later this year and beyond.⁹⁸ On the other hand, where the primary focus of a policy is intended to be environmental, such as *Marine Protected Areas*, there appears to have been little difficulty for the Government in addressing the economic aspects.⁹⁹

56. Our work on monitoring the progress of the Government's efforts to embed sustainable development in Government departments identified a focus on sustainability-proofing policies that come forward within departments. That was welcome, but did not go far enough because such policies are typically the product of an agenda directed primarily at economic considerations, such as deficit-reduction. We had recommended that the Cabinet Office's reviews of departmental business plans also include an assessment of where sustainability gaps existed and then identify the scope for new policies to fill them,¹⁰⁰ but this was not taken forward by the Government.¹⁰¹ This could become a growing issue in the years ahead as the Office for National Statistics develops 'subjective well-being' metrics to a state which increasingly allows analysis of causes and effects.¹⁰² One way of shifting the balance away from the dominating focus on economic factors would be to assign responsibility for monitoring the overall state of the environment to an 'Office for

96 Environmental Audit Committee, Seventh Report of Session 2013-14, [Sustainability in BIS](#), HC 613

97 BIS Sustainability Champion ([LEG0007](#))

98 Environmental Audit Committee, Ninth Report of Session 2014-15, [Transatlantic Trade and Investment Partnership](#), HC 857

99 Environmental Audit Committee, First Report of Session 2014-15, [Marine protected areas](#), HC 221

100 Environmental Audit Committee, First Report of Session 2013-14, [Embedding sustainable development: An update](#), HC 202

101 Environmental Audit Committee, Fourth Special Report of Session 2013-14, [Embedding sustainable development and the outcomes of the UN Rio+20 Earth Summit: Government response](#), HC 633

102 Environmental Audit Committee, Fifteenth Report of Session 2013-14, [Well-being](#), HC 59

Environmental Responsibility,' to complement the existing Office for Budget Responsibility (paragraph 34).¹⁰³

57. The next Government's approach to the UN Sustainable Development Goals (paragraph 22) will be a litmus test for a much needed policy rebalancing to reflect all aspects of sustainability, not least because the SDGs will be directed at developed countries, including the UK itself, as well as developing countries. As the next Government feeds into the European Union's discussions on the SDGs, which in turn will have to shape a coherent input to the UN negotiations during 2015, many of the themes of the SDGs will require assessment of the relative balance of the three pillars of sustainable development. For example, will reducing inequality—a social pillar aspect—be a feature of poverty reduction efforts—a more directly economic matter?¹⁰⁴

58. In the next Parliament, greater effort will be needed to ensure that a more appropriate balance between the three pillars of sustainable development is followed in identifying policies and in policy-making, and existing major policies such as the National Planning Policy Framework refocused to follow a genuinely sustainable approach.

Following the precautionary principle

59. Our work has shown an often inadequate weight given to the precautionary principle in Government policy-making, to avoid irreversible environmental damage.

60. There has been no dispute that neonicotinoid pesticides harm pollinators. The question, which we examined over the course of two inquiries, was whether such pesticides affected the viability of pollinator populations or jeopardised the benefits of the pollination services they provided to our agriculture and our wildlife. We concluded that under the precautionary principle these chemicals should be banned, and the European Commission and most member states agreed with us (paragraph 9).¹⁰⁵ The Government, in resisting those calls for a moratorium on the use of the chemicals, claimed to adhere to the precautionary principle but in doing so applied an unwarranted economic filter. Elsewhere, a precautionary principle approach has been behind particular policies, from *Non-native invasive species*¹⁰⁶ to *Marine Protected Areas*.¹⁰⁷ Most recently, we identified the need for more effective planning for *Climate change adaptation* in the face of future risks whose scale and location inevitably remain unknowable.¹⁰⁸

103 Environmental Audit Committee, Fifth Report of Session 2014–15, [An environmental scorecard](#), HC 215

104 Environmental Audit Committee, Seventh Report of Session 2014–15, [Connected world: Agreeing ambitious Sustainable Development Goals](#), HC 452

105 Environmental Audit Committee, Seventh Report of Session 2012–13, [Pollinators and Pesticides](#), HC 668; Environmental Audit Committee, Second Report of Session 2014–15, [National Pollinator Strategy](#), HC 213. See also Science and Technology Committee, Fifth Report of Session 2014–15, [Advanced genetic techniques for crop improvement: regulation, risk and precaution](#), HC 328

106 Environmental Audit Committee, Fourteenth Report of Session 2013–14, [Invasive non-native species](#), HC 913

107 Environmental Audit Committee, First Report of Session 2014–15, [Marine protected areas](#), HC 221

108 Environmental Audit Committee, Tenth Report of Session 2014–15, [Climate Change adaptation](#), HC 453

61. Sometimes the precautionary principle requires taking action; at other times avoiding it. The environmental and climate change risks of *Fracking* of shale deposits were sufficient, we concluded, to impose a moratorium until the environmental risks were addressed and the Committee on Climate Change could assess whether fracking could be accommodated within longer term carbon budgets (paragraph 16).¹⁰⁹ A similar approach might be needed on the *Transatlantic Trade & Investment Partnership* negotiations, to prevent EU and US regulations being aligned where existing regulations could not be shown to be essentially the same, and to prevent investment dispute provisions being introduced if this brought a chilling effect on necessary future environmental or public health safeguards.¹¹⁰

62. In the next Parliament, a clearly understood concept of the precautionary principle will need to be articulated and agreed by the Government and stakeholders, to reduce the likelihood of environmental risks being insufficiently addressed.

Engaging UK civil society and young people

63. Engaging civil society and young people in policy development remains essential if the inter-generational fairness of sustainable development is to be centre-stage, as it needs to be. This is why we decided to hear last month from a range of youth organisations, all of which provided ample evidence of an appetite for engagement on the sustainability agenda.¹¹¹

64. We emphasised the importance of this in a series of reports on the *Rio+20 Earth Summit*.¹¹² The approach taken in the *National Pollinator Strategy* in this regard, putting a significant emphasis on the contribution that the public could make, is the right one.¹¹³ The development of the SDGs over the rest of this year (paragraph 22), and then once they are agreed, their implementation, requires an active engagement of civil society and young people, both in terms of domestic policy and in overseas aid support.¹¹⁴

65. In the next Parliament, new avenues will need to be opened to engage proactively young people and civil society in the sustainability agenda and ensure that their perspectives are able to inform policy-making.

109 Environmental Audit Committee, Eighth Report of Session 2014–15, [Environmental risks of fracking](#), HC 856

110 Environmental Audit Committee, Ninth Report of Session 2014–15, [Transatlantic Trade and Investment Partnership](#), HC 857

111 [Qq 180-235](#)

112 Environmental Audit Committee, Eighth Report of Session 2010–12, [Preparations for the Rio+20 Summit](#), HC 1026; Environmental Audit Committee, First Report of Session 2012–13, [The St Martin-in-the-Fields seminar on the Rio+20 agenda](#), HC 75 and Second Report of Session 2013–14, [Outcomes of the UN Rio+20 Earth Summit](#), HC 200

113 Environmental Audit Committee, Second Report of Session 2014–15, [National Pollinator Strategy](#), HC 213

114 Environmental Audit Committee, Seventh Report of Session 2014–15, [Connected world: Agreeing ambitious Sustainable Development Goals](#), HC 452

Localism

66. The sustainability roles and responsibilities of local authorities and central government have been a central issue in many of our reports, and one that has yet to be resolved.

67. The issue was at the heart of our two inquiries on air quality during this Parliament (paragraph 11).¹¹⁵ With the Government putting the emphasis on local authorities to monitor and tackle air pollution, and potentially bear the cost of any European Commission infraction fines, it is vitally important that local authorities have the means to be able to discharge their responsibilities. Some authorities have welcomed those responsibilities, while others regret a lack of guidance from Government and have concerns over funding. The Government's proposals for a consultation later this year on the division of responsibilities for air quality (paragraph 11) will be key in bringing forward the acceleration of progress needed in this area.¹¹⁶ The Government's approach in rejecting our repeated calls for a long-needed national framework for low emission zones, leaving it to local authorities who cannot bring the economies of scale to bear that Government could do, has shown the limits of localism in this policy area.

68. The arms' length approach of Government was also evident in our ongoing inquiry into Local Nature Partnerships, where some have been left to "struggle" while others have made useful progress.¹¹⁷ In our *Transport and accessibility to public services* inquiry we found that the Department for Transport were no longer monitoring Local Transport Plans or authorities' performance against them, leaving services to those who depended on transport at risk from local budget reallocations.¹¹⁸ Some local authorities will use new freedoms to good effect, optimising services to meet local assessments of need. Others, however, may not do so or be unable to do so because of conflicting pressures on service-delivery and the potential for funding realignments enabled by less ring-fencing within local authorities' budgets.

69. We found that localism was not universally working to the benefit of the environment in regard to emissions. Our continued calls for local authorities to be set emissions reduction targets were rejected on the basis of localism, creating a serious risk of inaction because of authorities' constrained fiscal position.¹¹⁹ In other areas, the Government has reduced local authorities' discretion, to the detriment of sustainability. In 2011 we criticised the then draft National Planning Policy Framework (NPPF) for devolving planning responsibilities to local authorities without them being able to define Local Plans which deviated significantly from the centralised NPPF template. We also criticised it for its ambiguous "presumption in favour of sustainable development" when the Government

115 Environmental Audit Committee, Ninth Report of Session 2010–12, [Air Quality a follow up report](#), HC 1024; Sixth Report of Session 2014-15, [Action on Air Quality](#), HC 212

116 [Dan Rogerson MP's letter to the Environmental Audit Committee](#), 31 January 2015

117 Oral evidence taken on [4 March 2015](#), HC (2014–15) 858, Q5

118 Environmental Audit Committee, Third Report of Session 2013–14, [Transport and the accessibility to public services](#), HC 201

119 Environmental Audit Committee, Fifth Report of Session 2013–14, [Progress on carbon budgets](#), HC 60

appeared to mean ‘a presumption in favour of development’.¹²⁰ The Communities & Local Government Committee recently re-examined the now-finalised NPPF and highlighted a continuing confusion in the guidance on how the three aspects of sustainable development should be considered together.¹²¹ We also criticised the decision to abolish the Code for Sustainable Homes in 2013, because local authorities would no longer be able to set planning standards for energy and water efficiency at a more ambitious level than those embedded in national building regulations.¹²²

70. In the next Parliament, the debate on the appropriate respective roles of central and local government will need to be resolved, to place environmental risks with those best placed to manage them and to avoid uncertainty over responsibilities preventing necessary action.

The role of the market

71. There has been considerable interest over the course of this Parliament on how valuing natural capital can serve to inform policy-making. The Natural Capital Committee (NCC) was specifically tasked with developing a framework to take this forward (paragraph 8).¹²³ In the process it has identified particular ‘ecosystem services’ that are being degraded and recommended a 25-year plan to protect these aspects of natural capital. We acknowledged that there are inherent risks from measuring natural capital, that in doing so it becomes something that can be monetised and traded off against other ‘capitals’ (including economic capital). Such a risk was evident in the Government’s proposals for *Biodiversity offsetting*, which threatened to weaken the biodiversity ‘mitigation hierarchy’ or potentially allow some irreplaceable assets (such as ancient woodlands) to be bargained away (paragraph 13).¹²⁴ We found similar risks in our inquiry into *HS2*.¹²⁵ We nevertheless shared the NCC’s assessment that not to measure and value natural capital would present the greater risk that what is not measured is usually ignored.

72. Valuation of ecosystem services potentially offers scope for making those responsible for environmental damage pay for it, including through taxes. We have identified principles needed for ‘environmental taxes’, including hypothecation of the revenues for environmental purposes.¹²⁶ We supported the Government’s proposals for a charge on *plastic carrier bags* to help reduce litter which harms habitats and wildlife but were concerned about exemptions which would dilute the message to avoid using such bags in

120 Environmental Audit Committee, [Sustainable development in the National planning Policy Framework](#), Letters to the CLG Committee and Prime Minister 9 November 2011, HC (2010–12) 1480

121 Communities and Local Government Committee, Fourth Report of Session 2014–15, [Operation of the National Planning Policy Framework](#), HC 190

122 Environmental Audit Committee, Eighth Report of Session 2013–14, [Code for Sustainable Homes and the Housing Standards Review](#), HC 192

123 Environmental Audit Committee, Fifteenth Report of Session 2013–14, [Well-being](#), HC 59

124 Environmental Audit Committee, Sixth Report of Session 2013–14, [Biodiversity offsetting](#), HC 750

125 Environmental Audit Committee, Thirteenth Report of Session 2013–14, [HS2 and the environment](#), HC 1076

126 Environmental Audit Committee, Sixth Report of Session 2010–12, [Budget 2011 and environmental taxes](#), HC 878

the first place.¹²⁷ We favoured the use of taxes and incentives to help drive a *circular economy*¹²⁸ and to reduce the number of air-polluting diesel vehicle engines.¹²⁹

73. The NCC envisages work, over the course of a 25-year plan for natural capital, to find a machinery to allow the beneficiaries of ecosystem services to pay the ‘owners’ of natural capital assets. Such an approach could help, for example, in producing more effective climate change adaptation action.¹³⁰ But in some areas markets are not necessarily serving our wider sustainability purposes. As we have previously mentioned, stock markets have been inflating a ‘carbon bubble’ by over-valuing companies with fossil fuel reserves that under an international climate change deal will have to be left unburned (paragraph 43).

74. In the next Parliament, there will need to be further debate on both the risks and the benefits of valuing ecosystem services, and the scope for taxes and fiscal incentives to help rather than hinder environmental protection.

127 Environmental Audit Committee, Eleventh Report of Session 2013–14, [Plastic bags](#), HC 861

128 Environmental Audit Committee Third Report of Session 2014–15, [Growing a circular economy](#), HC 214

129 Environmental Audit Committee, Sixth Report of Session 2014–15, [Action on Air Quality](#), HC 212

130 Environmental Audit Committee, Tenth Report of Session 2014–15, [Climate Change adaptation](#), HC 453

Recommendations

To follow up our inquiry work over the last five years, the next Government must:

- a) In its input to the EU and UN, actively lead and champion the inclusion of ambitious SDG targets for biodiversity and air quality, having a separate climate change goal, and addressing inequality reduction alongside efforts to tackle extreme poverty. It is imperative that ambitious and measurable SDGs are secured at the UN General Assembly in the autumn. The next Government must also start work on Financing for Development immediately after the Election, and ensure a coherent and ambitious approach to the opportunities for embedding sustainable development offered by the forthcoming UN conventions and conferences. (Paragraph 22)
- b) Co-ordinate all departments to pursue policies that are consistent with sustainable development and the agreed SDGs, and transparently report performance against our domestic indicators. (Paragraph 23)
- c) Ensure that young people in the UK are engaged with the SDGs and involved in the development of national implementation policies and targets. (Paragraph 24)
- d) Make a commitment to ‘education for sustainable development’ and integrate it consistently across primary, secondary and tertiary education, with a duty for teaching sustainable development added to the National Curriculum. (Paragraph 25)
- e) Lead from the front in the EU and UN, building on the recent three-party climate change pledge, in order to help secure an ambitious international agreement that limits global warming. (Paragraph 26)
- f) As an early priority, set out new policies to deliver the carbon budgets, focussing on residential and commercial energy efficiency, electrification of heat and transport, power sector decarbonisation and reducing energy demand. (Paragraph 27)
- g) Consider and act on the Committee on Climate Change’s advice on the fifth carbon budget promptly. It must not repeat the lengthy hiatus that occurred in securing the agreement of the fourth budget and which served to damage renewable energy business confidence. (Paragraph 28)
- h) If the energy sector is to achieve the agreed carbon budgets, set out a clearer direction with a consistent focus on renewable energy in place of fossil fuel energy. It should set a carbon-intensity target under the Energy Act 2013 as an early priority. (Paragraph 29)
- i) Reconsider UK Export Finance’s remit which allows it to support fossil fuel energy projects abroad. And at home, set out a clear and straightforward position on the role of subsidies for new nuclear and renewables. (Paragraph 30)

- j)** Respond quickly and positively to the advice on the National Adaptation Programme from the Adaptation Sub-Committee later in 2015, and indeed to our recent report on climate change adaptation. (Paragraph 32)
- k)** Reconsider the current arms' length approach which leaves Arctic regulation of UK-based oil companies to the Arctic states during the next revision of the Arctic strategy. (Paragraph 33)
- l)** Set out an Environment Strategy, setting out the actions needed to embed environmental protection into policy-making, and underpinned by an independent 'office for environmental responsibility'. (Paragraph 34)
- m)** Quickly consider the NCC's position, and put it on the long-term footing needed to take forward their recommended 25-year plan to improve our natural capital. (Paragraph 35)
- n)** Set out clear policies in regard to biodiversity offsetting, the use of neonicotinoid pesticides, environmental safeguards for HS2 and other major infrastructure programmes, fracking and forestry (including its position on the 2015 review of EU timber regulations). It should also act early on to give long term financial certainty for Kew Gardens (potentially with DfID providing some of its funding) and for the Wildlife Crime Unit. (Paragraph 36)
- o)** Complete the revision of the Air Quality Strategy, currently underway, and reach decisions on a potential national framework for low emission zones and a rebalancing of the tax treatment of diesel and petrol. It will have to urgently consider its approach to meeting EU air pollution targets to reduce the likelihood and scale of possible infraction fines, and before the end of 2015 set out clear demarcations in responsibility for tackling air pollution between central and local government. (Paragraph 38)
- p)** Review its environmental research resources to ensure that it has the necessary future capacity to give itself, and the public, sufficient independent assurance on the effective operation of environmental protections (Paragraph 39)
- q)** Demonstrate its commitment to a green economy that balances the three elements of sustainable development—economy, environment and society, and produce a green skills strategy to ensure that skills and training provision supports the aspirations of green economy policies. (Paragraph 40)
- r)** Reactivate the Green Economy Council and put it at the heart of the Government's further work on the green economy. (Paragraph 41)
- s)** Give early consideration to granting the Green Investment Bank borrowing powers, to allow it to significantly scale up its investments. (Paragraph 42)

- t) Produce a green finance strategy that ensures that markets price-in the cost of carbon, and creates greater market certainty and a more favourable investment outlook for low-carbon energy by clearly setting out policies on the linkages between the green economy, climate change action and Industrial Strategies. (Paragraph 43)
- u) Engage quickly with the already underway negotiations of the EU/US Transatlantic Trade and Investment Partnership, and work with the European Commission to ensure that there is no 'race to the bottom' in environmental regulations. (Paragraph 44)
- v) In light of the recent decision of the European Commission to drop a prospective directive on the circular economy from its 2015 Work Programme, consider what action it might take at national level to facilitate a circular economy, with less waste and greater resource efficiency. (Paragraph 45)
- w) Introduce a system to address sustainable development policy gaps in departmental plans, and initiate action to improve government sustainable procurement standards. New departmental targets for emissions, waste, water and procurement must be introduced after the Election. Targets should be established as long term goals aligned with UK sustainability and emissions commitments, with interim milestones for each five-year Parliament. (Paragraph 48)
- x) Immediately start to use the increasingly available well-being data to identify new policies. Well-being and inequality will be increasingly urgent public policy issues and these considerations must increasingly influence policy decision-making. (Paragraph 50)

Our work over this Parliament has identified additional issues in which further work and a more fundamental debate will be needed in the next Parliament:

- y) Greater effort will be needed to ensure that a more appropriate balance between the three pillars of sustainable development is followed in identifying policies and in policy-making, and existing major policies such as the National Planning Policy Framework refocused to follow a genuinely sustainable approach. (Paragraph 58)
- z) A clearly understood concept of the precautionary principle will need to be articulated and agreed by the Government and stakeholders, to reduce the likelihood of environmental risks being insufficiently addressed. (Paragraph 62)
- aa) New avenues will need to be opened to engage proactively young people and civil society in the sustainability agenda and ensure that their perspectives are able to inform policy-making. (Paragraph 65)
- bb) The debate on the appropriate respective roles of central and local government will need to be resolved, to place environmental risks with those best placed to manage them and to avoid uncertainty over responsibilities preventing necessary action. (Paragraph 70)

- cc) There will need to be further debate on both the risks and the benefits of valuing ecosystem services, and the scope for taxes and fiscal incentives to help rather than hinder environmental protection. (Paragraph 74)

Annex: Summary of key inquiry findings

International sustainable development

1) Poverty and environmental degradation are urgent global challenges. One in five people in developing regions live in extreme poverty, one-third of urban residents in developing regions live in slums, 13 million hectares of forest were lost worldwide each year in the 2000–2010 decade and global carbon emissions in 2011 were 50% above their 1990 level.¹³¹ Tackling these issues requires a new understanding of the connections between people and planet and global commitment to pursuing sustainable development.

2) The Government's ambition has been “internationally, to achieve environmentally and socially sustainable economic growth, together with food, water, climate and energy security”.¹³² In September 2015, the UN will agree a new set of development goals—Sustainable Development Goals (SDGs)—to be achieved by 2030. In December 2015, the UN Climate Conference in Paris, will seek a legally binding universal agreement to reduce greenhouse gas emissions. The 2012 UN Rio+20 Earth Summit, and the current development agreement on the Sustainable Development Goals and action on climate change have provided a test of that ambition.

The Rio +20 Summit

3) The United Nations Conference on Sustainable Development—the ‘Rio +20’ Summit—in June 2012 marked the 20th anniversary of the original Earth Summit. In the interval between the two Summits, despite notable environmental successes through international action, the global environment had further degraded.

4) In October 2011, we published *Preparations for the UN Rio+20 Earth Summit*,¹³³ which emphasised the urgency of action as we approach environmental ‘planetary boundaries’ to halt the unsustainable use of natural resources. There were two main themes for Rio+20: a green economy and the international institutional framework for sustainable development.

5) In 2000, states made an international development commitment—the UN Millennium Development Goals—to be delivered by 2015. Despite improvements on poverty reduction, health and education,¹³⁴ there had been less progress on sustainability and environmental protection.¹³⁵ The Millennium Development Goals helped shape aid programmes over the previous decade, although globally some of their targets appeared likely to be missed by their 2015 end-date. They focused attention only on what needed to change in the developing world. We urged the Government to support work aimed at launching new Sustainable Development Goals to shift the effort

131 United Nations, [The Millennium Development Goals Report 2014](#), (2014)

132 H M Government, [The Natural Choice, Securing the value of Nature](#), (June 2011), p58

133 Environmental Audit Committee, Eighth Report of Session 2010–12, [Preparations for the Rio +20 Summit](#), HC 1026

134 United Nations, [The Millennium Development Goals Report 2014](#), (2014)

135 Environmental Audit Committee, Seventh Report of Session 2014–15, [Connected world: Agreeing ambitious Sustainable Development Goals in 2015](#), HC 452

towards the sustainable development and sustainable consumption contributions that the UK and other developed countries would need to make.

6) With no common definition of the ‘green economy’, we urged the Government to support one at the Summit that would be comprehensive, guaranteeing a ‘fair’ as well as ‘green’ economy. At a time of continuing financial recession, we were concerned that countries would aim for a ‘slightly greened business as usual’, driven by an imperative for economic growth. We pressed the Government to resist such moves. We also prompted the Government to endorse incentives for companies to act sustainably and to integrate businesses in shaping the objectives of a green economy.

7) Rio+20 was a chance for civil society groups, business and individuals to discuss the necessity for renewed commitment to sustainable development, but the engagement with these groups needed to be a process, rather than a one-off discussion. There was an underlying need for a new generation to be enthused about the need for action. We recommended that the Prime Minister attend the Summit to demonstrate the Government’s commitment to the aims of Rio+20, within the UK and beyond.

8) In June 2013, we published *Outcomes of the UN Rio+20 Earth Summit* which considered the UK Government’s contribution of the Summit and the commitments it made.¹³⁶ The Prime Minister did not attend the Summit, which we considered undermined the Government’s demonstration of its commitment to the sustainable development agenda.

9) Despite the promising build-up, many were not content with the Summit’s conclusions. There was a lack of concrete agreement on some areas, particularly the green economy. The Summit required the UK, like all countries, to do more on the green economy, but ultimately it left it to individual countries to decide how to take that forward. We advised the Government to prove its commitment to a green economy by producing an overarching delivery strategy.

10) Nonetheless, the commitment from the Summit to develop new Sustainable Development Goals allowed work to begin on a new Post-2015 Development Agenda to integrate sustainable development targets with poverty eradication and climate change targets. We emphasised that the SDGs needed to ensure that development did not jeopardise ‘planetary boundaries’.

11) We pressed the Government to continue to facilitate engagement with NGOs, businesses, civil society, and the youth on discussing how to take forward the SDGs and other Rio+20 commitments. The Summit included commitments to build an understanding of sustainable development at all stages of education and to provide the skills needed for the transition to a green economy. We urged that schools address sustainable development in their learning plans.

¹³⁶ Environmental Audit Committee, Second Report of Session 2013–14, [Outcomes of the UN Rio+20 Earth Summit](#), HC 200

12) In its response to our inquiries, the Government emphasised that its seat on the UN Open Working Group meant that the UK was well-placed to influence the Post-2015 Development agenda and the SDGs, which would be developed in tandem. It would be left to schools, the Government told us, to make their own judgements on how sustainable development would be reflected in their ethos.¹³⁷

Sustainable Development Goals

13) As we noted in our *Outcomes of Rio+20* report, one of the most significant outcomes of the event was the international agreement on the need for SDGs. In December 2014 we published *Connected world: Agreeing ambitious Sustainable Development Goals in 2015* in which we reviewed the UK's aims for the SDGs, and the co-ordination across Government and consultation with stakeholders, but also how the Goals will influence domestic policy-making and aid programmes.¹³⁸

14) The similar timing of the SDGs and climate change negotiations, each leading to UN agreements late in 2015, presented an important opportunity to embed climate change thinking throughout the SDGs. We recommended that the Government support a separate climate change Goal given the importance of reaching an ambitious agreement in Paris.

15) International trade has played an important role in reducing extreme poverty, but such gains often come at the expense of the environment. The Government, we said, must demand the highest standards of environmental protection in trade deals. In our *Transatlantic Trade Investment Partnership* report we emphasised the importance of any agreement not reducing existing EU environmental regulations or being allowed to bring a chilling effect on future policy-making and regulation setting.¹³⁹

16) Our SDGs report reiterated the importance of resource efficiency and the 'circular economy'—a separate Committee report¹⁴⁰—which should also be embedded in the SDGs. We described how inequality can be a barrier to sustainable development, by undermining social cohesion and excluding some sections of societies from the benefits of development and prosperity. We advocated the inclusion in the SDGs of inequality indicators to help tackle both extreme poverty and inequality simultaneously.

17) The Government will need to co-ordinate all departments to consider the domestic implications of the Goals and pursue policies consistent with sustainable development. Agreeing the right domestic indicators for the SDGs is a vital step in ensuring that they have traction; it is essential that the UK is accountable for its progress in delivering the SDGs, which in turn will require effective data and systems to monitor and report on the UK's delivery of SDG targets. Furthermore, given the global significance of the SDGs

137 Government Response to Environmental Audit Committee's First and Second Report of Session 2013–14, [Embedding sustainable development and the outcomes of the UN Rio+20 Earth Summit](#), HC 633

138 Environmental Audit Committee, Seventh Report of Session 2014–15, [Connected world: Agreeing ambitious Sustainable Development Goals in 2015](#), HC 452

139 Environmental Audit Committee, Ninth Report of Session 2014–15, [Environmental Risks of the Trans-Atlantic Trade & Investment Partnership](#), HC 857

140 Environmental Audit Committee, Third Report of Session 2014–15, [Growing a circular economy: Ending the throwaway society](#), HC214

and their powerful vision for the next 15 years, we continued to stress the criticality of engaging young people in the UK with the new goals and the concepts of sustainable development.

18) We concluded that the current wide consensus on the components of sustainable development, as set out in the proposed 17 Goals listed in the Open Working Group's report, is historic and powerful. The Government agreed on the need for the SDGs to cover the breadth of the 17 goals in the UN 'Open Working Group' draft, but wanted these to be fewer than 17 SDGs in the final version. The Government rejected our call for the SDGs to specifically address inequality. Instead, it preferred that the SDGs focus on tackling extreme poverty—'leaving no one behind' in all groups of people—and underlined what it saw as a need "to address the shortcoming of the previous Millennium Development Goals by moving beyond measurement by averages".¹⁴¹ The Government favoured what it termed a "visible integration" of climate across the SDGs, but did not unequivocally support or reject having a separate climate change goal.¹⁴²

Climate Change

19) The bulk of greenhouse gas emissions responsible for our changing climate derive from our use of fossil fuels to meet our demand. Across the world, if we make no efforts to cut use of fossil fuels, global warming could reach up to 7°C this century, which would significantly threaten human welfare and ecological systems.¹⁴³ The December 2015 Climate Change Conference in Paris will be vital to averting this by limiting the global temperature increase to a less dangerous margin.

20) The UK is obligated under the Climate Change Act 2008 to reduce its emissions by 80% by 2050 from 1990 levels. The Act established a system of five-yearly carbon budgets, to serve as stepping stones on the way to achieving that aim. The first four carbon budgets, extending to 2027, have been set and we are currently in the second carbon budget period (2013–17). Meeting the fourth carbon budget (2023–27) will require emissions to be reduced by 50% on 1990, requiring significantly strengthened policies to be developed and implemented.

21) In February 2015, David Cameron MP, Nick Clegg MP and Ed Miliband MP signed a joint pledge to tackle climate change to protect the UK's national security and economic prosperity. Those party leaders agreed to seek a strong, legally binding, global climate deal limiting temperature rises to below 2°C; to work together, across party lines, to agree carbon budgets under the Climate Change Act and to accelerate the transition to an efficient low-carbon economy which ends the use of unabated coal for power generation.¹⁴⁴

141 Government Response to Environmental Audit Committee, Seventh Report of Session 2014–15, [Connected world: Agreeing ambitious Sustainable Development Goals in 2015](#), HC 1067

142 Government Response to Environmental Audit Committee, Seventh Report of Session 2014–15, [Connected world: Agreeing ambitious Sustainable Development Goals in 2015](#), HC 1067

143 The Committee on Climate Change, ['The Science of Climate Change.'](#) accessed March 2015

144 ["Party leaders make joint climate commitment"](#), BBC Science & Environment, February 2015

Carbon budgets

22) In October 2011, in our report on *Carbon budgets*,¹⁴⁵ we commended the Government for setting the fourth carbon budget at a level recommended by the Committee on Climate Change. We criticised, however, the Government's announcement to undertake a carbon budgets review in 2014, which might have resulted in easing the budget if the UK's emissions reduction trajectory had been inconsistent with the EU Emissions Trading System (EU ETS). Loosening the fourth carbon budget would have jeopardised reaching the 2050 target and undercut the benefit of having longer-term certainty about Government policy that investors in low-carbon needed.

23) We also looked ahead to the December 2011 publication of the Government's *Carbon Plan* in the hope that it would have provided a convincing plan of action for delivering the carbon budgets.¹⁴⁶ We recommended that the *Carbon Plan* be improved by including a quantification of the emissions reductions expected from the policies listed in the Plan, introducing accountability arrangements for government departments and setting out a role for local authorities in delivering emissions reductions.

24) In October 2013, we published our *Progress on Carbon Budgets* report.¹⁴⁷ Compared with our previous inquiry in 2011, the case for strong action to avoid dangerous climate change had only strengthened. The world was on track to warm by 4°C and the Committee on Climate Change had noted that UK emissions had risen by 3.5% in 2012.¹⁴⁸ On a consumption basis, the UK's carbon footprint had increased over the previous two decades so that the UK had one of the largest in the world.¹⁴⁹

25) We emphasised that an already evident lax EU ETS emissions limit would put pressure on the 'non-traded' sector to produce further emissions reductions to cover the gap left by the 'traded' sector. However, there were too many uncertainties to warrant changes to the fourth carbon budget. Instead we urged the Government, to identify further policies to bridge the required emissions cuts in the non-traded sector and to explain how it would strengthen the EU ETS. In preparation for a 2015 global climate deal, we also recommended that the Government re-examined introducing a supplementary target focused on emissions 'consumption' embedded in imports.

26) We warned that the *Carbon Plan*, then recently published, was already outdated: arrangements for managing and reporting progress were not working as intended and required urgent revision to enhance transparency. We reiterated our call for local authorities to be encouraged more directly to play an important role in driving down emissions. There was a serious risk of inaction because of authorities' constrained fiscal

145 Environmental Audit Committee, Seventh Report of Session 2010–2012, *Carbon Budgets*, HC 1080

146 HM Government, *The UK Low Carbon Transition Plan—National strategy for climate and energy*, (July 2009).

147 Environmental Audit Committee, Fifth Report of Session 2013–14, *Progress on Carbon Budgets*, HC 60

148 Committee on Climate Change, *Meeting Carbon Budgets—2013 Progress Report to Parliament*, (June 2013)

149 Committee on Climate Change, *Reducing the UK's carbon footprint and managing competitiveness risks*, (April 2013)

position and the Government's decision to not place statutory duties on them to produce low-carbon plans.

27) Despite our advice, in July 2014 the Government went through with the fourth carbon budget review, although as a result it did not amend the budget.¹⁵⁰ This would bring long overdue confidence about the UK's future emissions reduction performance, but only if the Government would identify and employ the additional emissions reduction policies needed to deliver that budget. In the meantime, the EU ETS is still not providing an effective policy lever for emissions reductions of the scale needed, despite efforts to secure reforms in the European Commission. A climate deal in Paris, and an effective EU response to it, will be needed to allow the Government to set an effective fifth carbon budget in 2016. The Government will need to make long-overdue revision to the Carbon Plan which has still not been updated since 2011, and give local authorities emissions reduction targets.¹⁵¹ Despite the Government earlier concluding that it would continue to account for carbon budgets on the basis of 'production' emissions, it did accept that 'consumption' emissions should be monitored to ensure they were falling in line with the global action required to achieve the climate objective.¹⁵²

28) In their 2014 progress report, the Committee on Climate Change advocated that, whilst the first carbon budget had been met, strengthening of policies would be needed to meet future budgets and that policy decisions would need to be made immediately.¹⁵³ This has been a recurring recommendation of the Committee on Climate Change, as we have noted in successive reports on the carbon budgets regime. The Government stated in October 2014 that policy decisions with a financial impact beyond 2015 would need to be considered in the spending plans for the next Parliament.¹⁵⁴

29) The EU previously had a target to cut emissions by 20% in 2020, relative to 1990, but as we identified in 2008, this would not have been enough to put the EU on a trajectory to deliver its objective of cutting emissions by 80-95% by 2050.¹⁵⁵ The EU agreed in 2010 to raise its 2020 emissions reduction target to 30% if other developed countries pledged comparable emission reductions.¹⁵⁶ The Government wanted the EU to adopt a 50% emissions reduction target for 2030, but did not support proposals for a separate EU renewable energy target, believing that it would compromise member states' flexibility over how they secured a least-cost decarbonisation.¹⁵⁷ We explained in 2013 that renewable energy had an important part to play in delivering the UK's reduction targets,

150 HC Deb, 22 July 2014, [col 115WS](#)

151 Qq52-53

152 Government response to Environmental Audit Committee's Fifth Report of Session 2013-14, [Progress on Carbon Budgets](#), HC 928

153 Committee on Climate Change, [Meeting Carbon Budgets—2014 Progress Report to Parliament](#), (July 2014)

154 Government Response to the Sixth Annual Progress Report of the Committee on Climate Change, [Meeting Carbon Budgets—2014 Progress Report to Parliament](#), (2014)

155 Committee on Climate Change, [Building a low-carbon economy—the UK's contribution to tackling climate change](#), (December 2008), p110

156 European Commission, [Europe 2020: A strategy for smart, sustainable and inclusive growth](#), (March 2010), p9

157 Environmental Audit Committee, Ninth Report of Session 2013-2014, [Energy Subsidies](#), HC 61

and urged the Government to rethink its hostility to a separate continued target for the deployment of renewables.¹⁵⁸ Nevertheless, in October 2014, EU leaders reached a deal to cut greenhouse emissions by 40% by 2030, with a non-nationally binding renewables target of 27% and increased energy efficiency targets.¹⁵⁹ The UK had continued to oppose nationally binding targets for renewables.

Energy subsidies

30) In our December 2013, *Energy subsidies* report we calculated that subsidies in the UK were running at about £12bn a year.¹⁶⁰ There is no single internationally agreed definition of what constitutes an energy subsidy, and the Government persistently denied that in non-renewables areas it provided subsidies.

31) The Government's policy of 'no public subsidy for new nuclear' required it to provide only 'similar' support to that provided to other types of energy, but even on that basis we considered that the Hinkley Point C deal was 'dissimilar', notably on support for decommissioning and waste costs. We stressed that new nuclear was being subsidised by what the Government preferred to call 'support mechanisms' and 'insurance policies'. We concluded that Government subsidies for fossil fuels, and their different treatment for nuclear and renewable energy, could undermine the UK's international role in the build up to the Paris Summit and the development of the SDGs.

32) Subsidies for renewables, on the other hand, are a crucial lever to provide certainty to industry and drive investment in those technologies. We recommended that the Government demonstrate leadership in increasing the deployment of renewables and in promoting energy efficiency through targeted use of subsidies. Compared to nuclear energy, the Government was being less helpful towards onshore wind energy. DECC might want to bolster wind renewables but the DCLG Secretary of State had intervened in 52 onshore wind farm planning applications since June 2013,¹⁶¹ with 310 out of 746 rejected in 2013.¹⁶² These two departments appeared not to be following a consistent policy on the need for renewable energy.¹⁶³

33) In the meantime, Government's subsidies comprise of field allowances for North Sea oil and gas despite the Government's assertion otherwise, and its capacity payments regime for gas-fired electricity generation because in practice it will be the only eligible technology.¹⁶⁴

34) The Government has continued to reject our assertion that fossil fuels, new nuclear and fracked gas are subsidised in the UK.¹⁶⁵ That attitude appears to have also been

158 Environmental Audit Committee, Fifth Report of Session 2013–14, [Progress on Carbon Budgets](#), HC 60, para 42

159 European Council, [2030 Climate and Energy Policy Framework](#), (October 2014)

160 Environmental Audit Committee, Ninth Report of Session 2013–2014, [Energy Subsidies](#), HC 61

161 Renewable UK, Letter, [Onshore Wind Projects-Recoveries and Call Ins](#), (November 2014)

162 HC Deb, 12 May 2014, [col 14WS](#)

163 Q70

164 Environmental Audit Committee, Ninth Report of Session 2013–2014, [Energy Subsidies](#), HC 61

165 Government Response to Environmental Audit Committee's Ninth Report of Session 2013–14, [Energy Subsidies](#), HC 1103. See also Liaison Committee, [Oral Evidence from the Prime Minister](#), HC 887 (16 December 2014)

reflected in the Government's approach to providing overseas aid, which has often been directed at countries having fossil fuel subsidies, and the UK's continuing export support to fossil fuel projects.¹⁶⁶

Fracking

35) Exploratory drilling for shale gas having begun, the Government sought through its Infrastructure Act to ease the process for fracking operations. In our January 2015 report on the *Environmental Risks of Fracking*, we recommended a moratorium on this type of energy.¹⁶⁷

36) We raised concerns about potential environmental protection issues, but we stressed that fracking was also inconsistent with UK obligations under the Climate Change Act and its carbon budgets regime. The Government needed to reduce the carbon intensity of our energy. Shale gas could not be regarded as low carbon. Any large scale extraction of shale gas in the UK was likely to be at least 10–15 years away, and therefore would have no role in driving out dirtier coal from the energy system because by then unabated coal-fired power-generation should have been phased out to meet EU emissions directives. It could not therefore be regarded as a 'transitional' or 'bridging' fuel. It is also unlikely to be commercially viable unless developed at a significant scale, but large-scale fracking will not be able to be accommodated within still tightening carbon budgets.

37) We called for a moratorium on fracking to avoid the inconsistency with our climate change obligations and to allow the uncertainty surrounding environmental risks to be resolved. We recommended an amendment to the Infrastructure Bill to explicitly bar the fracking of shale gas. Following our inquiry and other's concerns, the Infrastructure Bill was amended to add environmental safeguards and to require the Committee on Climate Change to monitor the compatibility of shale gas production with the carbon budgets regime.

Climate change adaptation

38) In addition to the statutory requirements placed upon the Government to mitigate climate change and remain within a series of carbon budgets, the Climate Change Act 2008 also put in place a policy framework to promote Climate Change adaptation in the UK. It required the Government to produce an assessment of the risks for the UK of the current and predicted impact of climate change. Accordingly, the Government published a *UK Climate Change Risk Assessment* in 2012,¹⁶⁸ which informed the first National Adaptation Programme (NAP), in 2013, setting out what government, businesses and society were doing to adapt better to the changing climate.¹⁶⁹ The Risk Assessment and the NAP have to be updated every 5 years—the next Risk Assessment in January 2017 and the next NAP in 2018. The Act charges the Adaptation Sub-

166 "[UK loaned £1.7bn to foreign fossil fuel projects](#)", The Guardian, January 2015

167 Environmental Audit Committee, Eighth Report of Session 2014–15, [Environmental Risks of Fracking](#), HC 856

168 Defra, [UK Climate Change Risk Assessment 2012](#) (January 2012)

169 Defra, [National Adaptation Programme: Making the country resilient to a changing climate](#) (July 2013)

Committee (ASC), to advise the Government on the preparation of each of those documents—the first advisory report being due in July 2015.

39) In our March 2015 *Climate change adaptation* report¹⁷⁰, we found that the first NAP had created buy-in through its bottom-up contributions from many organisations. It had however, not identified proactive adaptation policies or driven action in a coordinated way and it had lacked a spatial focus to help develop landscape-scale or regional strategies. We recommended that the Government ensure that the next NAP provided a more top-down strategic direction, with a spatial focus, and create a set of measures and targets against which progress can be measured.

40) We also recommended that the Government should enforce the powers it already has to require ‘Sustainable drainage systems’ in developments, particularly on floodplains, and to remove the developers’ right to connect homes to the public sewer. The Government should undertake a review of the physical resources, capacity and skills available for emergency response. It should also consider making adaptation reporting mandatory for organisations managing critical infrastructure and services, and introducing universal water-metering in water-stressed areas.

Environmental protection

41) During this Parliament the Government published a Natural Environment White Paper and established the Natural Capital Committee. The 2011 document set out an ambition that this be “the first generation to leave the natural environment of England in a better state than it inherited”.¹⁷¹ It has not been possible to measure precisely whether overall such an ambition has been achieved, but it was possible to identify the state of progress in particular environmental areas in our *Environmental Scorecard* and other inquiries.

Environmental Scorecard

42) Our *Environmental Scorecard* report in September 2014 assessed biodiversity, air pollution and flooding as ‘red’ risks, and thus areas of particular concern.¹⁷² The remainder were assessed as ‘amber’ because in none of the other seven environmental areas we examined was satisfactory progress being made. We advocated that new processes and structures were needed to embed environmental protection into policy-making to ensure ecosystem services remain available to the next generation. That entailed natural assets being measured and valued, and for decision-making to be founded on a clear understanding of how policies might help or harm all aspects of the environment. We also emphasised that regulation was the essential underpinning of environmental protection.

43) We criticised the failure to identify the approaches and policy-levers needed to protect different areas of the environment, and the lack of systems to hold the Government to account for its overall performance on the environment. An overarching Government Environment Strategy was needed. We recommended that the

170 Environmental Audit Committee, Tenth Report of Session 2014–15, [Climate change adaptation](#), HC 453

171 HM Government, [The Natural Choice: securing the value of nature](#), (June 2011), p3

172 Environmental Audit Committee, Fifth Report of Session 2014–15, [An Environmental Scorecard](#), HC 215

Government set up an independent body—an ‘office for environmental responsibility’—to review such a Strategy, advise Government on policies needed and monitor performance against the Strategy and its targets.

44) The Natural Capital Committee (NCC) was established to help Government understand how the state of the natural environment affects the economy and individual well-being, and to advise Government on how to manage our natural wealth sustainably.¹⁷³ The NCC concluded that we were not on a trajectory to meet the Government’s long-term vision of being the first generation to leave the natural environment in a better state than that inherited, so identified a need for a 25 year plan to improve our natural capital “within this generation”.¹⁷⁴ In June 2014, we urged the Government to signal its commitment to the NCC by responding formally to its annual reports, by putting the NCC on a long-term statutory footing and accepting the NCC’s key recommendation for a 25-year plan.¹⁷⁵

45) Instead, the Government has extended the NCC’s remit by six months (to September 2015) so that the next Government can consider the NCC’s fate.¹⁷⁶ The NCC’s most recent report in January 2015 urged the Government to “assign institutional responsibility for monitoring the state of natural capital”,¹⁷⁷ similar to our earlier recommendation for an ‘office for environmental responsibility’. Without the NCC, or another similar body, there are inadequate systems in place to advise Government departments on the sustainable use of natural resources.

Air quality

46) Our December 2014 report on *Action on Air Quality* was the third in five years on this subject.¹⁷⁸ Air pollution continues to be an invisible killer, causing 29,000 early deaths every year. The European Commission launched infraction proceedings against the Government in 2014 because 34 of 43 zones failed to meet EU Ambient Air Quality Directive targets for nitrogen dioxide pollution. Some zones will not meet the required limits until 2030.

47) It is clearly unacceptable that people could have their health impaired over decades before this problem is brought under control. We recommended that the Government updated the 2007 Air Quality Strategy with clear demarcation of responsibilities between departments and between central and local government; work with local authorities to establish best practice in tackling air pollution; introduce a national framework for low emission zones; examine fiscal measures to encourage a move away from diesel vehicles; and strengthen planning guidance.¹⁷⁹

173 Natural Capital Committee, [The State of Natural Capital: Towards a Framework for measurement and valuation](#), (April 2013), p4

174 Natural Capital Committee, [The State of Natural Capital: Restoring our Natural Assets](#), (March 2014) p62

175 Environmental Audit Committee, Fifteen Report of Session 2013–14, [Well-Being](#), HC 59, paras 20-25

176 Defra, [The Government’s response to the NCC’s 2nd State of Natural Capital Report](#), (October 2014)

177 Natural Capital Committee, [The State of Natural Capital: Protecting and Improving Natural Capital for Prosperity and Wellbeing](#), (January 2015), p9

178 Environmental Audit Committee, Sixth Report of Session 2014–15, [Action on Air Quality](#), HC 212

179 Environmental Audit Committee, Sixth Report of Session 2014–15, [Action on Air Quality](#), HC 212

48) The European Commission issued new draft proposals on clean air in December 2013, but in December 2014, withdrew them from its 2015 work programme.¹⁸⁰ The delay in putting into operation the measures contained in the now withdrawn legislation will undermine the essential improvements our report endorsed. The Government response to our report identified a number of areas where work is in progress over the remainder of 2015—notably in preparing the next Air Quality Strategy.¹⁸¹

Biodiversity

49) In our October 2012 report on *Wildlife Crime*,¹⁸² we criticised the Government's fragmented wildlife protection laws, which were being inconsistently applied by the courts. We were concerned that birds of prey were being poisoned with substances that had no legal use, and urged the Government to make possession of such poisons an offence. We also examined how the rhino, tiger and elephant were being driven to extinction by growing demand for illegal wildlife products in south-east Asia and China, and called on the Government to exert robust diplomatic pressure for greater enforcement of wildlife law. At the heart of the wildlife crime problem, however, was a lack of long-term funding for the Wildlife Crime Unit charged with setting priorities and co-ordinating action within the UK.

50) The Government rejected our calls to ban possession of the poison used to kill birds of prey but they did accept that legislation relating to wildlife crime needed to be simplified.¹⁸³ It eventually provided an additional year of funding for the Wildlife Crime Unit, but this is now again an area of uncertainty beyond the Election.

51) In April 2014, in our *Invasive non-native species report* we highlighted the detrimental effects that invasive species can have on the native species they supplant.¹⁸⁴ This is a difficult policy challenge because continuing climate change is driving species' ranges to higher latitudes, so action against regionally displaced species may exacerbate their plight. We called for better prevention, surveillance, and long-term control measures, but tailored to such climate change induced migrations. We criticised the current system of listing species to be monitored in England and Wales for being too slow, and recommended the introduction of species control orders similar to Scotland's. These were being examined by the Law Commission, and were subsequently introduced through the Infrastructure Act.

52) We criticised the Government's proposals for 'biodiversity offsetting', which would have allowed damage to the environment and ecosystems arising from a development to be compensated for by providing biodiversity resources elsewhere. The Government set out its proposals in a Green Paper in September 2013, including a prospective metric for calculating biodiversity gains and losses.¹⁸⁵ At the same time, Defra, Natural England

180 European Commission, [Annex to the Commission Work Programme 2015](#), (December 2014)

181 Government response to Environmental Audit Committee's Sixth Report of Session 2014–15, [Action on Air Quality](#), HC 1083

182 Environmental Audit Committee, Third Report of Session 2012–13, [Wildlife Crime](#), HC 140

183 Government Response to the EAC's Third Report of Session 2012–13, [Wildlife Crime](#), HC 1061

184 Environmental Audit Committee, Fourteenth Report of Session 2013–14, [Invasive non-native species](#), HC 913

185 Defra, [Biodiversity Offsetting in England Green Paper](#), (September 2013)

and local councils were continuing with six offsetting pilots which had begun in 2012. In our *Biodiversity Offsetting* report we cautioned that offsetting should follow the ‘mitigation hierarchy’ so that it would only arise after alternative development sites or means of mitigating any environmental loss from development had been considered.¹⁸⁶ The Government’s proposed metric was also too simplistic.

53) We recommended that the Government allowed the offsetting pilots to run their course and then be evaluated independently, which it accepted.¹⁸⁷ The pilots were completed some time ago, but the policy does not appear to have been developed further.

High Speed 2

54) In our April 2014 *HS2 and the Environment* report we examined a specific proposed application of biodiversity offsetting.¹⁸⁸ We advised the Government to aim higher than their ‘no net biodiversity loss objective’, which did not match the generational improvement objective of the Natural Environment White Paper. Significant work would be needed to show that the ‘mitigation hierarchy’ was at the core of the Government’s approach, given the damage that would be expected to ancient woodlands, SSSIs and local wildlife sites. Whilst Defra evaluated its offsetting trials, the *HS2 Environmental Statement* proposed a metric for assessing biodiversity offsetting which did provide some additional protections, though not enough to protect ancient woodlands. The Government accepted our recommendation for an independent body to oversee the monitoring of HS2’s newly created offset habitats.¹⁸⁹

Pollinators and pesticides

55) Pollinators are essential to both agriculture and our biodiversity. In recent years, two thirds of species of wild insect pollinators have experienced population decline in the UK. Potential contributing factors included climate change, habitat loss, parasites and the use of pesticides, particularly neonicotinoids which our April 2013 *Pollinators and pesticides* report explored in detail.¹⁹⁰

56) There was insufficient data to produce an accurate view of the extent of declining populations of particular pollinators, and contradictory scientific evidence on the effect of neonicotinoids. We recommended, following the precautionary principle, that the Government ban the use of three neonicotinoid pesticides. The Government rejected our recommendation, disputing the conclusions from the evidence and applying an economic factor to the precautionary principle. The European Food Safety Authority’s risk assessment of the three neonicotinoids resulted in the European Commission introducing a two-year moratorium on their use on crops attractive to bees in December 2013.

186 Environmental Audit Committee, Sixth Report of Session 2013–14, [Biodiversity Offsetting](#), HC 750

187 Government response to Environmental Audit Committee’s Sixth Report of Session 2013–14, [Biodiversity Offsetting](#), HC 1195

188 Environmental Audit Committee, Thirteenth Report of Session 2013–14, [HS2 and the environment](#), HC 1076

189 Government response to Environmental Audit Committee’s Thirteenth Report of Session 2013–14, [HS2 and the Environment](#), HC 216

190 Environmental Audit Committee, Seventh Report of Session 2012–13, [Pollinators and Pesticides](#), HC 668

57) Subsequently, our *National Pollinator Strategy* report in July 2014 examined a draft *National Pollinator Strategy* under consultation.¹⁹¹ This introduced many welcome features, including a national pollinator monitoring framework and a programme of research. Less welcome was Defra's reliance on industry to fund further research on neonicotinoids. This was symptomatic of Defra's loss of capacity to deliver environmental protection, which we warned might result in commercial, rather than scientific, research priorities being followed.

Marine environment

58) In November 2013, the Government designated 27 Marine Conservation Zones (MCZs)—falling short of the 127 sites previously recommended. In our May 2014 *Marine Protected Areas* report we criticised this slow pace of progress and called on the Government to bring forward the schedule of the MCZ programme.¹⁹²

59) A separate problem was that budget reductions in the Marine Management Organisation—the body charged with managing the zones—made it difficult to demonstrate that it had the resources needed to manage and enforce the MCZs. Subsequently, the Government announced a second tranche of 23 MCZ's in February 2014, still some way short of the potential. In our inquiry on *Sustainability in the UK Overseas Territories* we also explored the scope of Marine Protected Areas further afield.

Sustainability in the UK Overseas Territories

60) Our 2014 *Sustainability in the UK Overseas Territories*¹⁹³ report also examined the Government's first White Paper to address the UK's relationship with the Overseas Territories since 1999.¹⁹⁴ We criticised the Government's unwillingness to address its responsibilities under UN treaties for the environmental performance of the Territories. The Government was prepared to exercise its hard and soft powers on financial matters, but was not prepared to exercise those powers to protect biodiversity and to promote environmental sustainability. In environmental terms, the 2012 Overseas Territories White Paper was a missed opportunity. The Government maintained that environmental protection in the Territories was their devolved responsibility.

The green economy

61) Current patterns of economic growth are unsustainable because they reduce the availability of natural resources and the ecosystem services they provide. In 2010, the Government announced an ambition to “build a new economy that supported sustainable growth and enterprise, balanced across all regions and all industries, and promoted the green industries essential for the future.”¹⁹⁵ The transition to a green economy requires investors to take account of a carbon constrained world. The scale of investment needed is unprecedented—£200 billion or more over this and the next

191 Environmental Audit Committee, Second Report of Session 2014–15, [National Pollinator Strategy](#), HC 213

192 Environmental Audit Committee, First Report of Session 2014–15, [Marine Protected Areas](#), HC 221

193 Environmental Audit Committee, Tenth Report of Session 2013–14, [Sustainability in the UK Overseas Territories](#), HC 332

194 Foreign & Commonwealth Office, [The Overseas Territories, Security, Success and Sustainability](#), (June 2012)

195 H.M Government, [The Coalition: our programme for government](#), (May 2010)

decade.¹⁹⁶ Subsidies and incentives for low-carbon energy are part of the solution, but a green economy also needs wider Government support, targeted environmental taxes and attentive sources of finance. Traditional sources of capital for investment in green infrastructure are expected to provide £50 to £80 billion up to 2025, leaving a funding gap running into hundreds of billions of pounds.¹⁹⁷

62) Our May 2012 *Green Economy* report¹⁹⁸ concluded that the Government's *Enabling the Transition to a Green Economy*¹⁹⁹ was a missed opportunity to show global leadership on this area at a crucial time in the run-up to the Rio Summit. It did not set out a new, comprehensive or strategic approach for a green economy with targets to assess progress, but rather listed existing policies. It lacked a long-term vision of a green economy, and was not the 'roadmap' to get us there that had previously been promised. The definition of a green economy adopted by Government did not address all three pillars of sustainable development. The approach placed no new requirements on businesses and was too focused on voluntary action. We emphasised that reliance on consumer demand to stimulate the green economy would not work. *Enabling the Transition* suggested things that businesses could, rather than should do, which would not provide the platform to deliver the magnitude of green investment needed.

63) We recommended that the Government set key milestones for businesses to achieve reduced emissions, waste and resource use. We advocated a strategy which was also framed in terms of sustainable development and which quantified 'environmental limits' that were most affected by economic activity. The Green Economy Council, we concluded, should be strengthened by broadening its representation to include civil society, its actions made transparent to provide public confidence that a green economy was being pursued in a fair and inclusive way, and be given a role in monitoring and reporting progress towards a green economy.

64) Despite hopes that the green economy would be a big theme at the 2012 Rio+20 Summit, in the end it was not. In the UK, similarly, the Government's approach to the green economy has lacked a sustainable development grounding, as our review of the subsequent Industrial Strategies initiative demonstrated. The Green Economy Council has not met since January 2013.²⁰⁰

Environmental taxes

65) Taxation is an important policy lever for environmental protection by ensuring at least some costs are borne by those responsible for environmentally damaging behaviour. Our July 2011 *Budget 2011 and Environmental Taxes* report highlighted the importance of environmental taxes being seen as fair so that political momentum could be gained for higher environmental taxation.²⁰¹ The Government had undermined

196 BIS, [The economics of the Green Investment Bank: costs and benefits, rationale and value for money](#), (October 2011)

197 Ernst & Young, [Capitalising the Green Investment Bank, Key issues and next steps](#), (October 2010)

198 Environmental Audit Committee, Twelfth Report of Session 2010–12, [A Green Economy](#), HC 1025

199 HM Government, [Enabling the Transition to a Green Economy: Government and business working together](#), (2011)

200 Q88

201 Environmental Audit Committee, Sixth Report of Session 2010–12, [Budget 2011 and environmental taxes](#), HC 878

public trust in green taxes by being seen to use them mainly as a revenue raising tool rather than an attempt to change environmentally damaging behaviour. Hypothecating some of the revenues for investment in green alternatives would help build trust and support for environmental taxes. We recommended that the Government took a more coherent approach to environmental taxation by adopting a clear strategy, setting out their rationale and the basis on which rates would be set. No such environmental taxation strategy was produced by the Government.

Circular economy

66) A ‘circular economy’ maximises the use and value of resources, and reduces waste. It offers an alternative to the current approach where resources are typically used for one purpose and then discarded, which we concluded in our July 2014 *Growing a Circular economy* report was not sustainable.²⁰²

67) Our report on *Plastic Bags* presented an example of this wasteful approach.²⁰³ With over 8 billion plastic carrier bags used each year in England, reducing bag use would have significant environmental benefits in terms of lower carbon emissions, resource use and litter. We welcomed the Government proposed 5p charge for carrier bags from October 2015, but not its proposals to include all retailers in the charge scheme, and for an exemption for ‘biodegradable’ bags. The Government’s legislation subsequently excluded, however, the biodegradable bag exemption.²⁰⁴

68) We recommended that the Government embrace the EU’s targets for improving resource efficiency by 30%, and that it take more direct action to facilitate a circular economy.²⁰⁵ The Government could have introduced differential tax based on life-cycle analysis of the environmental impact or recycled content of products, and reformed taxation and producer responsibility regulations to reward companies that design products with lower environmental impacts and ensure that resources are re-used. We advised the Government to introduce a greater standardisation of local waste collection services, including separate food waste collections and a ban on food waste to landfill. The Government needed to work with the EU to develop eco-design standards across a range of products and set out steps that would lead towards a ban on products made from unrecyclable materials.

69) The Government rejected our proposals, including for greater standardisation in collection systems, and would not compel councils to adopt household food waste collections.²⁰⁶ Furthermore, the European Commission has dropped its proposals for

202 Environmental Audit Committee, Third Report of Session 2014–15, [Growing a circular economy: Ending the throwaway society](#), HC214

203 Environmental Audit Committee, Eleventh Report of Session 2013–14, [Plastic bags](#), HC 861

204 Government response to Environmental Audit Committee’s Eleventh Report of Session 2013–14, [Plastic bags](#), HC 239

205 Environmental Audit Committee, Third Report of Session 2014–15, [Growing a circular economy: Ending the throwaway society](#), HC214

206 Government Response to Environmental Audit Committee’s Third Report of Session 2014–15, [Growing a circular economy Ending the throwaway society](#), HC 699

new targets on resource efficiency and waste recycling from its 2015 Work Programme.²⁰⁷

The Green Investment Bank

70) We have monitored the development, launch and early operation of the Green Investment Bank since it was initially proposed in 2010.²⁰⁸ The bank was a key strand in efforts to close the green investment gap by making finance available for renewable energy and waste projects that found it difficult to get funding. An important issue from our March 2011 report on the *Green Investment Bank* onwards was its inability to borrow to boost the scale of its investments beyond the £3bn provided by the Government, in order to make significant inroads into the green finance gap.

71) We followed up progress in our March 2014 *Green Finance* report and again criticised the Bank's inability to borrow.²⁰⁹ The Government maintained its stance of only considering the scope for borrowing once Government debt was falling, which would not happen until the next Parliament. On the positive side, the Bank has backed over 44 green infrastructure projects, committing £2bn to the UK's green economy²¹⁰ and secured State Aid Rules approval to invest in community energy schemes.²¹¹

Green finance

72) In our March 2014, *Green Finance* report,²¹² we highlighted how stock markets were inflating a 'carbon bubble' by over-valuing companies that held fossil fuel reserves that would be unburnable if a global climate deal were agreed. A readjustment of company values might be sudden and produce market instability. In response to our inquiry, the Bank of England told us that it would monitor the status of such 'stranded assets'.²¹³

73) The UK, as a world leader in finance, had untapped opportunities to lead on low-carbon investment, including in community energy schemes. We urged the Government to play a central role in international efforts to ensure markets price-in the cost of carbon. A green finance strategy was needed to create greater market certainty and a more favourable investment outlook by clearly setting out Government policies on the linkages between the green economy, climate change action and Industrial Strategies.

Embedding sustainable development across Government

74) Embedding sustainable development across Government involves providing decision-makers with the skills and resources to consider the consequences of policies on the environment, the economy and wider society, now and in the future. Throughout this Parliament we monitored the performance of Government against sustainable

207 European Commission, *Annex to the Commission Work Programme 2015*, (December 2014)

208 Environmental Audit Committee, Second Report of Session 2010–12, *The Green Investment Bank*, HC 505

209 Environmental Audit Committee, Twelfth Report of Session 2013–14, *Green Finance*, HC 191

210 Green Investment Bank, '[Summary of Transactions to date](#)', accessed February 2015

211 Green Investment Bank, '[Supporting community-scale renewable projects](#)', accessed March 2015

212 Environmental Audit Committee, Twelfth Report of Session 2013–14, *Green Finance*, HC 191

213 [Mark Carney, Bank of England, letter to Joan Walley MP](#), Environmental Audit Committee, (October 2014)

development targets—‘Greening Government Commitments’—to identify actions that the Government should take to make its policies and operations more sustainable.

75) Our inquiries followed the Government’s July 2010 announcement to abolish the Sustainable Development Commission and embed sustainable development in Government departments. In our January 2011 *Embedding Sustainable Development Across Government* report²¹⁴ we concluded that this provided an opportunity to reassess the architecture for delivering sustainable development. We advocated that sustainability needed to be driven from the centre of Government, with a dedicated minister based in the Cabinet Office.

76) Two years on, in our *Update* report²¹⁵ we concluded that guidance for Government departments on policy appraisal and impact assessments had improved, but that Defra needed to develop guidance further and challenge departments where they were non-compliant. We found that the Cabinet Office’s Business Plan review process had a significant weakness in not seeking to address potential policy gaps, where new initiatives could be identified to tackle unsustainable development. A delay in issuing the 2013–14 Greening Government Commitments (GGC) results until February 2015, with no indication of performance expectations for the imminent end of the GGC period is regrettable. Despite this, progress towards meeting the targets appears to have been made in 2013–14, although not consistently across departments.²¹⁶

77) We announced in *Update* report that we would examine more directly how individual departments were engaging with the new sustainability systems. BIS was our first departmental inquiry.²¹⁷ Overall, we found that the Department was delivering on its sustainable operations targets and had established a ‘Sustainability Champion.’ We encouraged other departments to follow suit. On policy-making, however our analysis found that environmental and social aspects of sustainability were not getting the same attention as economic factors. The Regional Growth Fund’s process for assessing applications for grants did not quantify any environmental or social harms associated with projects put forward. The Department’s ‘Industrial Strategies’ for 11 sectors, including several with particular environmental sensitivity—offshore wind, oil and gas, nuclear, aerospace, automatic and construction—aimed to maximise industrial output without considering the environmental impacts.

78) As we requested, the Green Economy Council undertook a review of the Industrial Strategies in December 2014.²¹⁸ They concluded that both Government and industry needed to look beyond the immediate needs of the economy and broaden their vision to

214 Environmental Audit Committee, First Report of Session 2010–11, [Embedding sustainable development across Government, after the Secretary of State’s announcement on the future of the Sustainable Development Commission](#), HC 504

215 Environmental Audit Committee, First Report of Session 2013–14, [Embedding sustainable development: An update](#), HC 202

216 HM Government, [Greening Government Commitments Annual Report 2013-14](#), (February 2015)

217 Environmental Audit Committee, First Report of Session 2013–14, [Embedding sustainable development: An update](#), HC 202

218 Green Economy Council; [Review of Sustainability in Industrial Strategy](#), (December 2014)

include a strong and unequivocal commitment to environmental and social sustainability. The Green Economy Council reinforced our earlier view that the environmental and social aspects of sustainability were not getting the same attention as economic factors.

79) Subsequently we undertook similar inquiries in the Home Office²¹⁹ and the NHS.

Well-being

80) Recent development of measures of sustainable development in the UK has been progressing on two fronts: a ‘Measuring National Well-being’ initiative, set up by the Prime Minister in 2010 and being run by the Office for National Statistics (ONS), and a Defra-managed revision to the Sustainable Development Indicators (SDIs). In our *Sustainable Development Indicators* report²²⁰ we examined the proposed SDIs under consultation. We highlighted that the distinction between the ONS focus on ‘current well-being’ and the SDIs on ‘inter-generational’ well-being was likely to be unclear for the public and policy-makers, and the frameworks’ separate development risked undermining a coherent view of well-being.

81) In 2014, in our *Well-being report*, we concluded that three years after the Prime Minister’s declaration that we should be “measuring our progress as a country not just by our standard of living but by our quality of life”,²²¹ well-being measures were not receiving the same consideration as economic ones.²²² The ONS’ work on ‘subjective well-being’ produced valuable insights into people’s satisfaction with society, our environment and our economy. Producing a single headline indicator of well-being, which might be considered alongside GDP, could prompt worthwhile debate about what matters most to people, but risked not being accepted by those who disagree with the weightings given to particular components of well-being. We recommended that well-being considerations should increasingly drive policy-making, and that the Government used the already available data to ‘well-being proof’ existing policy proposals, and set out a clear plan for how and in what circumstances the data should start to be used to identify new policies.

219 Environmental Audit Committee, Fourth Report of Session 2014–15, [Sustainability in the Home Office](#), HC 222

220 Environmental Audit Committee, Fifth Report of Session 2012–13, [Measuring well-being and sustainable development: Sustainable Development Indicators](#), HC 667

221 [Speech by Prime Minister David Cameron on Wellbeing](#), (November 2010)

222 Environmental Audit Committee, Fifteenth Report of Session 2013–14, [Well-Being](#), HC 59,

Formal Minutes

Wednesday 11 March 2015

Members present:

Joan Walley, in the Chair

Katy Clark

Mark Lazarowicz

Caroline Lucas

Dr Matthew Offord

Dr Alan Whitehead

Draft Report (*A 2010-15 progress report*), proposed by the Chair, brought up and read.

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

Paragraphs 1 to 74 read and agreed to.

Annex agreed to.

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

Ordered, That the Chair make the Report to the House.

[Adjourned till Tuesday 17 March at 2.30 pm]

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the Committee's inquiry page at www.parliament.uk/eacom.

Tuesday 10 February 2015

Question number

Rt Hon Matthew Hancock MP; Minister of State for Business and Enterprise, and Minister of State for Energy, **John Fiennes**, Director, Energy Strategy, Networks and Markets, Department of Energy and Climate Change, **Niall Mackenzie**, Director Energy, Materials and Agri-Tech, Department for Business, Innovation and Skills, **Jerome Glass**, Deputy Director, Strategy, Department of Energy and Climate Change, and **Stephen Speed**, Director of Energy Development, Department of Energy and Climate Change.

[Q1-84](#)

Tuesday 24 February 2015

Dan Rogerson MP, Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs, **Colin Church**, Director, Resource, Atmosphere and Sustainability, Department for Environment, Food and Rural Affairs, and **Shirley Trundle**, Director, Sustainable Land Management and Livestock Farming, Department for Environment, Food and Rural Affairs.

[Q85-179](#)

Wednesday 25 February 2015

Jamie Agombar, Head of Sustainability, National Union of Students, **Ryan Bruce**, Office of Rebecca Harris MP, Speaker's Parliamentary Placement Scheme, **Shay Miah**, Hartlepool Member of Youth Parliament, and **Calin Epure**, My Life, My Say.

[Q180-235](#)

Published written evidence

The following written evidence was received and can be viewed on the Committee's inquiry web page at www.parliament.uk/eacom. (LEG) numbers are generated by the evidence processing system and so may not be complete.

- 1 Aldersgate Group ([LEG0010](#))
- 2 Angela Martin ([LEG0005](#))
- 3 Bis Sustainability Champion ([LEG0007](#))
- 4 Buglife ([LEG0014](#))
- 5 Dave Davies ([LEG0002](#))
- 6 Friends Of The Earth ([LEG0003](#))
- 7 National Trust ([LEG0009](#))
- 8 Prof Tim O'Riordan ([LEG0012](#))
- 9 Public And Commercial Service Union ([LEG0013](#))
- 10 Res ([LEG0008](#))
- 11 Royal Society ([LEG0001](#))
- 12 Rspb ([LEG0004](#))
- 13 The Woodland Trust ([LEG0011](#))
- 14 Wwf-Uk ([LEG0006](#))