



House of Commons
Environmental Audit Committee

**Sustainability in
the Department for
Transport: Government
Response to the
Committee's Third
Report of Session
2016–17**

**Fourth Special Report of Session
2016–17**

*Ordered by the House of Commons to be printed
8 November 2016*

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.

Current membership

Mary Creagh MP (*Labour, Wakefield*) (Chair)
Peter Aldous MP (*Conservative, Waveney*)
Caroline Ansell MP (*Conservative, Eastbourne*)
Dr Thérèse Coffey MP (*Conservative, Suffolk Coast*) [ex-officio]
Geraint Davies MP (*Labour (Co-op), Swansea West*)
Glyn Davies MP (*Conservative, Montgomeryshire*)
Margaret Greenwood MP (*Labour, Wirral West*)
Luke Hall MP (*Conservative, Thornbury and Yate*)
Peter Heaton-Jones MP (*Conservative, North Devon*)
Mr Peter Lilley MP (*Conservative, Hitchin and Harpenden*)
Caroline Lucas MP (*Green Party, Brighton, Pavilion*)
Kerry McCarthy MP (*Labour, Bristol East*)
John Mc Nally MP (*Scottish National Party, Falkirk*)
Dr Matthew Offord MP (*Conservative, Hendon*)
Dr Alan Whithead MP (*Labour, Southampton, Test*)

The following Members were members of the Committee during the inquiry:

Jo Churchill (Bury St Edmunds); Zac Goldsmith MP (*Conservative, Richmond Park*); Carolyn Harris MP (*Labour, Swansea East*); Rebecca Pow (Taunton Deane); Rory Stewart MP (*Conservative, Penrith and The Border*) [ex-officio]

Powers

The constitution and powers are set out in House of Commons Standing Orders, principally in SO No 152A. These are available on the internet via www.parliament.uk.

Publication

Committee reports are published on the Committee's website at www.parliament.uk/eacom and in print by Order of the House.

Evidence relating to this report is published on the [inquiry publications page](#) of the Committee's website.

Committee staff

The current staff of the Committee are David Slater (Clerk), Lauren Boyer (Second Clerk), Tom Leveridge (Senior Committee Specialist), Tom Glithero (Committee Specialist), Emily Pursell (Committee Researcher), Ameet Chudasama (Senior Committee Assistant), Baris Tufekci (Committee Assistant), and Nicholas Davies (Media Officer)

Contacts

All correspondence should be addressed to the Clerk of the Environmental Audit Committee, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 5776; the Committee's email address is eacom@parliament.uk.

Fourth Special Report

The Environmental Audit Committee published its Third Report of Session 2016–17, *Sustainability in the Department for Transport* (HC 184), on 1 September 2016. The Government’s response was received on 1 November 2016 and is appended to this report.

Appendix: Government response

Introduction

The Government welcomes this opportunity to respond to the Environmental Audit Committee’s recommendations on sustainability in the Department for Transport.

Responses

Recommendation 1: The Department for Transport needs to spell out more clearly and in more detail its commitments, timetable and progress on sustainable transport. Its Single Departmental Plan (SDP) does not adequately communicate to the transport sector what outcomes the Department envisages from the commitments it has made; while its annual report has to date provided little indication of the DfT’s progress in meeting existing commitments. This makes it difficult for the sector to plan and invest with certainty, and for Parliament and others to hold the Department to account for the work it has done. We recommend that the Department communicate to the sector more SMART - specific, measurable, achievable, realistic and time-related commitments on sustainable transport, through its SDP and the forthcoming carbon reduction plan, and ensure that its annual report sets out clearly its progress against those commitments. (Paragraph 12)

Response: The Department for Transport’s (DfT) online SDP provides an overview of its work to deliver the government’s key commitments, including key indicators to track and communicate our progress with the delivery of sustainable travel and carbon reduction. The online SDP will be reviewed annually and commitments and indicators will be enhanced where appropriate.

The Departmental Annual Report and Accounts provide an opportunity to report on its most important performance measures and is required to comply with the mandatory sustainability reporting requirements set out in the HM Treasury’s Financial Reporting Manual and detailed through annual Public Expenditure System (PES) guidance. The Department aims to continuously improve the information it publishes in its Annual Report so that it is clear and relevant to readers and will consider how sustainability reporting can be refined and improved as part of planning for the production of 2016-17 report.

We are also looking ahead to HMG’s emissions reduction plan, which will set out how we will meet our carbon targets through the 2020s. Alongside other Departments, the DfT is currently undertaking a programme of analysis to support that process and to ensure we understand how transport can be more sustainable. From the resulting analysis we will develop a strategy and more specific policies to support them. This emissions

reductions plan will set a clear direction for transport sustainability and enable the sector to make plans for the 2020s and 2030s. Once published, the emissions reduction plan will be reflected within the SDP as part of its annual update cycle.

Recommendation 2: We are concerned that sustainability is falling down the Government’s annual reporting agenda. Recent annual reports have failed to cross-reference departmental progress against important metrics such as Sustainable Development Indicators; and, unless Departments already have a good understanding of sustainability, forthcoming changes to annual reports may mean it is overlooked and public information on sustainability being diminished. We recommend that all departmental annual reports across Government refer to progress on sustainability against identifiable SMART indicators. (Paragraph 15)

Response: The Government introduced the Simplifying and Streamlining Accounts Project from 2015-16 with the intention of simplifying and streamlining the presentation of the statutory annual report and accounts produced by central government entities, to better meet the needs of users. The project encourages organisations to reflect on how sustainability is factored into corporate decision making and performance by integrating reporting throughout the annual report and accounts. In particular, to reflect how the economic, social and environmental impacts that are most material to the organisation relate to policy, procurement and operations.

To ensure continued transparency and consistency across central government for users of the accounts, mandatory reporting on certain environmental sustainability measures remain and these are fully consistent with the targets within the Greening Government Commitments. Organisations are required to report performance against these measures along with aims and plans to improve areas where targets are not being met. Central government organisations are also encouraged to include further voluntary reporting which go beyond the minimum requirements.

Recommendation 3: The Department’s projected market share for ultra-low emission vehicles of between 3% and 7%, with a mid-point of 5% by 2020 is too vague. It leaves the UK playing catch-up with the 9% market share that the Committee on Climate Change advises would keep the country on the lowest-cost path to its overall 2050 emissions reduction target, risking cost inefficiencies. We recommend that the Department identifies the figure it intends to work towards up to 2020 so the DfT can be held accountable for its progress. (Paragraph 19)

Response: We appreciate the Committee’s point; the Government has a clear goal that all new cars and vans should be zero emission vehicles by 2040. Sales growth remains on track and the UK was the largest market in the EU in Q2 of 2016. We expect that the interim projections set out in the 2011 Carbon Plan and *Driving the future today: a strategy for ultra-low emission vehicles in the UK (2013)* will be updated to reflect the latest analysis as part of the Government’s forthcoming emissions reduction plan. The Office for Low Emission Vehicles regularly discusses Government plans with the Committee on Climate Change and other key stakeholders.

Recommendation 4: The Department has yet to articulate how it will develop the ULEV market in the medium term. With the Department’s central scenario forecasting a market share for ULEVs of 5% by 2020, we have no confidence that the UK will achieve

60% market share by 2030. This issue, important before the EU referendum, has been given added urgency in light of the result. Investors crave stability and certainty, and one way the Department can provide this is through policies that signal to industry its intention to incentivise ULEV uptake. We recommend the Government set out in its response to this report its assessment of the following proposals: changing light van licensing conditions to take into account the additional weight of a battery and/or hydrogen tank to enable makers to produce such vehicles; supporting ULEV fleet procurement by underwriting risk or guaranteeing buy-back; helping workplaces invest in charging points; and introducing a national grant scheme for ULEV taxis beyond 2020 to reduce their price. It should also produce a timetable, setting out how and when it intends to incentivise further take-up of ULEVs and what targets its commitments are intended to meet. (Paragraph 25)

Response: The UK's Office for Low Emission Vehicles (OLEV) is delivering one of the most comprehensive programmes of support for ULEVs in the world. £600m is being spent in this Parliament to provide consumer grants to reduce the cost of vehicles and charging infrastructure, public infrastructure schemes, and to support R&D in the UK. Significant further support for ULEVs is provided through the tax regime, and the *Go Ultra Low* communications campaign works with leading vehicle manufacturers to improve public perceptions. OLEV's approach was set out in *Driving the future today: a strategy for ultra low emission vehicles in the UK (2013)*, and details of our next steps to 2020 and beyond will be included in the Government's forthcoming emissions reduction plan.

The Government is aware of the issue of light van licensing conditions and the heavier weight of ULEVs, and is considering the merits of reforms. We welcome the many fleets which are leading the transition to ULEVs and consider carefully all proposals for further support for the sector. We recognise that residual values are a significant factor in determining lease costs for vehicles. As the ULEV market grows, we are seeing more evidence about the value of used vehicles. We will keep the situation under review, but we expect residual values to rise without the need for further government intervention.

In October the Government announced a £35 million package to boost the uptake of ultra-low emission vehicles and provide the necessary recharging infrastructure. The package included: a £20 million competition that will help councils roll out chargepoints for ultra-low emission taxis; up to £10 million of funding for chargepoints outside workplaces and homes where there is no off-street parking; launch of a £3.75 million scheme to encourage uptake of zero emission motorcycles and scooters and; £2 million awarded to public and private sector organisations to deploy hydrogen fuel cell vehicles.

Recommendation 5: Fiscal measures are also important, and they need to be joined up across Government. The Department and the Treasury must develop a clear policy that incentivises ULEV market development and maintains long-term revenue streams for the public finances. We recommend that the Government set out a timetable for communicating its fiscal proposals to increase uptake and maintain revenue to the Exchequer, including measures relating to company car tax and vehicle excise duty. (Paragraph 26)

Response: The Government welcomes the Committee's point, and agrees that fiscal measures are important in helping drivers transition to cleaner vehicles. Incentives for ULEVs are already available in motoring taxes such as Vehicle Excise Duty and Company

Car Tax, and through fuel duty. The Government keeps all transport taxes under review and any discussions around the support for ULEVs are conducted in a joined up manner across Government. The Chancellor announces any changes at fiscal events, and rates are set several years in advance wherever possible.

Recommendation 6: When the Department decides that an identifiable target is required, it is right to consider whether the sector itself might be able to devise an appropriate measure. But, as the experience with the rail sector and its carbon emissions reduction targets demonstrates, the Department could communicate its objectives in more detail and work more closely with industry to ensure that, when targets are set, they are well evidenced, well established and robust. We query not only the level the rail industry set, but the measure, given that a simple increase in rail passengers could lead to a reduction in emissions per passenger. We recommend that the updated rail sustainability strategy include new emissions reduction targets, and show how they have been arrived at and how progress against them will be measured. (Paragraph 28)

Response: The Government will continue to work closely with the rail sector to ensure that any industry targets for Control Period 6 (2019 – 2024) are well evidenced and robust. This will build on the evidence based approach the industry used to develop carbon targets for Control Period 5 (2014 – 19). These targets reflected industry forecasts of passenger growth and government assumptions around the carbon performance of electricity generation as well as efficiency measures. In particular, we will continue to provide the industry with access to our environmental models that include information about the electrified network, the carbon intensity of electricity generation and the relative energy efficiency of different types of rolling stock.

The carbon performance of the rail network cannot be assessed effectively through a single measurement system. We would expect the industry to use a variety of metrics that measure the absolute carbon emissions associated with rail use but also measure the efficiency with which the rail industry is using its rolling stock assets. For example, measuring carbon per passenger km indicates how effectively train operators are filling their carriages whereas carbon per vehicle km indicates how rolling stock energy efficiency is improving.

Recommendation 7: Committee on Climate Change advice on the lowest-cost pathway to the UK's 2050 emissions reduction target included an interim 2025 decarbonisation objective, which the transport sector is projected to miss by almost 50%. Transport is now the largest emitting sector; emissions have increased for the past two years running. We recommend the Department set out in the Government's forthcoming carbon reduction plan how it intends to deal with this shortfall in decarbonisation. (Paragraph 32)

Response: We are looking ahead to HMG's emissions reduction plan, setting out how we will meet our Carbon targets through the 2020s. The Government is committed to ensuring that the transport sector plays a full part in delivering the emissions reductions needed to meet the Climate Change Act (2008) target for an 80% reduction in greenhouse gas emissions by 2050 compared to 1990 levels. The Government has set the fifth carbon budget which limits emissions to an annual average reduction of 57% over 2028-2032 (from 1990 levels).

All of Government is working together to develop the plan for decarbonising through the 2020s and to stay on track to meeting our 2050 target while keeping costs low for hard working families and businesses.

Recommendation 8: The EU’s 2020 renewable energy target, and the Department’s difficulties so far in staying on course to meet the transport sub-target, show how short-term, measurable objectives can help decision makers and scrutineers to track progress and refine policies. Following the UK’s vote to leave the EU, the sector will look to the Government for certainty about the future of these targets. We welcome the Department’s work to meet recent concerns about transport’s ability to meet its share. But time is running out. We recommend that the Government retain the overall renewable energy target in UK law, incorporate the transport sub-target into it, and set out how it intends to work with other Departments to meet this objective. (Paragraph 37)

Response: We note the committee’s point, and would like to assure that the Government is committed to reducing emissions from transport. Targets to achieve carbon reduction are already enshrined in UK law, and we will set out how we will meet our carbon targets through the 2020s in the Government’s forthcoming emissions reduction plan. We have been working with industry and others on proposals to increase the supply of sustainable biofuels under the Renewable Transport Fuel Obligation (RTFO) scheme in line with our UK carbon budget targets, and plan to consult on proposed changes to the RTFO shortly.

Recommendation 9: The Department has an opportunity to act as an intermediary where transport issues intersect with the responsibilities of other Departments. Air quality is an important example, where the transport sector contributes significantly to air pollution but Defra is the policy lead and other Departments, such as Health, Communities and Local Government and the Treasury have their own stake in the issue. Stakeholders have welcomed the Department’s recent work with the Department for Environment, Food and Rural Affairs on this issue and its positive approach in general. But such cross-cutting, cross-departmental activity should be standard when addressing complex, long-term issues. (Paragraph 44)

Response: The Government agrees that cross-departmental working is important in delivering policy challenges. As well as the Joint Air Quality Unit, other examples of good inter-departmental working include the Office for Low Emission Vehicles and the Centre for Connected and Autonomous Vehicles.

Close joint working between departments was essential for production of the National Air Quality Plan for NO₂, published in December 2015. The Joint Air Quality Unit was established between DfT and Defra in spring 2016 in order to strengthen this even further during the delivery phase, supported by a cross-Whitehall project board. The unit reports to junior ministers in both departments, with the Defra Secretary of State the Cabinet member responsible for air quality

Recommendation 10: This approach is all the more significant, now that the UK has voted to leave the EU, as its air quality targets emanate from EU directives. We recommend that, even after the UK leaves the European Union, DfT retain in UK law and continue to work towards the targets set out in the EU Ambient Air Quality Directive. We recommend also that it work with the Departments of Health, for

Communities and Local Government and for Environment, Food and Rural Affairs and, most importantly, with the Treasury to ensure that the price of air pollution is accurately reflected in Transport Analysis Guidance. Air quality needs to be given greater weight in transport appraisal, and devolved or dedicated funding, so that local authorities are able to target their sustainable transport measures on air quality in particular. (Paragraph 45)

Response: The UK has a long commitment to improving the environment even before the EU – the Clean Air Act was introduced in 1956 and our strong commitment to environmental issues will continue after the UK leaves the EU.

The Department for Transport works closely with other Departments on how environmental impacts should be treated in appraisal including the impact on people's health, ensuring our methods are up to date and reflect the latest evidence.

Recommendation 11: The VW emissions case and subsequent revelations that real-world driving emissions are much higher than those under lab conditions have called into question the accuracy of the existing COPERT emissions calculation model. If it has failed to calculate the full extent of emissions and, therefore, air pollution, it will render the national air quality plan out of date and in need of revision. We recommend that the Government, first, press the European Research for Mobile Emissions Sources to set out a timescale for concluding whether the model is accurate; and, secondly, set out when, following those conclusions, it intends to state whether the UK's air quality plan will require revision. (Paragraph 51)

Response: The National Air Quality Plan published in December 2015 drew on the best evidence available at that time to set out a plan for achieving compliance with air quality requirements at the earliest possible date. That analysis recognised the issue of real-world driving emissions and the work to introduce the new Real Driving Emissions test - the key points of which were agreed between member states in October of that year. In May 2016, the government presented the findings from its April 2016 vehicle emissions testing programme at ERMES' plenary meeting to inform their updated emissions factors. The Government has regular dialogue with ERMES to understand the nature and timings of any updates to the factors. As we have made clear in the National Plan, the government will continue to consider new and emerging evidence in relation to air quality to ensure that it is taking the right approach to achieving compliance for the UK.

Recommendation 12: The Government's response to the VW case also highlights the UK's close working with member states to develop EU-wide legislation regulating vehicle manufacturing and type approval. We regret that the UK may no longer be able to play such an active role in the development of such legislation. (Paragraph 52)

Recommendation 13: We find it deeply disappointing that VW continues to lag behind the Department's preferred timescale for recalling vehicles that contain emissions test cheat devices. Although the economy and safety of VW vehicles with such devices are not at stake, the solutions required to ensure these vehicles are no longer capable of producing misleading emissions tests results are, nine months on, long overdue. VW owners in the UK have faced, and continue to face, uncertainty and delay while

waiting for the cheat devices in their vehicles to be dealt with. This is unacceptable. We recommend that the Government set out a recall timeline it expects VW to keep to, and the action it will take if VW does not. (Paragraph 55)

Response: The Government continues to press Volkswagen to implement the “fixes” on the affected vehicles as quickly as possible and recognises the frustration Volkswagen Group customers are experiencing waiting for their “fix” to be made available. European Type Approval Authorities’ tests on the proposed technical solutions are ongoing. They are checking that they are suitable to be made available for customer’s vehicles. When assessing whether the proposed technical solutions for Skoda vehicles are acceptable, the VCA is using standard regulatory tests to check that CO2 emissions are at least the same or better than before the “fix”, maximum rated engine power and vehicle noise are within tolerance, and other vehicle emissions remain below the relevant Euro 5 limits.

The Department for Transport has monthly progress meetings with Volkswagen to ensure progress with implementing their fixes, and how they are helping vehicle owners to take up the technical measure. We have been clear that vehicle owners must not be out of pocket and that Volkswagen must meet the full costs of implementing the technical fixes, including any future costs if it is found that reliability or durability has been impaired.

Recommendation 14: We are concerned that, some nine months on from the emergence of the VW story, the Competition and Markets Authority, the Serious Fraud Office and, most notably, the Secretary of State himself appear to have let down UK VW owners by letting slide the opportunity to investigate VW’s behaviour and, potentially, to take legal action. One important aspect of this process is the Transport Secretary’s ability to gather evidence. He can pursue this through the Vehicle Certification Agency. Therefore, reiterating the Transport Committee’s call, we recommend that the VCA measure the exact contribution that VW’s cheat device software made to meeting Euro 5 emissions standards, which might then facilitate investigations and court action in the UK and further afield. (Paragraph 58)

Response: Following the announcement that Volkswagen had used software to manipulate its emissions results, the Government took swift action to assess the scale of the issue and to determine whether any other manufacturers had been involved in a similar practice to Volkswagen. This is why our resources, including those of the VCA, were initially focussed on undertaking the Vehicle Emissions Testing Programme.

The scandal emerged in late September 2015 and Criminal Counsel was instructed in January 2016. During these first few months, the Government was gathering evidence and information to provide to Counsel to optimise the quality and value of the advice. This includes the VCA’s testing that identified the presence of the defeat device software. Counsel gave further advice in June in light of more recent events, including the publication of DfT’s Vehicle Emissions Testing Report in April 2016. The Government does not intend to disclose the advice of Counsel at this stage due to the potential that it could prejudice ongoing investigations (both in this country and elsewhere) as well as ongoing discussions with Volkswagen regarding the remedial action it should be taking.

Prosecuting authorities from across Europe have met to discuss and coordinate their investigations. DfT officials have been part of those coordinating efforts and continue to monitor the progress of those investigations. This is a complex area as the wrongdoing by

the multinational Volkswagen Group is likely to have taken place in various jurisdictions. We understand that investigations in Germany (where the Volkswagen Group is based and the relevant engines were developed) require the review and assessment of vast amounts of material. The Government wants to ensure that the Volkswagen Group faces appropriate legal consequences for its manipulation of emissions tests and is continuing to consider how best to do this. We have not ruled out opening our own investigation.

The Competition and Markets Authority (CMA) has also been independently examining the matter under its consumer protection powers. Having carefully considered all of the issues, and following liaison with other relevant UK and international authorities, it has informed us that it will not be opening a formal investigation at this time. We understand that the CMA has taken into account a number of considerations, including the fact that new powers enabling it to secure compensation for consumers only came into effect on 1 October 2015, which is after the affected vehicles were sold. As regards a criminal investigation, we have been advised that an important consideration was that the alleged misconduct at the root of this issue appears to have taken place outside the UK, notably in Germany, and is the subject of a criminal investigation by the German authorities. In view of this, the CMA has had regard to the general presumption that a prosecution should take place in the jurisdiction where the majority of the more serious criminality occurred. The CMA has told us that they will continue to monitor developments. Should new information be brought to its attention, or if Volkswagen Group's future conduct leads to consumer detriment, it will re-assess the options available.

The Government shares the Committee's frustration that we are unaware of how Volkswagen's vehicles would have performed on the official laboratory test without the cheat device. However, it is not possible to simply remove the offending line of code in the vehicle emissions control software and re-test the vehicle to measure the difference. The approval authority does not have access to an original emissions controller that does not contain the cheat device so a direct comparison is not possible. The approval authority has been presented with a revised emission controller that has had the cheat device removed, however to ensure that the vehicles are in compliance, a number of aspects of the emissions control strategy have been revised which makes a direct comparison difficult.

The Government calls on the Volkswagen Group to ensure that their internal investigation provides a full and frank explanation of the impact of the cheat devices and the decisions taken around their use. This must be published in its entirety as quickly as possible.

Governance

Recommendation 15: The Department's positive approach to sustainability is demonstrated through its robust project appraisal system. If such decisions on the environmental impact of individual projects are made in isolation across multiple projects, however, they may lead to an aggregate impact that cannot be fully mitigated. The Department could do more to assess in detail the full cumulative impact across its transport projects, so that it can state definitively whether natural capital is being at least maintained. This has particular implications for assets such as ancient woodland, which cannot be easily or instantly offset through new planting. It might consider taking a similarly broader view of matters by looking for solutions to project issues outside individual transport sectors. We recommend that the Department put in

place a detailed cumulative impact assessment, including non-monetised impacts on biodiversity and landscape, of all its projects. We recommend also that the Department consider whether key environmental issues are considered sufficiently below board level, particularly when decisions about the environmental impact of a particular project are being considered. (Paragraph 62)

Response: The Government takes the assessment of environmental impacts for transport infrastructure projects very seriously. Each of DfT’s infrastructure projects are subject to extensive planning law and local or national planning bodies must be satisfied that sufficient steps have been taken to mitigate any potential impacts before construction is permitted. This includes consideration of impacts from other local developments where these might lead to greater cumulative impacts.

We believe that striving for environmental excellence on every project is the only appropriate way to handle a rolling programme of improvements to our transport infrastructure but remain mindful of the overall picture. In programmes like High Speed Rail and the Road Investment Strategy we have made long term commitments on biodiversity and other environmental factors which the delivery bodies responsible will need to show they have met.

Environmental issues are considered extensively both at board level and below within DfT and our delivery bodies. The Department has taken several steps to ensure environment is considered strategically, including giving a Director General specific responsibility for the environment and creating an environment strategy team to consider cross-cutting issues.

Recommendation 16: We welcome the Department’s good performance against the majority of the Greening Government Commitments, and we expect the Government to continue to report against these during this Parliament. Network Rail is a major landowner, with responsibility for almost 16,000km of track; its sustainability strategy is already well aligned with the GGCs; Highways England, a similar organisation, has to report against these commitments; and the Government envisages new “cross-agency” goals to meet its greening commitments. We recommend that Network Rail be included in the list of departmental bodies that must report against the Greening Government Commitments. (Paragraph 65)

Response: We are discussing with Network Rail and Defra whether Network Rail should be included within the scope of the Greening Government Commitments and the extent to which this would add value to Network Rail’s existing environmental reporting obligations. We aim to make a decision on this by the end of 2016. Network Rail is already demonstrating progress in this area and is working to improve the robustness of their carbon baseline and data management processes, and in setting policy and strategy for systematic reduction of carbon emissions across its estate. Our overall aim will be to ensure that Network Rail is reporting publicly on the progress it is making in reducing the environmental impacts of its operations and in managing its estate responsibly.

Recommendation 17: We welcome the Department’s improved compliance with Government Buying Standards. We note, however, the sharp decline in food procurement performance over the past few years and will look out for its improvement when the 2015–16 figures are produced. (Paragraph 68)

Response: DfT's compliance with Government Buying Standards is currently low because our facilities management contract was let before such standards were mandatory. A new contract is due to start in February 2018 and this will cover the entire Department. This will include the Government Buying Standards for food/catering services as its minimum requirements. Take up of the contract across the Group will be staggered, starting at 50%.