



Environment, Food and Rural Affairs Committee

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From the Chair of the Committee

Tamara Finkelstein CB

Permanent Secretary

Department for Environment, Food and Rural Affairs

By email

26 April 2023

Dear Permanent Secretary

(1) Supplementary Estimate 22/23 and (2) Post-Implementation Reviews

Supplementary Estimate 22/23

Thank you for sending us the Department's Supplementary Estimate and accompanying memorandum for 2022/23. The Committee has considered these documents and we would be grateful for a response to the following questions.

Underspend

We have noted with interest that there has been a significant underspend of c.£400 million (6% of the Total Departmental Expenditure Limit) across various schemes and programmes resulting in the budget being surrendered back to HM Treasury, re-profiled into future years, or used to offset the additional budget required to support the Avian Influenza outbreak.

Whilst recognising that some of the underspends on an individual level are small, collectively they are concerning. As such, we would like to understand in greater detail the root cause of these underspends and for each one whether they reflect policy changes, administrative delays or a change in the demand profile of the scheme.

Budget surrender

Could you also provide greater clarity on whether "budget surrender" or "budget exchange" is selected? The memorandum provides details in

delays to the Nature for Climate fund being utilised; however, it is noted that the budget in this instance has been surrendered back to HM Treasury rather than re-profiled for use in the next financial year.

The Annex of this letter provides a breakdown of the schemes that we are referencing, to assist with your reply.

The Committee has noted and is grateful for the steps you have taken to comply with the guidance issued by the House of Commons Scrutiny Unit on the Estimates process.

Post-Implementation Reviews (PIRs)

Thank you for your letter of 28 March which was prompted by the Office for Environmental Protection's (OEP) report of 27 March, "Post-Implementation Review of Environmental Law".

As the Chair of the OEP, Dame Glenys Stacey, said in the report:

"Completing these [post-implementation] reviews and publishing their findings on time is a legal requirement, a requirement that Defra and other government departments have not been meeting in many instances.

"They have not been consistently and transparently conducting post-implementation reviews of environmental laws, and these failures appear to be widespread and longstanding".

The Committee also noted the National Audit Office's report, "Regulating to achieve environmental outcomes", that was published on 21 April. That report also highlighted the considerable backlog of PIRs.

I note that your letter updated the Committee on the Department's progress in tackling the backlog, further to your letter of 12 December 2022. It is disappointing that the target for completing two of the PIRs has slipped from mid-2023 to end-2023.

We welcome your commitment to ensure that Defra clears the backlog and meets its review obligations in future. Nevertheless, the backlog remains a concern and the Committee has raised the issue in our letter to the Secretary of State that was also sent today.

Given the importance of this issue, we ask that, until further notice, you provide half-yearly updates – no later than end-June and end-December – to the Committee on its progress both in tackling the backlog of PIRs and undertaking future such reviews in a timely manner.

We would be grateful for a response by close on Monday 8 May.

I am sending a copy of this letter to Dame Glenys.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Rt Hon Sir Robert Goodwill', is centered on the page. The signature is fluid and cursive, with a large initial 'R' and 'G'.

Rt Hon Sir Robert Goodwill MP
Chair, Environment, Food and Rural Affairs Committee

Cc Dame Glenys Stacey, Chair, Office for Environmental Protection

Programme / Scheme	Budget Surrender to Treasury			Budget Exchange / Reprofile to 2023-24			Budget underspend used to fund Avian Flu outbreak			TOTAL
	RDEL	CDEL	TOTAL	RDEL	CDEL	TOTAL	RDEL	CDEL	TOTAL	RDEL & CDEL
<i>Borders</i>		-7.5	-7.5	-18.9	-35.3	-54.2	-27.0		-27.0	-88.7
<i>Nature for Climate funding</i>		-77.0	-77.0			0.0			0.0	-77.0
<i>Future Farming (incl £7m underspend Simplified Countryside</i>		-21.0	-21.0			0.0	-34.9		-34.9	-55.9
<i>UK Seafood Fund</i>			0.0	-21.1	-13.1	-34.2			0.0	-34.2
<i>Various smaller programmes</i>		-30.0	-30.0			0.0			0.0	-30.0
<i>Digital Data and Technology Services (savings identifeid for Ukraine aid)</i>		-30.0	-30.0			0.0			0.0	-30.0
<i>Joint Air Quality</i>			0.0			0.0	-24.0		-24.0	-24.0
<i>Digital Assistance Scheme</i>		-16.0	-16.0			0.0			0.0	-16.0
<i>Weybridge</i>			0.0		-15.0	-15.0			0.0	-15.0
<i>Other</i>			0.0			0.0	-11.3		-11.3	-11.3
<i>Science Research and Development</i>		-8.0	-8.0			0.0			0.0	-8.0
<i>Coastal Paths</i>			0.0		-3.7	-3.7			0.0	-3.7
<i>Green Finance</i>			0.0		-3.5	-3.5			0.0	-3.5
	0.0	-189.4	-189.4	-40.0	-70.6	-110.6	-97.2	0.0	-97.2	-397.3

NB: Excludes depreciation adj

£ million