

# Fortieth Report of Session 2019-21

## Department for Environment, Food and Rural Affairs

### Achieving government's long-term environmental goals

#### Introduction from the Committee

In June 2011, government set the ambition for this to be the first generation to leave the natural environment of England in a better state than it inherited it, and to help protect and improve the global environment. In January 2018, government published its 25 Year Environment Plan, setting out its intent to improve the natural environment, both for the direct benefits this would bring, and also to support its influence overseas and position the UK as a global environmental leader. The decision to leave the EU added another angle to the case for a long-term environmental plan, as historically much of the UK's environmental policy has been shaped by participation in EU Directives. The Environment Plan included ten overarching goals covering issues such as clean air, clean and plentiful water, and thriving plants and wildlife. The Department for Environment, Food & Rural Affairs (the Department) has lead responsibility for all environmental policy areas apart from climate change mitigation, for which the Department for Business, Energy & Industrial Strategy has the policy lead. Other parts of government also have important roles to play in achieving government's environmental goals.

Based on a report by the National Audit Office, the Committee took evidence, on Thursday 3 December 2020 from the Department for the Environment, Food & Rural Affairs. The Committee published its report on 3 February 2021. This is the government's response to the Committee's report.

#### Relevant reports

- NAO report: [Achieving government's long-term environmental goals](#) – Session 2000-00 (HC 958)
- PAC report: [Achieving government's long-term environmental goals](#) – Session 2019-21 (HC 927)

#### Government responses to the Committee

**1: PAC conclusion:** *Given it is nine years since government first set the ambition to improve the natural environment within a generation, progress is disappointing.*

**1: PAC recommendation:** *Within a month of the Environmental Bill being passed, the Department should write to the Committee setting out its timetable for:*

- *setting coherent long-term objectives for those areas of the Environment Plan that will not be put on a statutory footing by the Environment Bill; and*
- *setting interim milestones for all its environmental goals*
- *developing and reporting on a complete set of environmental outcome indicators framework;*
- *Government should provide an annual update against this timetable, as part of its environmental progress reports.*

1.1 The government agrees with the Committee's recommendation.

**Target implementation date:** By the end of 2021 (as Parliamentary time allows).

1.2 The Department for Environment, Food and Rural Affairs (the department) agrees with the importance of setting out a timetable as per the recommendation.

- The department's first suite of long-term targets will be laid before Parliament by October 2022. The related interim targets, covering at least 5 years, will be included in a revised Environment Plan, to be published by January 2023.
- The government will conduct its first 5-yearly review of the Environment Plan by January 2023, as required by the current [Environment Bill](#). This will consider progress, and further measures needed, towards environmental improvement.
- The Environment Bill's targets framework allows for long-term targets to be set on any aspect of the natural environment, or people's enjoyment of it.
- The Environment Bill requires the government to lay annual progress reports before Parliament and update the Outcome Indicator Framework (OIF) that will describe what has been done and whether the natural environment has improved over the reporting period. Additionally, progress under the Environment Plan will be monitored by the new Office for Environmental Protection (OEP).
- The OIF incorporates the breadth of best available technical expertise across the Defra group and beyond. The department plans to report on over 40 indicators in the 2021 update. The development of indicators requires innovative and entirely new scientific research and development in complex areas. The department is aiming to finalise all 66 indicators by 2024, however, adequate lead-in times are required to ensure sufficient high-quality data is available for transparent and robust analysis.

**2: PAC conclusion: *The Department for Environment, Food & Rural Affairs has the policy responsibility for the environment, but not the clout to hold other departments to account or manage trade-offs between policy areas.***

**2: PAC recommendation: *After the new cross-government environment board has been in operation for six months, the Department and Cabinet Office should carry out a review and report back to the Committee on the board's effectiveness to assess whether it has achieved a step-change in accountability and ownership for the environment across government. The review should include whether it has been effective in managing trade-offs between policy areas and in assessing the effectiveness of environmental policies across departments.***

2.1 The government agrees with the Committee's recommendation.

**Target implementation date:** June 2021 with an initial assessment, (and by July 2022 with a further, fuller assessment).

2.2 The department agrees to write to the Committee after six months with its first assessment of the effectiveness of the Cross-Government 25 Year Environment Plan Board.

2.3 The purpose of the Cross-Government Board is to focus directly on delivery of the ten goals set out in the Environment Plan. Given the long-term nature of environmental policies, and the corresponding lengthy lead-in time to develop such policies, the department also proposes reporting back to the Committee by July 2022 with a fuller assessment.

2.4 Only with every department working together to implement the Environment Plan and by aligning policy and resources can the government begin to shift the dial on the degradation of the natural environment. Trade-offs and opportunities that engage other government departments will be escalated to the Cross-Government Board. The Board will be responsible for overseeing and coordinating action to implement the Environment Plan and associated requirements under the Environment Bill. The Board will also assess and manage strategic risks and issues that may impair the government's ability to achieve its domestic implementation of environmental goals.

**3: PAC conclusion: *Government still does not have a good grip of the total costs required to deliver its environmental goals and funding so far has been piecemeal.***

**3: PAC recommendation: *In parallel with developing clear objectives to meet environmental goals, the Department should work together with the Treasury to review and outline the total costs required to meet these goals, and how these will be paid for, akin to the Treasury's Net Zero review.***

3.1 The government agrees with the Committee's recommendation.

**Target implementation date:** January 2023 (to align with the next Environmental Improvement Plan).

3.2 The establishment of new legally binding targets through the Environment Bill incorporates a robust framework for developing the economic case for action towards achieving the long-term goals of the Environment Plan.

3.3 Developing the costs and milestones towards the long-term legally binding targets will need to be iterative, given the range of activity supporting delivery of the Environment Plan, and emerging policy requirements. The annual progress reports and 5-yearly reviews of the environmental improvement plans will be used to build up the overall picture on performance and planning. There must also be consideration of the distributional impacts of targets and impact on domestic priorities, for example the impacts on consumers, specific sectors and regions.

3.4 The department has costed proposals and business cases for major programmes supporting air quality and cleaner transport, delivering major waste reforms towards a more circular economy, supporting woodland creation and improving flood resilience. Consultation on specific legally binding targets under the Environment Bill for biodiversity, waste, air and water will be supported by robust economic impact assessments to ensure value for money and deliverability, including expected costs to government and business associated with meeting targets individually and in aggregate. The department will work with HM Treasury to determine the costs of meeting the legally binding targets, details of which will be published in October 2022.

**4: PAC conclusion: *Skills gaps in departments and arm's length bodies jeopardise government's capacity to deliver on its environmental ambitions.***

**4a: PAC recommendation: *The Department and the Treasury should work together to:***

- ***establish what skills gaps exist, across the key delivery partners and sectors, which are likely to inhibit government's progress in achieving its environmental ambitions;***

4.1 The government agrees with the Committee's recommendation.

**Target implementation date:** By end of 2021.

4.2 The department is working with HM Treasury, cross-government and with other delivery partners to understand and develop the skills required to deliver across environmental outcomes. It recognises there is significantly more required to assess the skills required and the capability and capacity available to deliver the long-term ambition.

4.3 Since publication of the Environment Plan, additional investment has been secured to increase capacity and focus on the environment to make progress across the Defra group.

4.4 Natural England recognises the Environment Bill and the Environment Plan as key components of their 'People Strategy 2019-2023'. As a science-led, science-based organisation with a significant proportion of staff from professional scientific backgrounds, Natural England recognises the importance of applying science to understand how a wider whole ecosystem works.

4.5 Environment Agency strategic workforce planning has previously identified skill gaps in some critical areas of the business and have sought to implement measures to manage and mitigate these risks. The Agency continually reviews whether further interventions are needed to maintain and develop a skilled workforce.

4.6 In addition to the work of the Defra group, the government will develop a wider skills and capability plan and approach to help provide long term capability improvements to help progress towards the long-term ambitions.

**4b: PAC recommendation: *The Department and the Treasury should work together to:***

- ***assess the impact of targeted interventions such as the Green Recovery Challenge Fund on safeguarding 'green' jobs.***

4.7 The government agrees with the Committee's recommendation.

**Target implementation date:** September 2022

4.8 From a broader cross-sector perspective, the National Lottery Heritage Fund, as delivery body for the Green Recovery Challenge Fund, will be comprehensively evaluating Round 1 of the Fund, which will be completed by September 2022. This will include full assessment of jobs created and safeguarded by the projects supported by the Fund. Defra is closely involved in steering this work, and HM Treasury is overseeing as part of project governance arrangements.

**5: PAC conclusion: *Environmental impacts are still not being taken into account in spending decisions.***

**5: PAC recommendation: *Alongside the next Comprehensive Spending Review, the Treasury should publish analysis showing: how the full value of environmental impacts has been taken into account, and the impact of spending decisions on meeting government's long-term environmental goals.***

5.1 The government agrees with the Committee's recommendation.

**Target implementation date:** April 2022

5.2 HM Treasury recognises its important role in supporting the delivery of the government's climate and environmental objectives. Both the Stern and the [Dasgupta Reviews](#), on the economics of climate change and biodiversity respectively, were commissioned by the Treasury. Its [Net Zero Review](#) will also be published later in 2021.

5.3 At spending reviews, departments are required to assess the costs and benefits of their proposals – including climate and environmental impacts – following the framework set out in the Green Book. Treasury spending teams consider these impacts when assessing the strategic importance and value for money of any proposal.

5.4 HM Treasury continuously improves the Green Book in line with the latest scientific evidence. In 2018, the Green Book and its supplementary guidance were revised with support from the Natural Capital Committee to require more comprehensive appraisal of environmental impacts following a natural capital approach. Resources such as Defra's Enabling a Natural Capital Approach (ENCA) make data, guidance and tools available to support policymakers. The Treasury is also currently conducting an expert-led review of the environmental discount rate.

5.5 Spending Review 2020 guidance required departments to include the greenhouse gas emissions of bids, and their impact on meeting Carbon Budgets and Net Zero. Guidance also sought qualitative commentary on the impact of delivery of the 25 Year Environment Plan. HM Treasury is currently reviewing the learning from this exercise and considering what additional information should be published following the next spending review to support public understanding of the role the Treasury plays in meeting government's environmental objectives.

**6: PAC conclusion: *We are concerned that the new Office for Environmental Protection will inherit a backlog of cases and remain to be convinced that it will be sufficiently independent.***

**6: PAC recommendation: *The Department should write to the Committee to set out what steps it is taking to minimise the delay between the passing of the Environment Bill and the establishment of the Office for Environmental Protection. As is the case with the Climate Change Committee, the Office for Environmental Protection should have a mandate to report directly to Parliament.***

6.1 The government agrees with the Committee's recommendation.

**Target implementation date:** By April 2021

6.2 The Permanent Secretary for the department has written on the 25 March 2021, to the Committee chair explaining that the government is setting up the Office for Environmental Protection (OEP) in interim form from July 2021, before Royal Assent of the Environment Bill.

6.3 The interim OEP will be led by the Chair-designate, Dame Glenys Stacey, plus other non-executive directors selected through a current public appointment process and the interim Chief Executive-designate. Following the Environment Bill's Royal Assent, this group will become the Board of the OEP as an independent legal entity.

6.4 The interim OEP will assume and build upon the functions of an interim secretariat which has operated in Defra from 1 January 2021. As well as receiving complaints about compliance with environmental law and monitoring progress under the Environment Plan, as this secretariat has been, the Interim OEP will be able to:

- publish an independent assessment of progress on the Environment Plan;
- develop the OEP's strategy and enforcement policy;
- take decisions on operational matters like staff recruitment, accommodation and facilities;
- determine approaches for how the OEP will form and operate, establishing its character, ways of working and voice.

6.5 This ensures the OEP can use its full powers as soon as they are commenced following Royal Assent.

6.6 The OEP and the CCC have similar constitutions. Both are sponsored by, but legally separate from, government departments. The OEP will report to Parliament on its functions and its findings from monitoring environmental progress and the implementation of environmental law. This means the OEP, while accountable to Ministers, will be operationally independent and provide reports to Parliament.