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**Department for Environment,  
Food and Rural Affairs**

**AUTUMN PERFORMANCE REPORT 2002**

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Food and Rural Affairs**

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*Presented to Parliament by  
the Secretary of State for Environment, Food and Rural Affairs  
by Command of Her Majesty*

*November 2002*

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## **Foreword by Margaret Beckett, Secretary of State for Environment, Food & Rural Affairs**

This is Defra's first Autumn Performance Report that in tandem with our Departmental Report and the Operating and Financial Review section of the Resource Accounts places in context the progress my department is making against our key public service targets. Now in the second year since its creation, Defra has made major strides towards fulfilling the Prime Minister's vision that it should "*transform the separate elements that make up the new Department into a single, distinct and integrated whole, with a markedly new culture*".

To reflect our role and the commitments we have made to deliver improved performance over the coming three years we have refined our aim and objectives and developed a new set of Public Service Agreement targets which will come into force in April 2003. However, we maintain our commitment to delivering the targets from the 1998 Comprehensive Spending Review and the 2000 Spending Review in the policy areas for which Defra remains responsible. We have already made good progress. Most of these targets have already been met or are on course to be met. Our efforts will continue in these important areas through the targeted outcomes we have set out in our 2002 Public Service Agreement and Service Delivery Agreement.

Our key achievements to date include:

- significant improvements in air quality;
- reductions in greenhouse gas emissions;
- meeting our target to reduce UK fishing effort;
- a steady rise in recycling rates for household waste;
- being on course to meet our target to reduce fuel poverty among vulnerable households;
- remaining on course to meet our targets to care for our natural heritage and preserve biological diversity, including our target to deliver effectively the provisions of the Countryside and Rights of Way Act.

In addition we have undertaken considerable work to focus on the economic and social needs of rural areas and to promote sustainable development across the whole of the Department's remit.

Our progress in some areas has been adversely affected by the large-scale impacts of animal health issues, particularly Foot and Mouth Disease and BSE. We did not meet our 1998 CSR target to prevent outbreaks of serious animal, fish and plant diseases and pests. This should not diminish the achievement of tackling an epidemic of the scale of the 2001 Foot and Mouth Disease outbreak, with no new cases of FMD registered since September 2001. Similarly we missed our 1998 target to increase UK beef exports and

our 2000 target to reduce the annual incidence of BSE has shown some slippage. These problems are being tackled through the development of a new Animal Health Strategy which will clarify how Defra should deal with animal health risks and define our responses, including the development of a Foot and Mouth Disease Contingency Plan. We will underpin this with an improved animal health target.

We retain our focus on improving performance and delivering results. The announcement on 15 July of our financial settlement for 2003-06 has allocated £500m over the three-year period for implementing the core recommendations of the Policy Commission on the Future of Farming and Food. This includes the key 'Broad and Shallow' agri-environment scheme, paying farmers to deliver positive environmental outcomes, which will be piloted for two years and then rolled out in 2005-06. The total spend on flood and coastal defences will rise by £150m per year in England alone by 2005-06.

This report gives a full account of our performance across the board; our successes and the areas where we need to refocus our efforts and it sets out the targets Defra will be aiming to deliver over the 2002 spending period.

A handwritten signature in black ink, reading "Margaret Beckett". The signature is written in a cursive, slightly slanted style.

Rt Hon Margaret Beckett MP  
Secretary of State

## Chapter 1: Introduction to Defra

### Defra's Aim and Objectives

Defra's aim is:

***Sustainable development, which means a better quality of life for everyone, now and for generations to come, including:***

- *A better environment at home and internationally, and sustainable use of natural resources;*
- *economic prosperity through sustainable farming, fishing, food, water and other industries that meet consumers' requirements;*
- *thriving economies and communities in rural areas and a countryside for all to enjoy.*

#### **Objective 1**

*To protect and improve the rural, urban, marine and global environment and conserve and enhance biodiversity, and to lead integration of these with other policies across Government and internationally*

#### **Objective 2**

*To enhance opportunity and tackle social exclusion through promoting sustainable rural areas with a dynamic and inclusive economy, strong rural communities and fair access to services*

#### **Objective 3**

*To promote a sustainable, competitive and safe food supply chain which meets consumers' requirements*

#### **Objective 4**

*To improve enjoyment of an attractive and well-managed countryside for all*

#### **Objective 5**

*To promote sustainable, diverse, modern and adaptable farming through domestic and international actions and further ambitious CAP reform*

#### **Objective 6**

*To promote sustainable management and prudent use of natural resources domestically and internationally*

#### **Objective 7**

*To protect the public's interest in relation to environmental impacts and health, including in relation to diseases which can be transmitted through food, water and animals and to ensure high standards of animal health and welfare*

From April 2003 Defra will adopt an improved set of six objectives offering more clarity and focus on our direction over the coming years. These have been structured alongside the new 2003-06 Public Service Agreement and are set out in Chapter 5.



## Chapter 2: Summary

### Overview of our Public Service Agreements (PSAs)

This report covers Defra's progress towards meeting the Public Service Agreement for the Spending Review period 2001-2004.

### 1998 Comprehensive Spending Review

The 1998 Comprehensive Spending Review (CSR) included an important innovation in delivering improvements in public services, through the introduction of Public Service Agreements (PSAs). PSAs are a clear commitment to the public on what they can expect for their money and each agreement sets out explicitly which Secretary of State is accountable for delivery of targets underpinning that commitment. The publication of PSAs was of course only the beginning. The Department has been working hard to ensure that the targets are delivered. Progress in delivering PSA targets is monitored closely by Departments and reported in the relevant Department's annual reports.

When Defra was created in June 2001, the new Department inherited all the PSA targets from the former Ministry of Agriculture, Fisheries and Food (MAFF) and the environmental targets of the former Department of the Environment, Transport and the Regions (DETR). Chapter 4 reports on progress towards Defra's CSR targets.

### 2000 Spending Review

The 2000 Spending Review (SR2000) set out the aims, objectives and the targets for the Department, against which success will be measured, including targets on improving value for money and efficiency. It signalled, in high level and outcome-focused commitments, the Department's priorities and its strategic agenda for public services for the three years to 2003-04.

Starting in SR2000, Departments' PSAs have also been underpinned by Service Delivery Agreements and Technical Notes. These can be found at:  
<http://www.defra.gov.uk/corporate/busplan/busplan.htm>

Chapter 3 reports on progress towards Defra's SR2000 targets.

### 2002 Spending Review

On 15 July 2002 the Chancellor of the Exchequer announced the conclusion of the 2002 Spending Review. He explained that the review's theme is "Opportunity and security for all". The Spending Review White Paper ([www.hm-treasury.gov.uk/spending\\_review/spend\\_sr02/report/spend\\_sr02\\_repindex.cfm](http://www.hm-treasury.gov.uk/spending_review/spend_sr02/report/spend_sr02_repindex.cfm)) sets out the Government's spending plans for the years 2003/04 -2005/06. The Department's 2002 Public Service Agreement, published in the Public Service Agreements White Paper, sets out the performance targets that the Department has committed itself to meeting in exchange for the investment being made. This PSA comes into effect on 1 April 2003 and runs until 31 March 2006. These targets are listed in Chapter 5.

## Chapter 3: Delivering our Public Services

### Spending Review 2000

This Public Service Agreement (PSA) covers the period from the creation of Defra in June 2001 to March 2003. It includes targets from the former MAFF and DETR PSAs.

1. Improve air quality by meeting our National Air Quality Strategy targets for carbon monoxide, lead, nitrogen dioxide, particles, sulphur dioxide, benzene and 1-3 butadiene.

**On course.** The number of days of poor urban air quality per year have fallen by about two thirds since 1993. Emissions of air pollutants from road transport have fallen by 50% or so over the last decade. By October 2002, over 100 Local Authorities in England had designated air quality management areas.

### Background

The Air Quality Strategy sets different dates for achieving targets for each air pollutant between 2003 and 2010. Performance, in terms of progress towards the targets, is assessed annually by means of data from the national air quality monitoring network: <http://www.airquality.co.uk>

Details of the targets are in the Air Quality Strategy at <http://defra.gov.uk/environment/airquality/strategy/index.htm>. Any revisions and updates to the targets are also published on the Defra website. The Strategy targets are expressed in terms of the concentrations of individual pollutants in air (generally measured as the number of micrograms of each pollutant per cubic metre of ambient air) to be achieved by a fixed date.

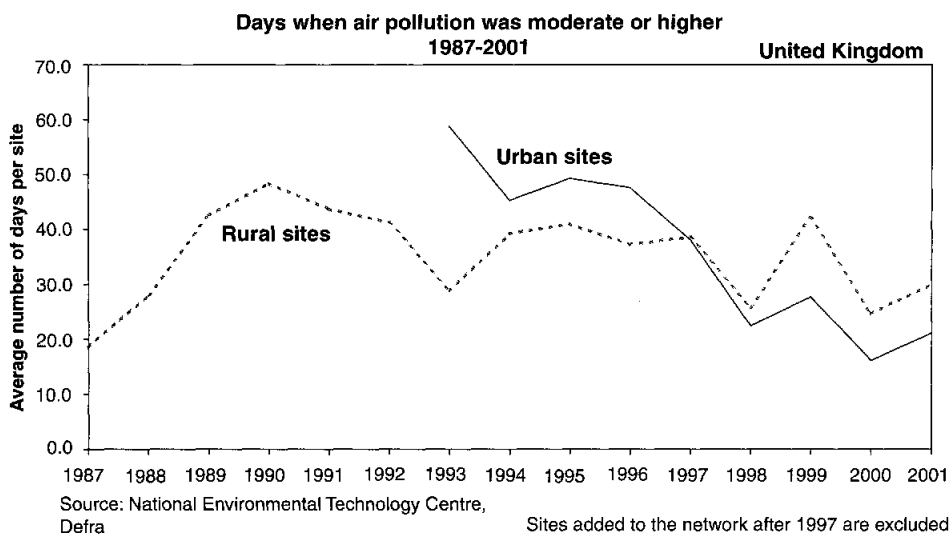
Stricter air quality objectives for particles, benzene and carbon monoxide were announced in August 2002 (<http://defra.gov.uk/news/2002/020805a.htm>) as was a new target for polycyclic aromatic hydrocarbons (PAH), although this falls outside the scope of the PSA.

A general assessment of the UK's progress in improving air quality is published each year against the air quality headline indicator for sustainable development. Details can be found at:

[www.sustainable-development.gov.uk/indicators/headline/h10.htm](http://www.sustainable-development.gov.uk/indicators/headline/h10.htm)

This PSA target is linked to the headline indicator H10: days when air pollution is moderate and higher (Figure 1).

**Figure 1: days when air pollution is moderate and higher.**



**Performance**

Progress against the target has been good with the number of days of poor urban air quality per year having fallen by about two thirds since 1993, consistent with the reductions in emissions of key pollutants over the last decade. Actions at international, national and local level have all contributed to this improvement. For example, emissions of air pollutants from road transport have fallen by 50% or so over the last decade as a result of progressively tighter EU standards for new vehicles and fuels. Relative emissions from transport are however growing as emissions from other major sources such as power generation and industry have also declined in response to, for example, reduction targets introduced through the National Emissions Ceiling and Large Combustion Plant Directives.

Modelling of future levels of each of the pollutants – based on current levels, recent trends and estimates of the future effect of current policies – suggests that the targets for 5 out of 7 of the pollutants are on course to be met across the whole country. This is as a result of measures taken in recent years to reduce emissions from industrial processes and from road transport. These pollutants are carbon monoxide, lead, sulphur dioxide, benzene and 1,3-butadiene.

For the two remaining pollutants – nitrogen dioxide and, to a lesser extent, particles – Defra’s modelling shows that, although the vast majority of the country will meet the objectives, there will be some areas (mostly at some urban and roadside locations) where it will be highly challenging to meet the targets by the relevant deadlines.

In addition to international and national measures to improve air quality, local authorities have a statutory duty to review and assess air quality against the national objectives. They are required to identify any pollution hotspots (i.e. areas where there is a likelihood that the objectives may not be met), to designate these as air quality management areas, and to draw up action plans setting out what they intend to do to remedy the situation. Local authorities are not legally obliged to meet the targets, however, since many of the sources of pollution are outside their direct control. They are, however, required to show that they are taking reasonable steps in pursuit of the objectives.

## Recent Developments

By October 2002, over 100 local authorities in England had designated air quality management areas. These local authorities are now drawing up air quality Action Plans, setting out how they intend to work towards achieving the prescribed air quality objectives in their areas. By October 2002, 12 action plans have been received by Defra.

2. Improve the environment and the sustainable use of natural resources, including by reducing greenhouse gas emissions by 12.5% from 1990 levels and moving towards a 20% reduction in CO<sub>2</sub> emissions by 2010.

(Joint target with DTI)

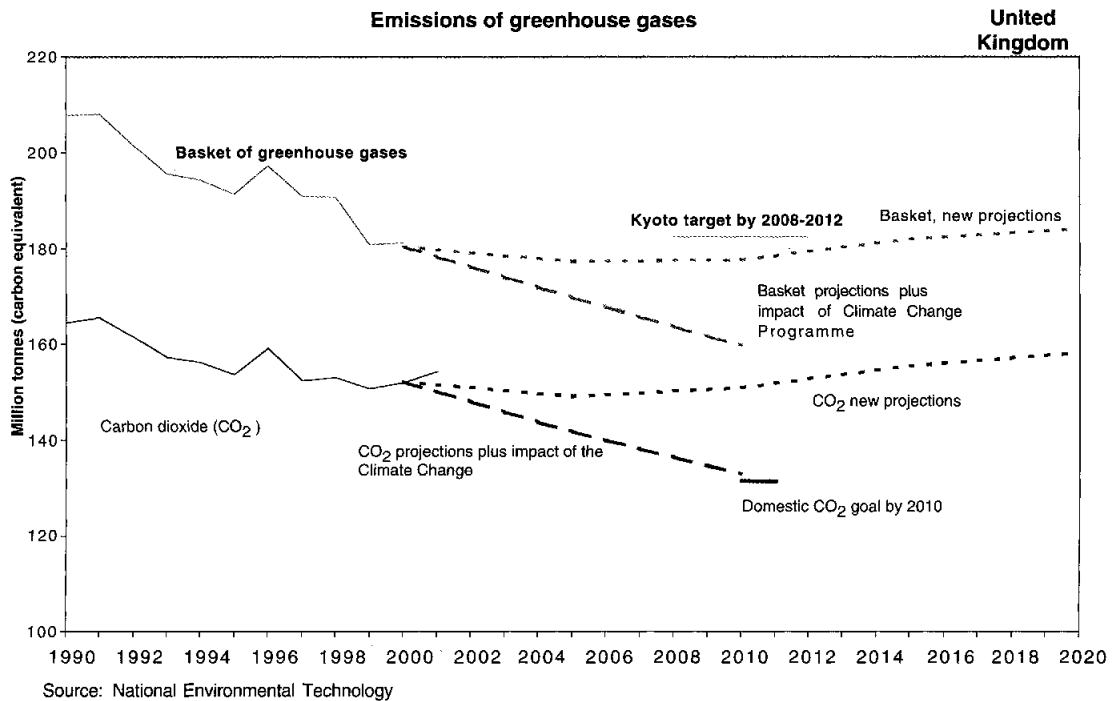
**On course.** UK greenhouse gas (GHG) emissions in 2000 were 13% below 1990 baseline levels. The Climate Change programme was published in November 2000, setting out policies that it is estimated could cut GHG emissions by 23% below 1990 levels by 2010 (and a reduction by 19% in CO<sub>2</sub>). The programme will be formally reviewed and evaluated in 2004.

## Performance

Figure 2 shows that the UK is currently on target to meet the international Kyoto Protocol commitment of a 12.5 per cent reduction in emissions of greenhouse gases by 2008-2012. We are also making good progress towards our higher domestic goal of a 20 per cent cut in carbon dioxide emissions by 2010.

The projections to 2010 were made before the provisional 2001 CO<sub>2</sub> emission estimates. The 2001 estimates for CO<sub>2</sub> emissions show a reduction of 6.1 per cent below 1990 levels, higher than the CO<sub>2</sub> emissions in 2000 (7.5 below 1990 levels). This is relatively high due to short term factors including a shift to coal in electricity generation as a result of higher gas prices, and colder weather than in the preceding two years. However, these factors are not expected to change the direction of the longer term trend in CO<sub>2</sub> emissions away from that shown in the projections to 2010. This is the reason why the projection doesn't line up with the 2000-2001 CO<sub>2</sub> estimates.

**Figure 2: UK emissions of greenhouse gases: 1990-2020**



3. Enable 17 per cent of household waste to be recycled or composted by 2004.

**On course.** At the end of the financial year 2000/01, household waste recycling performance (in England) was 11.2 per cent. Although data from the past five years indicates an average annual increase of about 1%, it is too early for the effects of recent policy measures to be quantified (statutory recycling targets were introduced in 2001, and additional funding was identified in the last two spending reviews).

**Background**

The Spending Review 2000 target of 17% household waste recycling/composting by 2003/4 has been increased in the Spending Review 2002 PSA target to 25% by 2005/6. These targets apply to England only.

The PSA target is backed up by statutory recycling/composting targets for each local authority in England. These were set up under the Best Value regime in March 2001 by the then DETR.

**Aims**

The EU aims to develop integrated waste management which maximises resource efficiency and minimises damage to human health and the environment. Legislation on waste reflects this and the Landfill Directive sets particularly demanding targets – most

significantly to reduce the landfill of biodegradable municipal waste (BMW) to 35% of BMW produced in 1995 by 2020, with interim targets for 2010 and 2013. This will require increases in recycling and composting.

*Waste Strategy 2000* set out a strategy for integrated waste management which included targets for the recycling and composting of household waste. These targets, consistent with Defra's PSA targets, were backed up by the statutory local authority targets mentioned above.

Since the beginning of 2002, the Cabinet Office Strategy Unit has been conducting a thorough review, to consider what will be needed to fulfil our obligations and targets (particularly under the Landfill Directive) and to deliver more sustainable waste management. This investigation includes a re-evaluation of the strategy for meeting Defra's waste PSA targets.

### **Factors affecting performance**

**Funding:** Delivery of this PSA target is through local authorities, with the bulk of the funding coming from the local authority Environmental, Protective and Cultural Services (EPCS) block (the last spending review identified an additional £1.7 billion for EPCS over the 5 years to 2005/6). The proportion of this to be spent on waste management is for each local authority to determine.

Additional funding has been identified, including £140 million in the Defra Waste Minimisation and Recycling Fund, £220 million for waste private finance initiative projects for the three years to 2003/4, and around £50 million lottery funding for local community recycling/composting across the UK (administered through the New Opportunities Fund).

**Landfill allowance trading scheme:** This is expected to be operating from 2004, with the first targets in 2010. It will not affect the recycling/composting PSA target directly, but the local authorities' targets for reduction of landfill of biodegradable municipal waste should provide an additional incentive to increase composting.

**Pooling of statutory targets:** Defra is currently investigating this as a further mechanism to improve poor local authority recycling performance; whereby local authorities would be able to enter into partnerships and work out a strategy for achieving an equivalent but collective target for recycling/composting.

**The Waste and Resources Action Programme (WRAP):** The achievement of the statutory targets for local authority recycling/composting will result in a significant increase in material extracted from the waste stream which will need to be reprocessed and incorporated into products.

WRAP, launched in November 2000 is a not-for-profit private company established to promote sustainable waste management and, in particular, to promote stable and efficient markets for recycled materials and products. This should help local authorities achieve their targets, as well as making recycling more economic across all waste streams.

**Intervention in cases of poor local authority performance:** The Secretary of State's powers to intervene should only be used as a last resort, and in this case, in order to obtain an improvement in service delivery. For example, such intervention may require a local authority to re-evaluate its waste management strategy, or to reprioritise, or could involve removal of the waste management function from that authority.

However, it must be stressed that Defra's strategy for improving local authority performance is based on empowerment and support rather than punishment. The aim is to help local authorities help themselves and each other to deliver improved services.

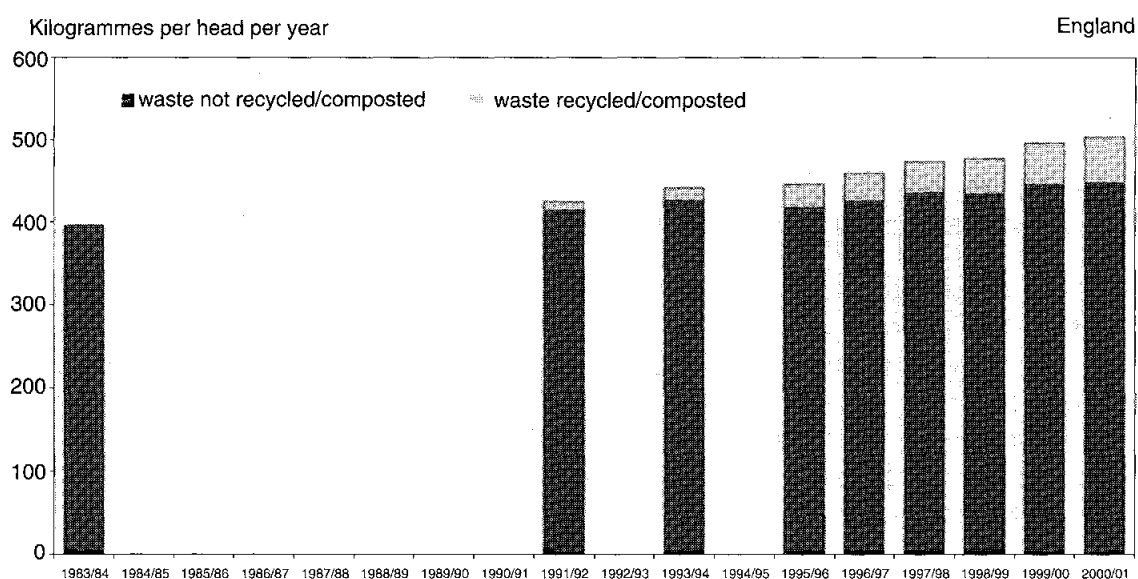
## Performance

Figures 3 and 4 show data from the Municipal Waste Management Survey which indicate a slow but steady increase of the recycling/composting rate in England of roughly 1% a year. However, the 2000/01 data is the first to emerge since imposition of the statutory targets, and increased Government support for local authority recycling, as well as evidence from the Best Value Performance Indicators lead to the conclusion that Defra is on track to meet the PSA target. Even so, it is important to remain open to the Strategy Unit's report on waste, which will make recommendations as to how better performance may be achieved.

**Figure 3**

Financial year	1996/97	1997/98	1998/99	1999/00	2000/01
England household waste recycling	7.5%	8.2%	9.0%	10.3%	11.2%

**Figure 4**



Source: Defra, CIPFA

## Quality of data systems

Measurement of performance against the PSA target is based on data from the Municipal Waste Management Survey. This is published approximately 12-18 months after the end of the relevant financial year. 2000/01 data show that 11.2% of household waste in England was recycled or composted. This is the most recent data available. Data arising from the Best Value Performance Indicators will in future be used to provide preliminary estimates of progress, but the Municipal Waste Management Survey will give the definitive results.

4. Reduce fuel poverty among vulnerable households by improving the energy efficiency of 600,000 homes between 2001 and 2004.

**On course.** From April 2001 to September 2002 380,000 households received assistance and over £200 million was spent on installing insulation and heating measures.

## Background

The UK Fuel Poverty Strategy was published in November 2001. Its main objective is to end fuel poverty for vulnerable households by 2010. The strategy outlines its aim to improve energy efficiency; maintain downward pressure on fuel bills; tackle poverty and social exclusion.

The Government's main programme for tackling fuel poverty, in the private sector in England, is the Home Energy Efficiency Scheme, now marketed as The Warm Front Team. The scheme was launched in June 2000 and is managed by Defra. Warm Front provides packages of insulation and heating measures to private sector households on certain benefits. The scheme is structured as shown below, with greater help provided to those low-income householders aged 60 or more who are otherwise unlikely to move out of fuel poverty.

**Warm Front** – Provides a grant of up to £1,500 for households that have a child under 16 and are in receipt of an income-related benefit, and households in receipt of a disability living-related benefit.

**Warm Front Plus** – Provides a grant of up to £2,500 for those householders aged 60 or more and in receipt of an income-related benefit.

The measures chosen for installation depend on the type of property and the heating and insulation already in place. Warm Front recognises that some low-income households aged 60 years or more live in homes without gas, oil, electric or other central heating systems, relying instead on individual room heaters. In these cases, the scheme can offer gas or electric central heating systems for the main living areas. Where households have broken-down central heating systems, the scheme can pay for any repairs necessary, subject to the grant maximum of £2,500 per home.

**Delivery:** Two scheme managers administer Warm Front in England: **TXU Warm Front Ltd**, a wholly owned subsidiary of TXU Energi manages Eastern, East Midlands, Yorkshire and Humber regions. In the rest of England the scheme is managed by **Eaga Partnership Ltd**.



## Performance

In the first year of Warm Front (launched in June 2000), which pre-dates the current PSA target, the level of work completed was much lower than originally expected. In year two of the scheme, and the start of the existing PSA target, more work was undertaken due to the action taken in year one to tackle the national shortage of qualified gas heating engineers. Defra funded training courses in partnership with the Department for Education and Skills, Transco and GWINTO to provide 485 additional qualified engineers to work under the scheme. Already this work is paying dividends with the number of new central heating systems installed per month rising from 1,000 in January 2001 to 3,500 in December 2001.

Good progress was made in the 2001/02 financial year (April 2001 to March 2002) enabling 310,000 households to be assisted. This success is due to the action taken to tackle the shortage of heating engineers, and the scheme receiving all of the grant unspent in year one.

Figure 5 shows a break-down of the installations by measure for the financial year 2001-02.

**Figure 5: Installations by measure 1st April 2001 to 31st March 2002.**

Homes receiving insulation measures	New gas central heating systems	New electric central heating systems	Homes receiving gas or electric wall heaters (max 2)	Homes receiving Replacement boilers	Homes receiving gas central heating repair
314,000	36,500	4,700	5,000	4,700	16,700

From 1 April 2001 to 30 September 2002 380,000 households received assistance. Defra is therefore on course to meet this target.

5. Deliver the environmental and economic benefits envisaged in the England Rural Development Programme by 2004 including an increase in the area farmed organically and development of the rural economy under the new Rural Enterprise Scheme.

**On course.** European Commission approval is being sought for changes to the Programme aimed at enhancing and clarifying existing schemes. These should further improve the number and quality of applications received. We expect to attain programme targets.

## Background

Continued improvement has been seen in rates of uptake of those schemes most affected by the impact of Foot and Mouth Disease. Interest from the rural community in opportunities under the Programme has been increased through regional and national promotional activity. This has also resulted in improved quality of applications. Regional management procedures have been adapted to allow more rapid assessment of the increased number of applications.

## Performance

### Key achievements June to September 2002

The England Rural Development Programme (ERDP) Annual Report 2001 was submitted to the European Commission in July 2002. This covered progress made during 2001 on the implementation of the Programme.

Preliminary work on the Mid-term Evaluation of the ERDP was taken forward with the completion of a baseline study to collect information which will be of use to the Mid-term Evaluation team.

The "Action plan to develop organic food and farming in England", announced on 29 July, proposed changes to the Organic Farming Scheme which may stimulate interest in the longer term.

Proposals were developed to simplify the rules for the Vocational Training Scheme.

Further recovery from the impact of Foot and Mouth Disease on scheme uptake was seen in the increasing number of applications supported under the rural economy schemes (Rural Enterprise Scheme, Processing and Marketing Grant and Vocational Training Scheme) from 124 to 162.

6. Bring into favourable condition by 2010 95% of all nationally important wildlife sites, compared to 60% of sites currently estimated to be in such condition.

**On course.** At March 2002, 56.5% or 593,340 ha were on target. Currently 58.5% of the assessed SSSI area is meeting the PSA target (favourable or recovering condition). This represents a 2% increase since the end of March.

## Background

Sites of Special Scientific Interest (SSSIs) are the best examples of our natural heritage of wildlife habitats, geological features and landforms. There are over 4,000 sites in England covering over 1 million hectares of land<sup>1</sup>. SSSIs are notified under section 28 of the Wildlife and Countryside Act 1981, as amended by the Countryside and Rights of Way Act 2000.

English Nature plays a key role in contributing to the PSA target and has a Corporate Plan target to deliver 66% of the SSSI area in favourable condition by 2006. Public authorities own about 25% of the area of SSSIs. Under section 28G of the Wildlife and Countryside Act, as amended by the Countryside and Rights of Way Act 2000, such bodies have a duty to further the conservation and enhancement of SSSIs, consistent with the proper exercise of their functions.

**Delivery:** The PSA target delivery plan highlights that SSSIs are affected by a wide range of complex factors and policy areas that are difficult to tackle. The likely trajectory for the target will involve significant effort to put in place delivery measures that will take time to develop and have effect. Significant improvements in the level of achievement against the target are therefore not expected to show up early but we would expect the line to rise more steeply in later years.

<sup>1</sup>4109 SSSI covering 1,051,622 hectares (30/9/02)

The overall aim of having 95% of England's SSSIs in favourable or unfavourable recovering condition will comprise of action under two broad themes:

**Theme 1:** Site management and influencing owners and occupiers;

**Theme 2:** Securing appropriate policy developments to support the conservation and enhancement of SSSIs.

**Condition Assessment**

The baseline figure of 60% was set two years ago, and was a projection based on the condition of the 55% of the SSSI area that had been assessed. Since then, further SSSI land has been assessed, and the figure of 56.5% in favourable condition was based on all the assessments done by 31 March 2002 (by which time 76% of the area had been assessed). Last year Foot and Mouth Disease prevented many site visits, so this year English Nature is putting considerable effort into completing the assessments of all remaining SSSIs. This project is currently going well and by the agreed deadline of March 2003, English Nature expects to have assessed all SSSI units at least once. Currently 83% of the area of SSSI has now been assessed (Figure 6).

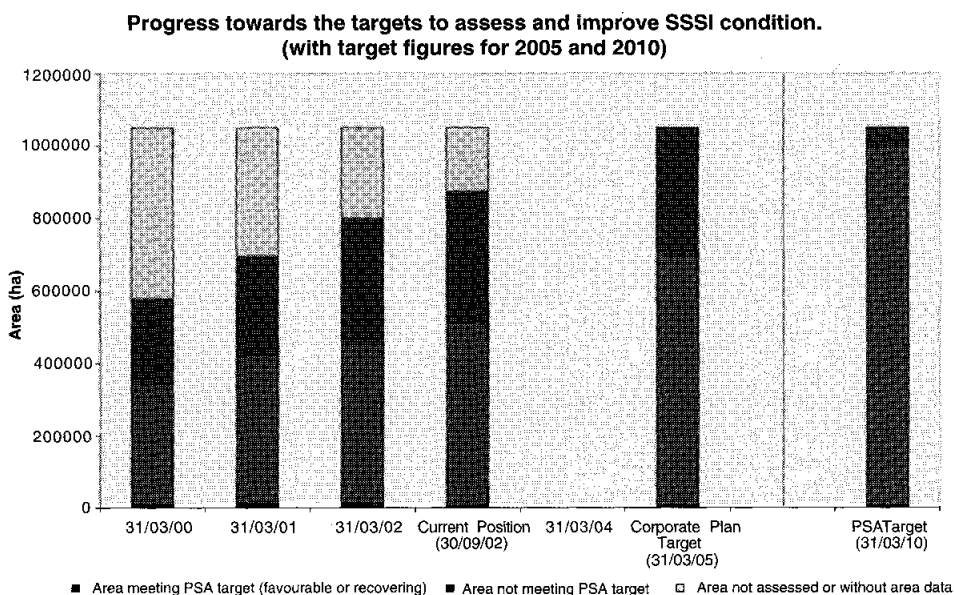
Only when the entire series of SSSI has been assessed will the percentage area in favourable condition carry real meaning.

**Performance**

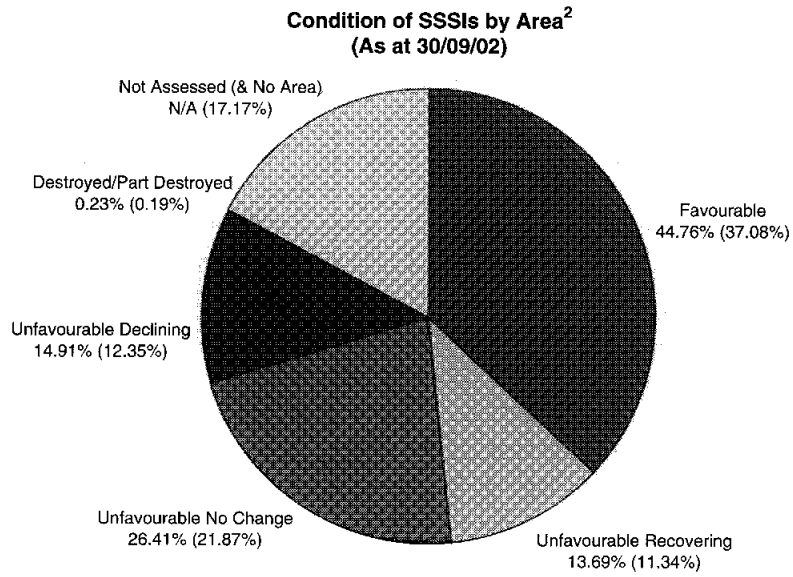
At March 2002, 56.5% or 593,340 ha were on target. Currently 58.5% of the assessed SSSI area is meeting the PSA target (favourable or recovering condition). This represents a 2% increase since the end of March.

The 2% increase in the headline figure (representing a total net gain of 16,000 ha) is due in a small part to the recently assessed land being in slightly better condition (58.5% meeting the PSA target) than that assessed previously (56.5%). However, the majority of the improvement over the past 6 months is the result of real improvements in condition on SSSIs. About 15,000 ha of land has moved from unfavourable to favourable or recovering condition and is now meeting the PSA target (Figure 6 and 7).

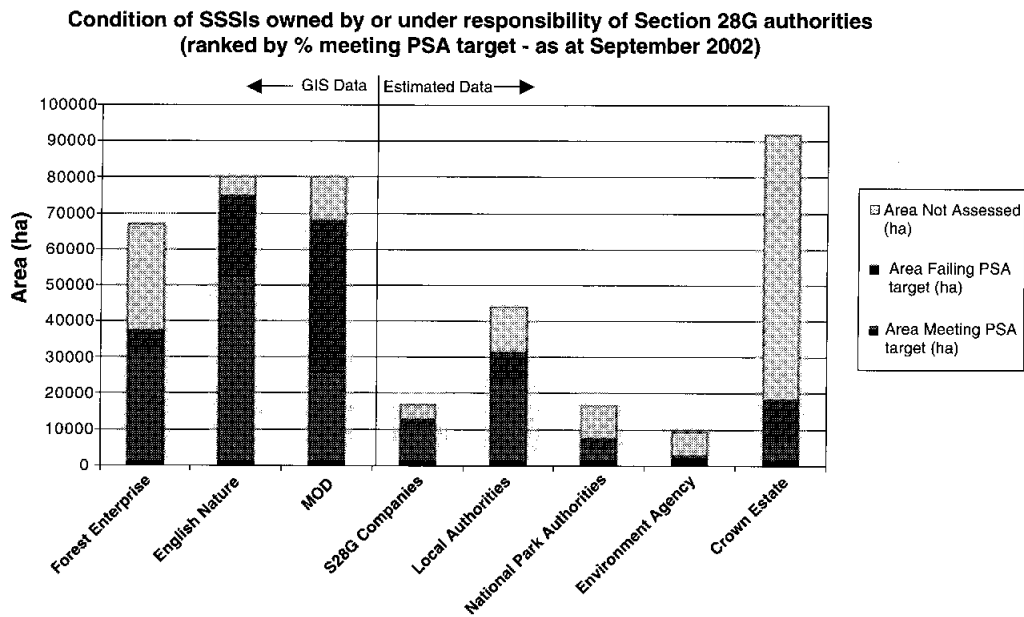
**Figure 6**



**Figure 7**



**Figure 8**



<sup>2</sup>The first figure is the percentage of area in a particular condition expressed as a percentage of the area assessed; the second figure is expressed as a percentage of the total SSSIs area.

7. Care for our living heritage and preserve natural diversity by reversing the long-term decline in the number of farmland birds by 2020, as measured annually against underlying trends.

**On course.** The rate of decline in the long-term trend has continued to slow.

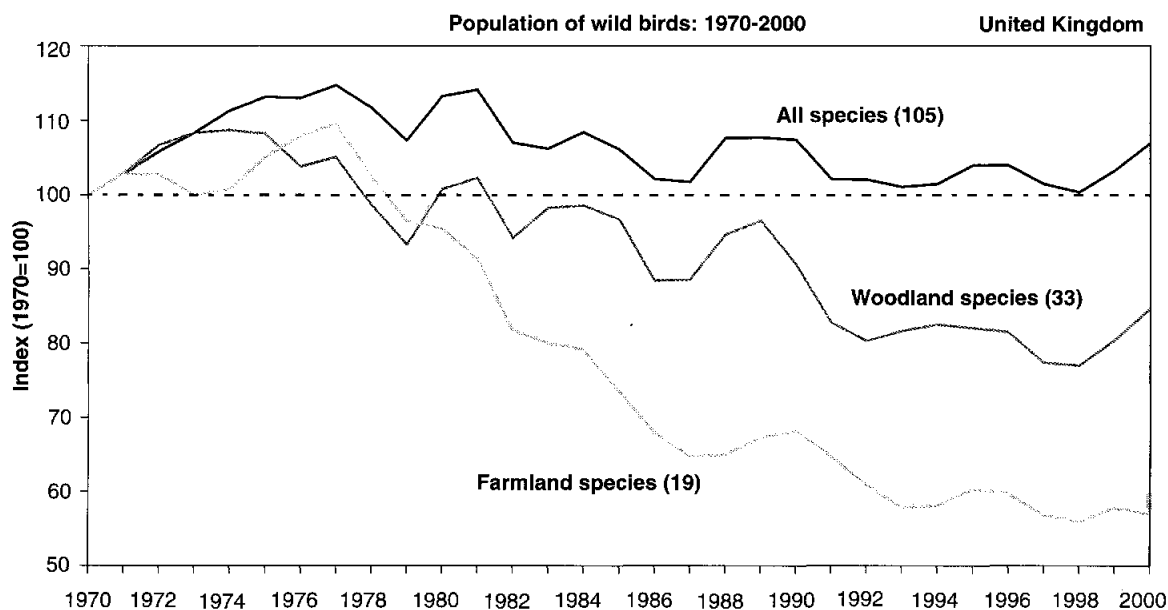
### Background

The latest annual data from the British Trust for Ornithology relate to population levels in 2000. These were published in December 2001 and show a 2 per cent decrease in the farmland bird population in 2000, following the 3 per cent increase recorded for 1999. The population level is now slightly below the level in 1993.

### Performance

Figure 9 shows changes in the wild bird population index, with the indices of farmland and woodland birds shown separately.

**Figure 9**



Source: Defra, Royal Society for the Protection of Birds, British Trust for Ornithology

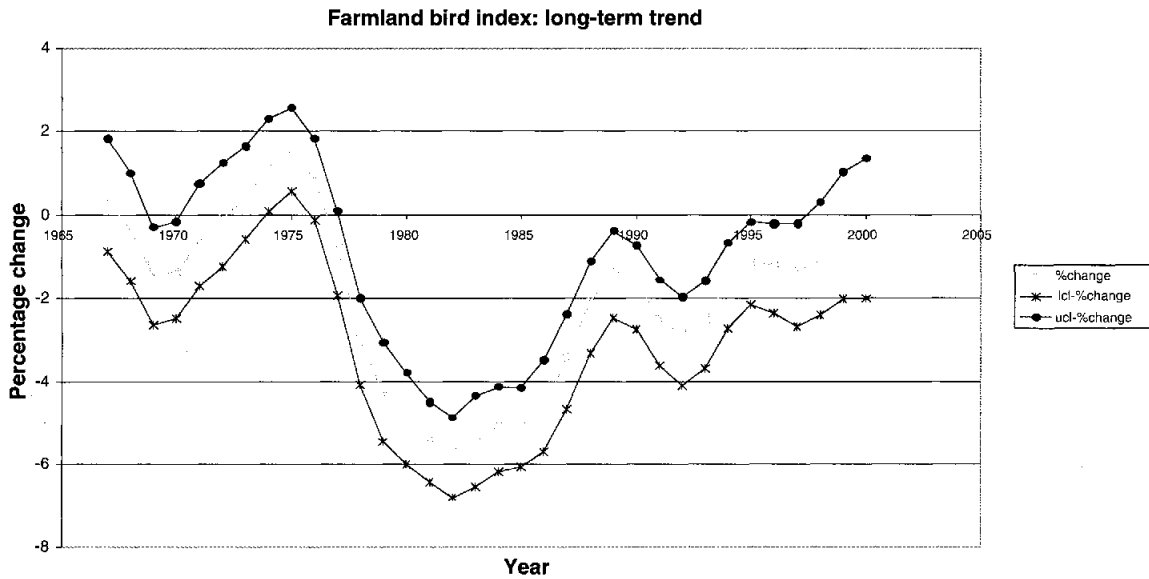
Figures in brackets denote the number of species included in each category

The PSA target relates to the **long-term trend** in farmland bird populations.

The trend data are calculated independently of Government by the British Trust for Ornithology and are derived from the annual data referred to above.

The middle line of the following graph (Figure 10) shows that, with the addition of the 2000 data, the rate of decline in the index has continued to slow (the lines labelled ucl and lcl are the upper and lower 95% confidence limits).

**Figure 10**



Based on a strategy for delivery of the PSA target carried out by an external team of experts, our expectation is that the rate of decline in the index will continue to slow in the period 2004 to 2009; become stable in the period 2009 to 2014; and start to increase in 2014 to 2020. The current trend is, therefore, on course.

Unfortunately, no update of the annual or trend figures will be possible this year since BTO were unable to carry out sufficient field surveys in 2001 owing to restrictions during the Foot and Mouth Disease crisis.

<p>8. Secure agreement by March 2004 to reforms which reduce the cost of the Common Agricultural Policy (CAP) to consumers and taxpayers.</p>	<p><b>On course.</b> The Commission tabled outline proposals in July, which are currently under discussion in the Agriculture and Fisheries Council. These are generally acceptable to the UK though we would prefer them to be more radical. We expect the Commission to follow this up with more detailed proposals in January in the light of the discussion this autumn.</p>
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**Background**

The annual budget cost of the Common Agricultural Policy (CAP) is around €45bn, with over half being spent on direct payments to farmers. In addition to budget costs, the CAP imposes a cost on European Union (EU) consumers through higher food costs. This varies according to movements in world prices, but in 2000 was estimated by the Organisation for Economic Cooperation and Development (OECD) at around €48bn. The UK receives some 9 per cent of available CAP funds (some £3bn in 2000-2001), but we are a significant net contributor to the policy.

The **Agenda 2000 agreement** package of reforms brought cereal, milk and beef prices closer to world levels, and gave member states some flexibility to use CAP money for environmental schemes. The **Agenda 2000 Mid-Term Review (MTR)** is built around mid-term reviews of many elements of the Agenda 2000 package.

On 10 July 2002, the European Commission published a discussion document outlining its proposals for the MTR of Agenda 2000. This document sets out reform proposals which it would like to see apply from 1 January 2004. These proposals address three main issues:

- Market support regime reforms
- Decoupling of CAP direct payments from production
- Reinforcing the Rural Development Pillar

#### **Aims:**

##### **The UK's ambitions for the MTR are to secure:**

- i) a shift in support from production-linked subsidies to environmental and rural development measures;
- ii) a significant increase in the UK's share of pillar 2 funding;
- iii) degressivity of direct payments, on an equitable basis;
- iv) support-price cuts, especially for dairy and cereals and the relaxation of associated production controls;
- v) decoupling of direct livestock payments from production.

#### **Performance**

The Government has welcomed the publication of the Commission's discussion document. While it reflects UK thinking on a number of topics, it falls short of our expectations in others. Defra has been fully engaged in discussions in the Agriculture and Fisheries Council, Special Committee on Agriculture and Council Working Groups since July 2002. Ministers and senior officials have followed up these discussions by meeting bilaterally with their colleagues in the Commission and other Member States to reinforce the UK's ambitions for reform. Legislative proposals are expected to be tabled by the Commission by January 2003.

9. Achieve the agriculture strategy, the modernisation of agriculture, and an increase in the competitiveness and consumer focus of the food chain as measured by the real food price index and sustainable competitiveness indicators to be developed by March 2001.

**Nearly met.** 58 out of 63 measures in the Action Plan for Farming have been implemented, and the target has been overtaken.

## Background

The target to implement the March 2000 agriculture strategy (the Action Plan for Farming) has been met and now overtaken by the development of a new strategy for sustainable farming and food in England following the report from the Policy Commission. Devolved administrations are developing their own strategies. The majority of measures in the Action Plan for Farming have been carried into effect. Those outstanding were delayed due to the impact of Foot and Mouth Disease and some are being taken forward as part of recovery plans.

The target to develop sustainable competitive indicators has been met.

Real retail food prices, as measured by a five year moving average, declined by 1.2% over the year to September 2002.

## Performance

**Implementation of the Action Plan:** 58 out of 63 measures in the Action Plan have been carried into effect. Over £160 million of the £203 million originally allocated has been spent. Outbreaks of Classical Swine Fever and Foot and Mouth Disease disrupted certain programmes.

**Assessing the success of the Action Plan:** We are monitoring farm incomes and are planning to update analysis of the various dimensions of performance improvement and restructuring, and are carrying out a baseline study on farm diversification activities. Under the evaluation plan agreed with key stakeholders a number of the major Action Plan initiatives such as the Pig Industry Restructuring Scheme and the Farm Business Advice Service (FBAS) are being evaluated and we are in the process of drawing up the terms of reference for a meta-evaluation. This will draw together the results of the Action Plan evaluation activities along with evidence from other sources relating to its effectiveness.

**Hills, Inputs and Milk Task Forces:** Reports of the Hills and Inputs Task Forces were published by the then MAFF Minister on 9 May 2001. The work of the Milk Task Force was delayed by Foot and Mouth Disease. Its report was eventually published on 3 January 2002 and the Government's response, which positively replied to most of the recommendations aimed at Government, was published on 22 April.

**HM Treasury agreement:** Some funds have been carried on to this financial year.

**Retail food prices:** The chosen indicator is a five year moving average of retail food prices relative to all retail prices in the economy. This measure smoothes out temporary influences on food prices and allows longer term trends to be identified. On this basis real retail food prices declined by 1.2% when averaged over the 5 years to September 2002, compared with the 5 years to September 2001. From May to August 2002 the year on year percentage change in the retail food price index was negative, though the index turned slightly positive in September 2002.

**Sustainable competitiveness indicators:** The Department's Service Delivery Agreement committed Defra to develop a set of sustainable competitiveness indicators in consultation with HM Treasury by March 2001. This target has been met.



## Recent Developments

An independent Policy Commission on the Future of Farming and Food was established by the Prime Minister on 9 August 2001, fulfilling a manifesto commitment. Chaired by Sir Don Curry, the Policy Commission was tasked with advising on how we create in England a sustainable, competitive and diverse farming and food sector within a thriving rural economy which advances environmental, health and animal welfare goals, taking into account the Government's aims for CAP reform, enlargement of the EU and increased trade liberalisation.

The Policy Commission reported to the Prime Minister and the Secretary of State for Environment, Food and Rural Affairs at the end of January 2002. Their report contained over 100 recommendations for Government, its agencies and industry to take forward. In response to the Policy Commission's report, the Government has been working with stakeholders to develop a new strategy for sustainable farming and food to be launched by the end of 2002. The Strategy will include a response to each of the Policy Commission's recommendations.

10. Achieve a reduction of 10% in the unit cost of administering CAP payments by March 2004, and 95% electronic service delivery capability for such payments by March 2004.

(Value for Money target)

**Some slippage.** Target has been revised in the Spending Review 2002.

## Background of the Change Programme

The Rural Payments Agency (RPA) was established on 16 October 2001 as a Next Steps Executive Agency of Defra. This involved the merger of the Intervention Board and much of the Regional Services Group (RSC) of Defra and delivers approximately £2.7 billion of payments to farmers and traders. The Secretary of State determines the overall policy and financial framework within which RPA operates for Defra.

RPA as the funding body is responsible for funding the CAP schemes administered by all the UK paying agencies and has responsibility for the receipt and administration of monies from the Guarantee Section of the European Agriculture Guidance and Guarantee Fund (EAGGF).

RPA is an accredited paying agency whose mission is "to be a customer-focused organisation that pays valid Common Agricultural Policy claims accurately and on time."

This strategic mission is supported by the vision to be a customer-focused paying agency. Respected as the European leader in efficient and effective administration and as an authoritative source of advice to policy makers:

- which provides customers with information and a choice in the way they access services;
- which plays its full part with others involved in delivering related services to its customers and the community;

- which values and develops its people;
- where technology and innovation are used to enable services to be delivered more efficiently and effectively; and
- which embodies professionalism, being open and honest in its dealings with internal and external stakeholders and always acting with integrity.

The present CAP Information Systems operated by the merged organisation is made up of discrete and dated systems with few common business process components or shared IT systems and databases.

The proposed new systems will:

- provide customer focus by simplifying the collection of data from traders and farmers, reduce duplication of effort, standardise the approach taken by individual schemes and focus on the needs of the farmers and traders rather than administrative convenience;
- provide a new flexible co-ordinated IT system designed to support the new business processes and react to change and permit the introduction of new schemes quickly and with a minimum of disturbance; and
- be user friendly and developed in a way that, as well as being easy to understand and use, the need for training is minimised and, where possible, each scheme is based upon a common approach.

The PSA target represents the pay back for the funding the Change Programme obtained in the review for the regional restructuring programme, which assumed Defra would deliver a benefit of £35.9 million per annum from 2005/06.

The target has been revised as part of Spending Review 2002 and now reads as follows:

“Achieve a reduction of 10 per cent of the unit cost of administering CAP payments by 2004/05 and an increase to 95 per cent electronic service delivery capability for such payments by 31 March 2005”.

The slippage to the Change Programme was due to staff being diverted to Foot and Mouth Disease duties, which affected the first half of 2001-02.

## **Methodology**

The unit cost figure will represent the average cost of delivering all CAP schemes wholly administered by RPA, calculated as total administration costs for processing and paying those claims, divided by their transaction volumes. The percentage reduction in the unit cost will be rounded to the nearest whole figure.

Administration costs of the Rural Development Service (RDS) incurred in processing claims under the English Rural Development Programme will not be included.

Administration expenditure will be accounted for on a resource basis and reflect the full cost of administering CAP schemes including overheads, but excluding one-off costs such as expenditure under the regional restructuring programme.

## Performance

Defra is on target to meet the revised Spending Review 2002 target. Work on the Change Programme, which will deliver against the PSA target, is progressing to plan with a target completion in December 2004.

The Change Programme has successfully negotiated the Office of Government Commerce (OGC) Gateway reviews 1 and 2 with the next major milestone being OGC Gateway 3 assessment that is scheduled for January 2003. The award of a contract will follow at the end of January 2003.

Work is continuing in preparation for Gateway 3 to refine the benefits that will be realised as a result of the Change Programme.

RPA's vision is to deliver 100% electronic service delivery capability by 2005.

Delivery of the new IT systems will commence in 2004 with the bringing on-line of the land based schemes which make up the largest population of transactions undertaken by RPA.

11. Reduce the annual incidence of Bovine Spongiform Encephalopathy (BSE) to less than 650 cases by 2001 and by 2004 to be on track for fewer than 30 cases by 2006, a 99% reduction compared with 1997 when there were 4,312 cases.

**Some slippage.** Although the 2001 target was not met, the epidemic continues to show a steady decline. The final total for passive surveillance in 2001 was 781 cases, a 40% reduction from the 2000 total of 1311 cases. On present trends, the total for 2002 is expected to be under 500.

## Background

Although the 2001 target was not met, as the final total for clinical cases was 781, the increase appears to be a result of the suspension of the Over Thirty Months Scheme (OTMS) due to the restriction on animal movements during the Foot and Mouth epidemic. Slaughter under the Over Thirty Months Scheme was suspended in January 2001 and only resumed on 30 July. As a consequence, more older animals remained on farm long enough to develop clinical signs of BSE.

**Data Systems:** The database for passive surveillance cases is maintained by the Veterinary Laboratories Agency (VLA), and data is entered by Defra staff at headquarters and in Animal Health Offices. The data produced by both systems is of good quality.

**Methodology:** The target is based on a model created by the VLA. The model was stretched from its usual three year predictions to six years for this target. The model is updated as our understanding of the epidemiology of the disease increases. If these changes were to be large, the basis for the target would be uncertain.

The model makes no allowance for a third route of transmission (i.e. other than through feed or maternal transmission). The target does not include such cases. Were they to become apparent such cases would be monitored, recorded, and published as part of

Defra's weekly statistics. The target also excludes cases arising from imported infection. The VLA model does not take account of these, but they are monitored, recorded and published as part of the weekly statistics.

## Performance

Figure 11 shows that although the 2001 target was not met, the epidemic continues to show a steady decline. The final total for passive surveillance in 2001 was 781 cases, a 40% reduction from the 2000 total of 1311 cases. On present trends, the total for 2002 is expected to be fewer than 500.

Further statistical information is posted regularly on the Defra BSE website at <http://www.defra.gov.uk/animalh/bse/>

### Figure 11: Passive surveillance cases reported since 21 August 1988: as at 27 September 2002

**Cumulative total for passive surveillance – 178730 cases on 35306 farms.**

Year (1)	Suspects Restricted (2)	Alternate Diagnosis (3)	Not Yet Notified (4)	Slaughtered (5)	Pending (6)	Not Confirmed (7a)	Confirmed (7b)	Private Submissions (8)
1988	2512	140	0	2372	0	192	2180	4
1989	8443	386	0	8057	0	924	7133	4
1990	17323	682	0	16641	0	2460	14181	0
1991	30003	982	0	29021	0	3995	25026	6
1992	44844	1690	0	43154	0	6474	36680	2
1993	42931	1847	0	41084	0	6714	34370	0
1994	30259	1551	0	28708	0	4765	23943	2
1995	17945	789	0	17156	0	2855	14301	1
1996	10697	547	0	10150	0	2137	8013	3
1997	5604	302	0	5302	0	993	4309	3
1998	4291	260	0	4031	0	852	3179	1
1999	2984	146	0	2838	0	584	2254	2
2000	1870	117	0	1753	0	442	1311	0
2001	1218	66	0	1152	0	371	781	0
2002	716	51	11	654	67	266	321	0

12. Reduce the time taken to clear up cases of poor welfare in farmed animals by 5% by March 2004.

**On course.** The baseline now established for 2000 indicates time from report to clear up equals 29 days. As a result of the lack of resources during the Foot and Mouth outbreak preliminary clear up times for 2001 equate to 43 days. Clear up times in 2002 are, however, back on course to meet the target by March 2004.

## Background

Defra's overall aim is to ensure that farmed animals and fish are protected by high welfare standards. We provide information to the public and those having care of livestock on the welfare of farm animals; monitor welfare standards at livestock premises and markets and of animals in transit; and take action to deal with poor animal welfare cases when these are discovered. This PSA target applies to England, Scotland and Wales.

Poor animal welfare in farmed animals is defined as unnecessary pain or unnecessary distress (UPUD) of animals within an enterprise or on a farm holding.

## Performance

A case of poor welfare is deemed to start when a case of UPUD is seen on an enterprise and recorded by the State Veterinary Service (SVS). It is completed when the SVS is satisfied by a further visit or other information that UPUD no longer exists on that enterprise. The clear up time for the case is the interval in days between the recorded start and finish dates. Clear up rates are recorded on a computerised database.

Period	Average clear up time in days
January – March 2002	15
April – June 2002	21
July – September 2002	62

We carry out 90% of initial investigations of reports of suspected adverse farm animal welfare within 24 hours of their report.

## Factors affecting performance

The baseline established for 2000, from time of report to clear up, was 29 days. This suffered some slippage in 2001 as a direct result of Foot and Mouth Disease.

Data for the third quarter (July – September) 2002 indicates a clear up time of 62 days. This slippage is due to a combination of a particularly lengthy, high profile regional case that recently came to court, and delays in information loading. As such we believe this to be an anomaly which will not be repeated. Consequently we believe that we are on target to meet this PSA target.

13. Reduce UK fishing effort in those sectors of the fleet with most over-capacity to 20% below the 1997 level by end-2001. A further target reduction for 2004 will be set following EU negotiations in 2001.

**Met.** The UK is already within the final EU targets set for the UK fleet and achieved this target.

14. Open up public access to mountain, moor, heath and down and registered common land by the end of 2005.

**On course.** The Countryside Agency has completed the consultation on draft maps for two lead regions. One provisional map and a third draft map have been published.

## Background

This target relates to implementation of Part I of the Countryside and Rights of Way Act 2000 which gives people a new right to walk over open country (mountain, moor, heath and down) and registered common land.

Before all access land can be opened up to the public, various regulations must be put in place and the boundaries of open country and registered common land must be defined on maps prepared by the Countryside Agency. The mapping process serves two functions. First, it is constructed to enable the public and land managers to have a say in which land should be considered to be open country and registered common land. Second, in any dispute, the final maps will provide authoritative evidence as to where such land is situated.

The Countryside and Rights of Way Act 2000 involves some complicated processes – that is precisely because great care was taken to balance both the needs of people who want access in the countryside and the needs of land owners and managers. That is also why there are three stages in the mapping process:

First the Countryside Agency publishes draft maps. Individuals and organisations who want to promote access (such as the Ramblers Association) and those who manage land (including their representatives like the Country Land and Business Association (CLA)) can object because particular land has been included or left out.

Second, the Agency will publish the provisional maps. Land managers will then have formal right of appeal to the Secretary of State.

Third, the conclusive maps will be published.

Some regulations and supporting administrative systems are in operation. These aim to maximise the use of electronic working in accordance with the Government's online strategy for the UK.

## **Performance**

### **Achievements in 2001/2**

Regulations enabling the Countryside Agency to consult on draft maps of open country and registered common land in two lead English regions came into force in November 2001. The Agency completed consultation on these maps before the end of the financial year.

In addition, Defra issued four consultation papers on proposals for regulations. These related to:

- the issue of provisional and conclusive maps (the intermediate and final stages of the mapping process) and the bringing of appeals against provisional maps;
- the dedication of land for access;
- the establishment of local access forums; and
- the restriction or exclusion of access in certain circumstances (issued jointly with a Countryside Agency consultation paper on proposals for guidance to decision-making authorities and land managers on implementation of the restrictions regime).

## **Recent Developments**

### **Achievements in first half of 2002/3**

Regulations enabling the Countryside Agency to issue provisional and conclusive maps came into force on 29 July. These include detailed provisions for appeals.

The Countryside Agency issued the first provisional map on 29 July but withdrew it after identifying a number of errors. The revised provisional map was reissued on 7 October. In addition, the Agency began consultation on a draft map for the third region on 3 September. The mapping process in all 8 regions is expected to be completed by April 2005.

Regulations requiring local highway authorities and National Park authorities to establish local access forums came into force in August 2002. The forums have a statutory advisory role on key aspects of implementing the new right of access to open country and on improvements to rights of way. Landowners, users and those with other local interests will be represented on the forums.

Work on further regulations is in hand and is expected to be complete (i.e. all regulations necessary to meet the PSA target in force) by the end of 2003.

## Chapter 4: Comprehensive Spending Review 1998 Public Service Agreement

There is a continuing duty to report objectively against all targets, including Comprehensive Spending Review (CSR) targets, which remain outstanding. Nearly all of these targets had already been achieved within the CSR period and the remainder was extant until March 2002. This section outlines the latest outturn against these targets and states where targets have been dropped or changed from those previously reported.

CSR Target	Performance
1. Achieve an increase in public confidence in the Government's arrangements for handling food safety (as measured by public opinion surveys).	The former MAFF and Department of Health ministers agreed to defer carrying out surveys pending the establishment of the Food Standards Agency. The Agency has now taken responsibility for this work.
2. Establish an independent Food Standards Agency within six months of the date of Royal Assent to an Act of Parliament.	<b>Met.</b> The Food Standards Act 1999 received Royal Assent on 11 November 1999. The Food Standards Agency (FSA) was established on 1 April 2000, within the six-month target.
3. Agree and put in place a system for measuring the performance of the Food Standards Agency in achieving improvements in standards which contribute to food safety.	<b>Met.</b> Under the direction of the Secretary of State for Health, a Service Delivery Agreement was drawn up as part of the Spending Review 2000.
4. Reduce the incidence of Bovine Spongiform Encephalopathy by 85% in 2001 compared with 1997 when there were 4,311 cases (as measured by the number of confirmed cases of BSE).	<b>Nearly met.</b> The final total for 2001 was 781 confirmed cases, an 82% reduction on 1997 towards meeting the PSA 1998 target. This PSA target was carried forward into the Spending Review 2000 and was reformulated as target 11 in PSA 2000.
5. Secure the progressive lifting of the ban on UK beef exports with a goal of achieving total exports in 2001 equivalent to more than 10% of the pre-ban level (227,000 tonnes on average over the period 1991-95).	<b>Not met.</b> Since the suspension of UK beef exports in February 2001 due to the Foot and Mouth epidemic we have made some progress, but the strict conditions of the Date-based Export Scheme (DBES) and the effects of Foot and Mouth have all limited exports. However, we are actively engaged in a major campaign to get the DBES rules changed and resume beef exports.



<p>6. Prevent outbreaks of serious animal, fish and plant diseases and pests.</p>	<p><b>Not met. Animal Health:</b> Of the significant notifiable animal diseases, Foot and Mouth, classical swine fever, swine vesicular disease, anthrax, Newcastle disease, avian flu and rabies, there have been outbreaks of two. Classical swine fever started in September 2000 (we were free from it by the end of 2000). Foot and Mouth Disease was first reported in February 2001 and went on to become the largest FMD epidemic the world has seen (last case 30 September 2001). There were no outbreaks of the other five diseases.</p> <p><b>Fish Diseases:</b> An outbreak of a freshwater fish disease was rapidly contained in 2001.</p> <p><b>Plant Diseases &amp; Pests:</b> 30 outbreaks of five key diseases and pests were detected in 2001.</p>
<p>7. Contribute to a more attractive and accessible countryside by increasing the area protected and enhanced under the major agri-environment schemes (which at 31 March 1997 stood at 600,000 hectares).</p>	<p><b>Met.</b> Around 800,000 hectares were protected under the Environmentally Sensitive Areas and Countryside Stewardship schemes, a significant increase against the target of 708,000 hectares, and under the Organic Farming scheme, some 50,000 hectares would have been assessed as eligible.</p> <p>This target was subsequently converted into 2 individual and challenging goals and carried forward to the Spending Review 2000 PSA.</p>
<p>8. Cut the overall cost of the CAP to EU consumers and taxpayers from its current level of 88 billion ecus (£62 billion) a year.</p>	<p><b>Partly met.</b> The Commission tabled outline proposals in July, which are currently under discussion in the Agriculture and Fisheries Council. These are generally acceptable to the UK though we would prefer them to be more radical. We expect the Commission to follow this up with more detailed proposals in January in the light of discussion this Autumn.</p>

<p>9. Improve the balance between fishing effort and marine fish stocks by reducing effort by 20% in those sectors of the UK fleet with most over-capacity.</p>	<p><b>Met.</b> The UK had already met its overall effort targets by the end of 2001. The PSA target was achieved as a result of effort controls applied to the respective sectors/segments under the Community's Multi-Annual Guidance Programme.</p>
<p>10. Reduce the incidence of unnecessary pain or distress among animals on the farm.</p>	<p><b>Met.</b> 93.5% of reports of poor animal welfare were investigated within one working day up to the outbreak of Foot and Mouth Disease. This PSA target was carried forward into the Spending Review 2000 and was reformulated as target 12 in PSA 2000.</p>
<p>11. By March 2000, publish targets for flood and coastal defence operating authorities which will help ensure the effective delivery of sustainable flood defence and coastal protection policies and prevent loss of life through flooding (including by timely and effective warning systems).</p>	<p><b>Met.</b> A comprehensive set of targets for flood and coastal defence operating authorities was published on 19 November 1999, taking effect from April 2000.</p>
<p>12. To make 1,000,000 more buildings cheaper to keep warm through the installation of energy efficient measures by 31 March 2002.</p>	<p><b>Met.</b> Homes with measures installed between 1 April 1999 and 31 March 2002 were: under the Home Energy Efficiency Scheme (HEES) 764,000, and under the Energy Efficiency Standards of Performance (EESOPs) 380,000, more than the 1,000,000 target.</p>
<p>13. Ensure that secondary treatment is provided for all sewage discharges from towns with a population of at least 15,000 by 31 March 2002.</p>	<p><b>Nearly met.</b> Since the PSA target was set in 1998 standards of sewage treatment in England continue to rise through implementation of obligations under the European Council Urban Waste Water Treatment Directive (91/271/EEC), and Government policy. At 31 March 2002, 99% of sewage discharges (536 of 544) from treatment works serving over 15,000 people in England received secondary treatment. Of the 8 discharges that did not meet the deadline, three (Sandown (Ventnor/Bembridge), Dover and Folkstone, Eastbourne) now receive secondary treatment, and a further one (East Hastings and Bexhill) is expected to achieve this standard by the end of 2002.</p>

<p>14. Prepare, consult on and publish a new UK climate change programme to meet the UK's legally binding target of reducing greenhouse gas emissions to 12.5 per cent below 1990 levels over the period 2008-12 and move towards the domestic goal of reducing carbon dioxide emissions by 20 per cent by 2010.</p>	<p><b>On course.</b> We published the climate change programme in November 2000. The programme sets out a far-reaching strategy that we estimate could deliver cuts of 23 per cent in the UK's greenhouse emissions and 19 per cent in carbon dioxide alone. The programme also begins to look at the longer-term changes that will be made after 2010.</p>
<p>15. Improve our rivers by developing and implementing a programme of measures to eliminate at least half of the current shortfall in compliance with river quality objectives by 2005.</p>	<p><b>Met.</b> All monitored river lengths have a baseline assessment called the River Quality Objective (RQO), which is the level of water quality that a river should achieve in order to be suitable for its agreed uses. The government set a target to increase RQO compliance in England and Wales from 82 per cent in 1997 to at least 91 per cent in 2005. By 2001, RQO compliance had increased to 91.7 per cent.</p>

## Chapter 5: Spending Review 2002 Public Service Agreement and the Future

The new Defra PSA for 2003-06 brings together the top-level aims, objectives and targets of the department in a single document.

To support our priorities in the forthcoming spending period we have modified our objectives to better reflect the outcomes we are seeking to achieve. This has resulted in a more concise and better focussed set of 6 objectives, which link closely with the new PSA targets. The scope of the objectives, and hence our work, has not changed.

The new PSA is a more streamlined agreement with a total of ten targets. It sets out the future agenda of the new Department and spells out what we want to achieve over the Spending Review period by linking our resources to published, targeted outcomes.

The key features of the new PSA are set out below:

- We have developed a new and overarching target for sustainable development that sits under our aim. This provides the context in which the other PSA targets will operate and describes Defra's role in promoting sustainable development across government and the wider economy.
- For the first time, we have developed a rural PSA target that commits the Department to reducing the gap in productivity between the least well performing rural areas and the English average and improving the accessibility of services for rural people. Moreover, the Spending Review White Paper includes a rural sub-chapter that sets out a range of commitments from other Government Departments to deliver key services in rural areas.
- To help us push forward our work on modernising farming we have created a new and broader target linked to the implementation of the Strategy for Sustainable Farming and Food and securing CAP reform. This target will draw on indicators of sustainable competitiveness developed in SR2000 as well as those from the Sustainable Farming and Food Strategy, thereby embracing the broader objectives of sustainability.
- To maintain continuity, we have carried over and updated where necessary our targets on: reducing greenhouse gas emissions; caring for our natural heritage and pursuing biodiversity; recycling and composting household waste; reducing fuel poverty among vulnerable households; improving air quality, and value for money.
- In addition, we will be developing an improved target for animal health when our Animal Health Strategy has been completed in Spring 2003.
- Our new PSA targets together with our new objectives set the direction for Defra in future years, reflecting our cross-cutting role within Government and supporting our vision and values.

### Objectives and Public Service Agreement 2003-06

1. To promote sustainable development across Government and the country as a whole as measured by achieving positive trends in the Government's headline indicators of sustainable development.

**Objective I:** protect and improve the rural, urban, marine and global environment, and lead integration of these with other policies across Government and internationally.

2. Improve the environment and the sustainable use of natural resources, including through the use of energy saving technologies, to help reduce greenhouse gas emissions by 12.5% from 1990 levels and moving towards a 20% reduction in carbon dioxide emissions by 2010.

3. Care for our natural heritage, make the countryside attractive and enjoyable for all, and preserve biological diversity by:

- reversing the long-term decline in the number of farmland birds by 2020, as measured annually against underlying trends;
- bringing into favourable condition by 2010 95% of all nationally important wildlife sites; and
- opening up public access to mountain, moor, heath and down and registered common land by the end of 2005.

**Objective II:** enhance opportunity and tackle social exclusion in rural areas.

4. Reduce the gap in productivity between the least well performing quartile of rural areas and the English median by 2006, and improve the accessibility of services for rural people.

**Objective III:** promote a sustainable, competitive and safe food supply chain which meets consumers' requirements.

**Objective IV:** promote sustainable, diverse, modern and adaptable farming through domestic and international actions.

5. Deliver more customer-focused, competitive and sustainable food and farming as measured by the increase in agriculture's gross value added per person excluding support payments; and secure CAP reforms that reduce production-linked support, enabling enhanced EU funding for environmental conservation and rural development.

**Objective V:** promote sustainable management and prudent use of natural resources domestically and internationally.

6. Enable 25% of household waste to be recycled or composted by 2005-06.

7. Reduce fuel poverty among vulnerable households by improving the energy efficiency of 600,000 homes between 2001 and 2004.

**Objective VI:** protect the public's interest in relation to environmental impacts and health, and ensure high standards of animal health and welfare.

8. Improve air quality by meeting our National Air Quality Strategy objectives for carbon monoxide, lead, nitrogen dioxide, particles, sulphur dioxide, benzene and 1-3 butadiene. Joint target with DfT.

9. Protect public health and ensure high standards of animal welfare by reducing:

- the annual incidence of Bovine Spongiform Encephalopathy (BSE) to less than 30 cases by 2006; and

- the time taken to clear up cases of poor welfare in farmed animals by 5% by March 2004.

**Value for Money:**

10. Achieve a reduction of 10% of the unit cost of administering CAP payments by 2004-05 and an increase to 95% electronic service delivery capability for such payments by 31 March 2005.

**Who is responsible for delivery?**

The Secretary of State for Environment, Food and Rural Affairs is responsible for the delivery of this PSA. The Secretary of State for Transport is jointly responsible for the delivery of target 8. The Secretary of State for Trade and Industry contributes to the delivery of target 2.

## **Appendix: Additional Information**

### **Other useful links:**

Defra Departmental Report 2002

<http://www.defra.gov.uk/corporate/dep/dep/default.htm>

MAFF Departmental Report 2001

<http://www.defra.gov.uk/corporate/dep/2001/default.htm>

DETR Departmental Report 2001

<http://www.dtlr.gov.uk/annual01/>

Working for the Essentials of Life

<http://www.defra.gov.uk/corporate/prospectus/>

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