



Autumn Performance Report 2009

To secure a healthy environment in which we and future generations can prosper
www.defra.gov.uk



Department for Environment, Food and Rural Affairs

Autumn Performance Report 2009

Presented to Parliament by the Secretary of State
for the Environment, Food and Rural Affairs
by Command of Her Majesty
December 2009

© Crown Copyright 2009

The text in this document (excluding the Royal Arms and other departmental or agency logos) may be reproduced free of charge in any format or medium providing it is reproduced accurately and not used in a misleading context. The material must be acknowledged as Crown copyright and the title of the document specified.

Where we have identified any third party copyright material you will need to obtain permission from the copyright holders concerned.

For any other use of this material please contact the Office of Public Sector Information, Information Policy Team, Kew, Richmond, Surrey TW9 4DU
or e-mail: licensing@opsi.gov.uk

ISBN: 9780101773522

Printed in the UK for The Stationery Office Limited
on behalf of the Controller of Her Majesty's Stationery Office

ID P002337122 12/09

Printed on paper containing 75% recycled fibre content minimum

Contents

| | |
|---|------------|
| Foreword from the Secretary of State | vii |
| Executive Summary | ix |
| Chapter I | 11 |
| Aim, Vision, Values and Departmental Structure | |
| Chapter II | 24 |
| Delivering our Strategic Priorities | |
| Summary Table | 25 |
| PSA 28: Secure a healthy natural environment for today and the future | 27 |
| DSO 1: A society that is adapting to the effects of climate change, through a national programme of action and a contribution to international action | 32 |
| DSO 2: A healthy, resilient, productive and diverse natural environment | 36 |
| DSO 3: Sustainable low carbon and resource efficient patterns of consumption and production | 41 |
| DSO 4: An economy and a society that are resilient to environmental risk | 47 |
| DSO 5: Championing sustainable development across Government, the UK and internationally | 53 |
| DSO 6: A thriving farming and food sector, with an improving net environmental impact | 57 |
| DSO 7: A sustainable, secure and healthy food supply | 63 |
| DSO 8: Socially and economically sustainable rural communities | 65 |
| DSO 9: A respected department delivering efficient and high quality services and outcomes | 72 |
| PSA 3a: Reversing the long-term decline in the number of farmland birds | 76 |

| | |
|--|-----------|
| PSA 3b: Sites of Special Scientific Interest (SSSI) | 79 |
| PSA 9: To improve the health and welfare of kept animals, and protect society from the impact of animal diseases, through sharing the management of risk with industry | 80 |
| Chapter III | 83 |
| CSR07 Value for Money Delivery | |
| CSR07 Value for Money Delivery | 83 |

Table of figures

| | |
|--|----|
| Figure 1 Defra's strategy | 14 |
| Table 1 Positive and negative impacts of farming | 31 |
| Table 2 Relationship between compliance at low flows with the Environmental Flow Indicator (EFI) reported for integrated water bodies excluding regulated rivers, lakes and reservoirs | 34 |
| Table 3 Relationship between integrated water bodies and the percentage of time additional water resource is available for abstraction in each water body | 34 |
| Table 4 Percentage of Animal Health random inspections which achieve full compliance with welfare codes and law per annum. | 61 |
| Table 5 Performance of rural areas compared to the national average measured against each of the indicators held under Intermediate Outcome 8.1. | 66 |
| Table 6 Performance of rural areas compared to the national average measured against each of the indicators held under Intermediate Outcome 8.2 | 69 |
| Table 7 Summary of performance assessment against each previous spending review PSA target. | 75 |
| Figure 3 Year- on- year changes in the farmland birds index for England: long-term trend 1966-2008 of all 19 farmland species using smoothed data | 77 |
| Figure 4 Population of farmland generalists and specialist birds 1966-2008 using smoothed data <i>Figures in brackets show the number of species included in each category.</i> | 78 |
| Table 8 CSR07 VfM target profile (Cumulative) | 83 |
| Table 9 CSR07 VfM target grouped by savings area | 85 |



Foreword from the Secretary of State

In the past six months, Defra has achieved a lot. With the successful passage of the Marine and Coastal Access Act, we have made real progress in protecting our seas and opening up our coastline. We have designated the new South Downs National Park. After a difficult decision on bovine TB and badgers, we have made significant progress towards testing an injectable TB vaccine. We have also entered into a ground-breaking agreement with farmers to support and protect wildlife and biodiversity: the industry led Campaign for the Farmed Environment. In addition, we have built more flood defences, protecting thousands of homes; provided grants to people to help protect their homes against flooding; and introduced the Floods and Water Management Bill in Parliament.

The last six months have also seen major progress in adapting to climate change. The UK Climate Projections 2009 are now helping us understand how the UK's climate will change during the 21st century. We have made appointments to the new adaptation sub-committee to the Committee on Climate Change and have consulted on the use of the Adaptation Reporting Power in the Climate Change Act. We have also developed a long-term strategy identifying the investment required to manage the increasing risks of flooding and coastal erosion in England from climate change over the next 25 years.

In an economic recession, our priorities are more than ever about providing practical help to people, communities and businesses. With our new responsibility for coordinating food policy across government we are working to keep supply chains secure and have published our assessment of UK food security as part of consulting on our future food strategy. We have been assessing the impact of the recession on rural communities, and working with Regional Development Agencies and others to provide support where it is needed. We have just published advice aimed particularly at smaller businesses on how to save money from improving resource efficiency.

Defra's task to help us all live within our environmental means and to protect our environment remains a priority, even in tough times; it is one of the most precious things we have. This time is critical, not only because the world is striving to reach an agreement on climate change at Copenhagen, but also because we have the chance now to create a more sustainable and greener society. This will mean being resource efficient, improving our resilience to a changing climate, creating an agriculture sector that is both sustainable and productive, and developing the skills, training and innovation that all of this requires.

Finally, I would like to thank the staff at Defra and all of our agencies for their hard work, commitment and professionalism. It is a privilege to lead and work alongside them.

A handwritten signature in black ink, appearing to read 'H. Benn', written in a cursive style.

Rt Hon. Hilary Benn MP

Secretary of State for Environment, Food and Rural Affairs



Executive Summary

The last six months have seen the results of years of hard work, significant foresight and planning. As well as pursuing our Public Service Agreements (PSA), Departmental Strategic Objectives (DSO) and Value for Money (VfM) targets vigorously there are many great examples of how Defra engages, listens and debates with a huge range of stakeholders, often from across the academic, business and wider environmental network, to produce an outcome we can all be proud of.

Nearly six months ago, just as the Departmental Report 2009 was being published, we announced the launch of the UK Climate Projections tool. This is a major breakthrough in making detailed model prediction information available to the public for a range of greenhouse gas emissions scenarios which will help us to understand climate change in the UK and prepare for the future.

As part of our PSA 28 we have also achieved the passage of the innovative Marine and Coastal Access Act. This makes England the first country in the world to introduce successfully a single piece of legislation both to protect and manage the marine environment and to create a new right of access to its coastline. Across the PSA, high level Government Office-led boards have been established in each region to ensure the effective delivery of PSA 28 at regional level.

Additional highlights include celebrating the 150th anniversary of Darwin's 'On the Origin of Species' at this year's Darwin Initiative lecture, which showcased Defra's ongoing commitment to supporting biodiversity in the developing world. Food also featured in the last half year of achievements. We published the UK's first food security assessment in August followed by the publication of the Council of Food Policy Advisors first report in September. Chapter I of this report lays out our strategic priorities and how they relate to our overall purpose 'to secure a healthy environment in which we and future generations can prosper'. This means not only reducing our impact on the natural environment now but also, as we emerge from the economic recession in the coming months, developing our understanding of opportunities that natural resource efficiency and the environment can present for UK businesses and the economy more widely. We are also looking ahead to future global challenges, leading for the UK Government on understanding and addressing the climate change which we already know will happen.

Progress on these DSOs since last year's APR is set out in the following chapters.

Chapter II describes our current state of our progress against Treasury-agreed targets and set of indicators. We highlight several areas of significant improvement, most notably on river water quality and marine health, biodiversity, and sustainable water and land use and soil management. There has been some improvement in the sustainable reduction of risk from flooding and coastal erosion in particular and in protection of the economy, human health and ecosystems from environmental risks and emergencies in general. Our rural communities indicators have been changing

in line with changes to national comparators and our work on waste reduction is proving successful in embedding resource efficient patterns of consumption in the UK. There is also evidence that farming is having less of a negative impact on the natural environment, as well as improving profitability and competitiveness of farm-based businesses. Some indicators have not yet been completely assessed, either due to ongoing work to define them (as in the case of DSO 1 on adapting to climate change and DSO 7 on a sustainable, secure and healthy food supply, both of which were newly defined in December 2008) or due to insufficient data being accumulated over the last year to enable an objective assessment (as in the case of DSO 5 on sustainable development).

In Chapter III we summarise how Defra and its delivery bodies have been working hard at generating savings. All Value for Money targets are on their way to being met and progress on relocating posts from London and the South East has exceeded expectations. In addition, Defra is participating in two HM Treasury reviews of our expenditure - the Public Value Programme and the Operational Efficiency Programme - and has elected to subject all work not covered by these reviews to similar internal scrutiny.

Just days before I write this, Defra published its third Sustainable Development Action Plan which sets out how we as a Department will contribute to sustainable development up until March 2011. It embraces everything we do here at Defra; the policies we write, our people, the environment we work in and the way that we use it. The challenges we face now and in the future are immense; how we adapt to a changing climate or feed up to 9 billion people by 2050 are just some of the issues we face in the long term. To put this in context, we have done a lot of work to "Tell the Defra Story" about our vision for a greener society by 2030 and how it can contribute to the progress of the economy and society as a whole. Thanks to the passion and commitment of the Defra team and supported by the way we plan and run our business, I'm very confident that we can deliver what we need to through the rest of the year and beyond.



Dame Helen Ghosh
Permanent Secretary, Defra

Chapter I

Aim, Vision, Values and Departmental Structure

Introduction

This report covers Defra's performance up to the mid-year point of the financial year 2009/10, the third six month period of the 2007 Comprehensive Spending Review (CSR07) planning period. It describes the work of the Department and sets out progress against Defra's Public Service Agreement (PSA) target and Departmental Strategic Objectives (DSOs).

Defra's direction of travel

As set out below in our purpose, priorities and DSOs; Defra is a Department which supports the quality of life of people both now and into the future. We need to look ahead and prepare for challenges if we are to deliver a world in which future generations can prosper; not only financially but through living in a healthy environment which supports a sustainable economy and strong communities. Over the next six months, we will continue to build on our recent successes, developing the evidence and understanding we need to build a resilient economy and environment for a greener society.

This year, we have continued to make real progress on protecting natural resources and efficient resource use. For example we put the Marine and Coastal Access Act on the statute book, which is the world's first comprehensive piece of legislation to protect the marine environment, manage competing pressures on our seas and open up the coasts to walkers. In addition we have successfully confirmed the creation of the South Downs National Park. We have also seen real progress in changing people's behaviour; in July seven major retailers announced they'd reduced the number of plastic carrier bags by 48% (narrowly missing their target of 50%).

Over the next six months, we hope to see the UK return to growth coming out of the economic recession. As we do this, it is important that we reach a deeper understanding of the resources we have, their value and how we use them in our economy, and that we use them efficiently and sustainably. The 2006 Stern Review on the Economics of Climate Change set out that we need to reach a scientific and economic understanding of these issues to develop affordable policy options. In 2010, we will see the publication of the first phase of the UK National Ecosystem Assessment which will assist in strengthening policy-making and effective environmental management.

At the time of last year's Autumn Performance Report (APR), Defra took on two new DSOs, leading for UK Government on Adapting to Climate Change and on coordinating food policy. The introduction of a DSO on adaptation recognised the need to react to the changing climate, as well as delivering on the world's first carbon budgets (which were set in July) to reduce future emissions. For adaptation, the major challenge was to develop understanding of possible climate scenarios and the range of impacts that could be faced by the UK. We achieved this with the successful launch of the UK Climate Projections, which received media coverage joining both adaptation and mitigation messages for a wide audience. Crucially, these projections are not only to inform policy in central government: the new projections have been developed to help us understand our possible future climate

and provide results in a form which can be used by a wide range of organisations that need to assess the level of risk they face. Following the launch, Defra has undertaken a national sector specific roll-out programme and regional events, giving information and training on how to use the new projections. Over the next six months, it will be important to continue building understanding and action across Whitehall on climate change mitigation and adaptation; as well as ensuring effective communication with businesses about possible impacts.

Defra has made progress on our DSO on a sustainable, secure and healthy food supply, working closely with other Departments. As with natural resources and adaptation, there was there was a realisation that there would be increasing pressures in the future, from economic activity, an increasing global population and a changing climate. This led to action, alongside a growing recognition of the need to deepen understanding of issues around food security (and what this meant in a globally trading world) as well as sustainable food production, distribution and food consumption. Over the last six months, Defra has published the UK Food Security Assessment, drawing together global and UK evidence on production and supply to inform policy making. Going forwards, we will be building on this with a food strategy and action plan in early 2010, and continuing delivery under this relatively new DSO.

Defra's strategic objectives

Defra's strategy below sets out the Department's Objectives and Priorities.



Figure 1 Defra's strategy

Achieving these will enable people to prosper in a secure and healthy environment. Defra's Public Service Agreement is one element of this strategy.

The work of Defra has three priorities:

- **Priority 1:** Secure a healthy natural environment for us all and deal with environmental risks

A healthy natural environment is essential to provide us with life-sustaining services and supply us with many of the natural resources we need for a successful economy. In managing the natural environment, we need to value the full range of services our natural environment provides, its environmental limits and its interconnected character. For this reason, Defra has been advocating a more integrated approach to protecting and enhancing the natural environment alongside economic prosperity.

- **Priority 2:** Promote a sustainable, low-carbon and resource-efficient economy

The economic downturn has emphasised the importance of improving resource efficiency and we have policies to help save money now for households and businesses. By using fewer resources to make the same products, businesses can improve productivity, supporting jobs. Resource efficiency supports our goals on the wider environment, addressing not only Greenhouse Gas emissions, but also addressing waste and use of water and other essential resources.

- **Priority 3:** Ensure a thriving farming sector and a sustainable, healthy and secure food supply

Food security is both a global and local issue, posing an immediate challenge in terms of threats and opportunities. Defra has the lead on food policy across Government to ensure a reliable and resilient food supply. Alongside this, we need to support a thriving farming sector that is competitive, profitable, that adapts to climate change and is sustainable.

Defra aims to achieve the above priorities through 9 Departmental Strategic Objectives (DSOs):

- **DSO 1:** Adapting to Climate Change

A society that is adapting to the effects of climate change, through a national programme of action and a contribution to international action.

The national programme of action on adaptation in England is being taken forward by the Adapting to Climate Change Programme. This is a cross-government programme led by Defra.

This DSO shapes the delivery of all of our priorities as well as the delivery of cross-government objectives. More on this is reported under Chapter 2 on page 32.

- **DSO 2:** A Healthy Natural Environment

To protect and enhance the natural environment, and to encourage its sustainable use within environmental limits.

We aim to ensure that the air we breathe and the water we drink are clean, that the management of land, fresh water and the seas is sustainably productive, that our landscapes and biodiversity are protected and that people understand, enjoy and care for the natural environment.

More on a healthy natural environment can be found under Chapter 2 on page 36.

- **DSO 3: Sustainable Consumption and Production**

Working towards an economy where products and services are designed, produced, used and disposed of in ways that minimise carbon emissions, waste and the use of non-renewable resources. Supporting innovation and encouraging economic prosperity.

Defra is working to make production and consumption patterns in the UK compatible with sustainable living. This requires action to minimise greenhouse gas emissions and inputs of non-renewable resources, energy and water.

Defra is working with businesses and consumers to help them understand the impact of their production and consumption and to influence and lead changes in behaviour to address these impacts. This work aims to create better products and services, which reduce environmental impacts across their lifecycle, so minimising waste and landfill.

More on sustainable consumption and production can be found under Chapter 2 on page 41.

- **DSO 4: An Economy and Society that are Resilient to Environmental Risk**

This is delivered through ensuring that flooding and coastal erosion risks are managed sustainably, through the economy, human health and ecosystems being protected from environmental risks and emergencies, and through public health and the economy being safeguarded from the widespread effects of animal-related threats.

More on addressing environmental risk can be found under Chapter 2 on page 47.

- **DSO 5: Championing Sustainable Development**

Defra is the Government's champion for sustainable development (SD) – domestically and internationally – ensuring that policy and delivery at all levels of government observe the five principles of sustainable development set out in the 2005 SD strategy 'Securing the Future'.

This DSO shapes the delivery of all three priorities as well as wider work across Government. While we act to protect and enhance our natural environment, we must also help people and communities to adapt and build resilience to climate change and reduce the impacts of products, cut waste and promote resource efficiency to create a more sustainable society.

Defra's role is also to champion SD across all levels of government and internationally. More on this is reported under Chapter 2 on page 53.

- **DSO 6:** A thriving farming and food sector with an improving net environmental impact

Making the farming industry more innovative, self-reliant, profitable and competitive and with better environmental management throughout the whole food chain.

Farmers have an important impact on our natural environment. In the UK farmers manage 77% of our land, contributing approximately 7% of UK's greenhouse gas emissions and are in the front-line both in terms of adapting to climate change and in mitigating its effects. A farming sector that is viable in the long-term will make a major contribution to mitigating the effects of climate change and the protection of the natural environment. The economic and environmental outcomes we are seeking are reflected in current PSA targets and in DSO 6. Farming has a major role to play in delivering a wide range of other Departmental objectives, notably in respect of CAP reform, protecting public health and the economy from animal disease, and safeguarding animal welfare and the food chain.

More on a thriving farming and food sector can be found under Chapter 2 on page 57.

- **DSO 7:** A Sustainable, Secure and Healthy Food Supply

Working across Government and with stakeholders for sustainable production, distribution and consumption of food, ensuring that it is available and affordable for all sectors of society, and considering the sustainability impacts of meeting global food needs.

Defra has a co-ordinating role in food policy. This requires Defra to work with other Departments on wider issues in Government, for example social impacts (food inequalities, food poverty, food skills, health and wellbeing,) and international activity on global food security and sustainability, as well as our lead responsibilities on farming, the food industry and their environmental impacts.

More on a sustainable, secure and healthy food supply can be found under Chapter 2 on page 63.

- **DSO 8:** Socially and Economically Sustainable Rural Communities

Taking an overview of the effects of Government policies in rural areas and help Departments understand better the rural dimension, also by improving the evidence base.

The task of establishing and sustaining socially and economically sustainable rural communities is the responsibility of the Government as a whole. Defra's role involves a three-pronged approach of gathering evidence on the state of rural England across a range of key indicators and use this to determine whether there are any systemic problems resulting from geography and other aspects of rural areas; maintaining two-way links with those in rural communities and engaging with partners in national, regional and local

government to encourage them to ensure rural interests are reflected in their mainstream policies and programmes.

Defra maintains strong links with other organisations representing rural communities to ensure they have a voice that is heard by National Government; improves the evidence base available to other government departments, to help them better understand the rural context for their policies; and sponsors the Commission for Rural Communities (CRC) to act as a rural champion.

More on this is reported under Chapter 2 on page 65.

- **DSO 9: A Respected Department**

Respect is gained and maintained in the long-term by doing the day-job well, developing and delivering good policy through DSOs 1 to 8. But we also recognise that it could be lost easily by not dealing with any particular issue or incident in any of our areas: policy, delivery or corporate.

Our work towards a respected Department supports all of our Priorities as well as our work with delivery partners and in ensuring good corporate practice. Our Customer Focus and Insight Project has set up a cross-Defra network of Customer Champions training Defra Senior Civil Servants in customer insight techniques.

More on our corporate practice can be found on page 15.

We also contribute to PSAs led by other government departments:

Defra has signed up to be a formal delivery partner for the following PSAs (lead department in brackets):

- Climate Change (Department of Energy and Climate Change (DECC))
- Olympics (Department for Culture Media and Sport (DCMS))
- Housing (Department of Communities and Local Government (CLG))
- Regional Economic Performance (Department for Business Innovation and Skills (BIS))
- International Poverty Reduction (Department for International Development (DfID))
- Counter-terrorism (Home Office)
- Service Transformation (Cabinet Office)

Defra will also contribute (but not as a formal delivery partner) to these other PSAs:

- Health and Well-being (Department of Health)
- Later life (Department for Work and Pensions (DWP))
- Safer communities (Home Office)
- Community Cohesion (CLG)

All PSA delivery agreements across Government have been tested for their rural and sustainability-credentials, and can be found on the Treasury website:

<http://www.hm-treasury.gov.uk/>

How we operate

We organise our work on a clear programme and project basis with systems in place to ensure we align our resources to our priorities and are able to adapt as circumstances change. In order to promote best practice and to maximise our success, Defra has put systems in place to identify our priorities and deploy our people and funding flexibly to deliver on them, including a managed portfolio to approve investment decision making.

- Our portfolio management approach is now in place, this allows the Department to regularly assess how our resources are allocated with a view to our objectives. This system was put to good use in reshaping the department's alignment of resources to its new priorities following the creation of DECC.
- Our approvals process is now well embedded, this ensures that activities only start or proceed if they produce a robust business case. The rigour of this process has been a motivator to improve the quality of investment proposals put forward for consideration.
- Our corporate performance management system allows the Management Board to regularly monitor how we are progressing on our key work programmes and achievement of our strategic objectives. This gives the Board a clear sight of achievements and risks and also creates an open environment for discussion between the Board and programme managers.
- Since the launch of the Policy Cycle in June 2008, Defra continues to put in place approaches, tools and guidance to support new ways of working. This includes making training and guidance notes available to all staff on both the Policy Cycle and Programme and Project Management. Programme assurance is being applied across Defra which requires Senior Responsible Owners to agree the types of external scrutiny and internal peer review that their programme or project will experience.
- Our Flexible Staff Resourcing (FSR) system enables staff to move quickly onto new work as projects come to an end, thus making the best use of staff resource. There continues to be a very small number of people without assignments and most stay unassigned for a week or two at most.
- The new personal development and appraisal system has allowed more consistency across the department in ensuring that every member of staff has clear objectives and a development plan linked to Departmental aims. An evaluation carried out in December 2008 indicated a significant increase in discussions relating to performance and an improvement in our ability to identify a range of performances. As a result of the evaluation we have implemented improvements to develop further our ability to focus on honest discussions, differentiate performance and develop staff.

The machinery of government changes in October 2008 were a practical test of these new systems and structures, and with them in place we were able to accommodate the necessary organisational changes simply and swiftly. Furthermore, the combination of these and other changes made in the department were recognised in the positive picture of improvement recorded by our Capability Review in 2009.

Looking to the future

The current economic climate and public financial position have made it even more important for Defra to operate as effectively and efficiently as possible. We are currently undertaking an in depth examination of our direction of travel and the public value delivered by our programmes. We are looking at this in the context of a longer term view responding to future drivers and impacts. We will then consider how we might realign our priorities to ensure that we are delivering maximum public value over the immediate and longer term.

Accountability

There are three main pillars of the department's accountability arrangements.

- **The Secretary of State**, Hilary Benn, has overall statutory and political accountability to Parliament for all matters associated with the Department. He determines the policy framework within which the Department operates, agrees the Department's role in meeting the Government's objectives and is accountable for delivery of PSA 28 on which Defra leads.
- **The Permanent Secretary**, Helen Ghosh, as Head of the Department and Principal Accounting Officer, has personal responsibility for the overall organisation, management and staffing of the Department and for Department-wide procedures in finance and other matters. The Accounting Officer has personal responsibility for the propriety and regularity of the public finances for which she is accountable.
- **The Management Board** (chaired by the Permanent Secretary) is responsible for corporate strategic leadership of the Department. Managers and staff at all levels have the responsibility for delivering the Department's objectives.

Defra's Ministers



Hilary Benn
Secretary of State



Jim Fitzpatrick
Minister for Farming and the Environment.



Huw Irranca-Davies
Minister for Marine and Natural Environment



Dan Norris
Minister for Rural Affairs and Environment



Lord Davies of Oldham
Parliamentary Under-Secretary

Defra's Management Board

| | |
|---|---|
| Helen Ghosh Permanent Secretary | |
| Mike Anderson Director General, Strategy and Evidence | Katrina Williams Director General, Food and Farming |
| Gill Aitken Director General, Law and HR | Peter Unwin Director General, Environment and Rural |
| Bill Stow Director General, Chair of the Central Approval Panel | Robert Watson Chief Scientific Adviser |
| Bill Griffiths Non-Executive Director | Poul Christensen Non-Executive Director |
| Alexis Cleveland Non-Executive Director | |

Also in attendance at Defra's Management Board:

- Anne Marie Millar, Finance Director;
- Andrew Whyte, Communications Director; and
- Siobhan Sheridan, Human Resources Director.

Chapter II

Delivering our Strategic Priorities

Introduction

This chapter describes the progress that has been made over the last 12 months since our Autumn Performance Report (APR) 2008 was published. The format and language of performance assessment used in this Chapter is specified by Her Majesty's Treasury (HMT) along with the criteria to be used for reaching those assessments, based on the performance of the set of indicators underpinning the target.

- **Strong progress** – more than half of the indicators have improved
- **Some progress** – half or less of the indicators have improved
- **No progress** – none of the indicators have improved
- **Not yet assessed** – at least half of the indicators are yet to have data from this CSR period.

Summary Table

The following table summarises performance against each Departmental Strategic Objective (DSO) and Public Service Agreements (PSA) from the 2007 Comprehensive Spending Review (CSR07).

| CSR07 Target | Progress since 2008 APR |
|---|---|
| PSA 28: Secure a healthy natural environment for everyone's wellbeing, health and prosperity, now and in the future. | Some progress: 3 indicators show improvement 2 indicators show no improvement |
| DSO 1: A society that is adapting to the effects of climate change, through a national programme of action and a contribution to international action. | Not yet assessed Work is ongoing to develop the Intermediate Outcome and indicator framework for this DSO |
| DSO 2: A healthy, resilient, productive and diverse natural environment. | Some progress: 6 indicators show improvement 4 indicators show no improvement 4 indicators are not yet assessed |
| DSO 3: Sustainable, low carbon and resource efficient patterns of consumption and production. | Strong progress: 5 indicators show improvement 2 indicators show no improvement |

| | |
|--|---|
| <p>DSO 4: An economy and society that are resilient to environmental risk.</p> | <p>Some progress 8 indicators show improvement 5 indicators show no improvement 5 indicators are not yet assessed</p> |
| <p>DSO 5: Championing Sustainable Development.</p> | <p>Not yet assessed 5 indicators not yet assessed</p> |
| <p>DSO 6: A thriving farming and food sector with an improving net environmental impact.</p> | <p>Strong progress 4 indicators show improvement 1 indicator shows no improvement 2 indicators are not yet assessed</p> |
| <p>DSO 7: A sustainable, secure and healthy food supply.</p> | <p>Not yet assessed Work is ongoing to develop the Intermediate Outcome and indicator framework for this DSO</p> |
| <p>DSO 8: Socially and economically sustainable rural communities.</p> | <p>Some progress 1 indicator show improvement 11 indicators show no improvement</p> |
| <p>DSO 9: A respected department delivering efficient and high quality services and outcomes.</p> | <p>No intermediate outcomes have been defined for this DSO</p> |

PSA 28: Secure a healthy natural environment for today and the future

The natural environment provides a wide range of valuable benefits both directly and indirectly: the essentials for life – clean air and water, food and fuel, and vital natural processes such as climate and flood regulation and things that improve our quality of life and wellbeing such as recreation and beautiful landscapes.

The Government's vision is to secure a diverse, healthy and resilient natural environment, which provides the basis for everyone's well-being, health and prosperity now and in the future; and where the value of the services provided by the natural environment are reflected in decision making. It wants to see:

- the air that people breathe free from harmful levels of pollutants;
- sustainable water use which balances water quality, environment, supply and demand;
- land and soils managed sustainably;
- biodiversity valued, safeguarded and enhanced;
- sustainable, living landscapes with best features conserved;
- clean, healthy, safe, productive and biologically diverse oceans and seas; and
- people enjoying, understanding and caring for the natural environment.

Overall Summary:

Some Progress: improvement against 3 out of 5 indicators

Under pressure from development, agriculture and fisheries, the health of the natural environment has declined significantly over the past 50 years, with some levelling out and offsetting improvement in the past decade. Development pressures continue and climate change will add to them, so avoiding further decline and seeking improvement is challenging.

Despite these pressures, progress has been made to halt this decline. Last year, water quality data showed a 3% improvement in chemical quality and the latest marine data shows reduced inputs of hazardous metals to the marine environment. Air quality in the UK continues to meet the limit values for both Particulate Matter (PM₁₀) and Nitrogen Dioxide (NO₂) across 99% of UK landmass. There remain significant pollution hotspots, especially alongside major roads in urban areas but indications are that by 2011 we should meet the limit value for PM₁₀. In land management, the index showing farming's positive benefits and negative impacts on the natural environment shows steady improvement. Nearly 90% of Sites of Special Scientific Interest are in target condition (compared to 73% in November 2006) and 66% of agricultural land is under environmental management schemes.

The past year has seen some key milestones which should continue both to halt the decline of the natural environment and to drive its improvement. The Marine and Coastal Access Act received Royal Assent and entered the statute books on 12th November – a groundbreaking piece of legislation which provides the framework for

the integrated management of our marine environment for many years to come. Consultation was completed on River Basin Management Plans. These are plans for protecting and improving the water environment, developed in consultation with organisations and individuals and containing the actions we all need to take to deal with issues in the water environment. £10m of extra funding was delivered for Water Framework Directive measures and £4.6bn has been secured for investment between 2010 and 2015 to improve drinking water and the environment¹. On 5 November, the industry-led Campaign for the Farmed Environment was launched by the Secretary of State and the President of the NFU. The Campaign is a voluntary approach to recapturing the benefits of set-aside and delivering wider environmental improvements, and will be delivered in partnership with the RSPB, NFU and other farming groups.

Our ambition during the CSR period is to avoid further decline in the trend of the key indicators and seek improvements in some. Change is not easy to measure given its long term nature and the impact of short term variables such as weather, so to an extent we need to rely on proxy measures. For the purpose of the PSA, progress is measured using five key indicators². Although we have seen encouraging progress in three of these PSA indicators, the PSA covers a broad field of issues, is complex in its measurement, and faces some real challenges ahead for protecting and enhancing the natural environment. At this stage the overall assessment of “some progress” is considered a fair assessment of progress.

Indicator 28.1: Water quality as measured by parameters assessed by Environment Agency river water quality monitoring programmes³.

There has been improvement against this indicator. The most recent data for 2008 (received September 2009) show:

- 78.5% of monitored river lengths were assessed as ‘good’ in relation to chemical quality⁴ (compared with 76.2% reported ‘good’ for the same period in 2007 and against the baseline of 55.2% reported ‘good’ in 1990); and
- 72.0% of monitored river lengths were assessed as ‘good’ in relation to biological quality⁵ (not significantly changed from 72.3% reported as ‘good’ in the same period in 2007, against the baseline of 55.4% in 1990).

¹ Through the Periodic Review of Water Price Limits 2009

² Further information on the indicators can be found in the Measurement Annex to the PSA28 Delivery Agreement at: http://www.hm-treasury.gov.uk/d/pbr_csr07_psa28.pdf

³ Further information on the monitoring programmes can be found on the Environment Agency website <http://www.environment-agency.gov.uk/research/library/data/34383.aspx>

⁴ Based on three years’ data (2006-2008) from 12 samples taken at each site each year

⁵ Based on three years’ data (2006-2008), with two samples taken at each site once in three years

Indicator 28.2: Biodiversity as indicated by changes in wild breeding bird populations in England, as a proxy for the health of wider biodiversity.

There has been no improvement made against this indicator. The combined wild bird indicator is an aggregated index constructed from the unweighted average of three existing indices (farmland birds, woodland birds, and water & wetland breeding birds⁶). The indicator is assessed annually in the light of data from the previous year's breeding season⁷ and was updated on the 29 October 2009 to include data for the 2008 breeding season⁸. Although there were increases in the abundance of farmland, water and wetland birds in 2008 (the unsmoothed data), these were not of sufficient magnitude to reverse the overall (smoothed) trends in the relevant component indices or the combined indicator which declined by 1% between 2007 and 2008. This continues the declining trend reported last year and principally reflects the recent declines in the farmland bird index (see SR04 PSA 3a on page 76). Overall, the 2008 combined wild bird index is 24% lower than in 1970, 13% lower than in 1990 and 3% lower than in 2000.

Results for the three component indices of the combined wild bird indicator are:

- the farmland birds index decreased by 2% between 2007 and 2008, the 2008 index is 52% lower in 2008 than in 1970 (see SR04 PSA 3a on page 76);
- the woodland birds index is unchanged between 2007 and 2008, the 2008 index is 21% lower in 2008 than in 1970; and
- the water and wetland birds index decreased by 1% between 2007 and 2008, the 2008 index is 13% higher than in 1970.

Indicator 28.3: Air quality – meeting the Air Quality Strategy objectives for eight air pollutants as illustrated by trends in measurements of two of the more important pollutants which affect public health: particles and nitrogen dioxide.

There has been no improvement against this indicator. The UK is meeting air quality objectives for sulphur dioxide, benzene, carbon monoxide, lead, 1,3 butadiene and ozone. On the basis of 2008 data (the last available year) air quality continues to be good across 99% of the UK landmass and this is similar to levels recorded in 2007. Data for 2009 will not be available until the middle of 2010.

⁶ Further information on the indicator is available in the Measurement Annex to the PSA 28 Delivery agreement at http://www.hm-treasury.gov.uk/d/pbr_csr07_psa28.pdf

⁷ Assessments for the indicator are based on whether the annual change is statistically significant at the 95% confidence level. The data series is smoothed to reduce the impact of individual years on the overall trend.

⁸ The updated indicator is published by Defra as National Statistics. The results are available at www.defra.gov.uk/evidence/statistics/environment/wildlife/download/pdf/stats-release-wild-bird-populations2008.pdf and includes information on the farmland bird, woodland and water and wetland indices which comprise the combined indicator.

Objectives for particulate matter (PM₁₀) and nitrogen dioxide (NO₂) are not currently being achieved along a number of major roads in urban areas. The latest projections indicate that we should achieve the PM₁₀ objective by 2011, but without further action by 2015 we will still have exceedences of the NO₂ limit value along major roads in urban areas, mainly in Greater London.

Indicator 28.4: Marine health – clean, healthy, safe, productive and biologically diverse oceans and seas as indicated by proxy measurements of fish stocks, sea pollution and plankton status.

There has been improvement against this indicator. This indicator measures the number of fish stocks around the UK at full reproductive capacity and harvested sustainability as a measure of the state of UK fisheries and the impact of fisheries management measures. These figures have remained stable and are likely to remain so in the CSR period. Riverine and direct inputs of metals from the UK to marine waters around the UK, a proxy measure of overall pollution controls in our seas, have reduced. The plankton status in the North Sea, a contextual measure of the state of basic components of the marine food chain, has maintained its long term decline. However, in this period significant progress has been made in achieving Royal Assent of the Marine and Coastal Access Act.

- Most recent data (2007) shows that inputs of hazardous metals to the marine environment have reduced compared with the previous year and overall compared with the 1990 baseline. 2007 figures represent a 59% reduction against baseline compared to 46% in 2006. Data are provided by the Environment Agency to standards determined under the OSPAR Convention for the Protection of the North East Atlantic.
- Sustainable fish stocks have shown no change since the previous year (2006) but current levels of 25% of fish stocks around the UK at full reproductive capacity and harvested sustainability represent progress against the 1990 baseline of 10%. Data are provided by the Centre for Environment, Fisheries and Aquaculture Science (CEFAS) according to the procedure for collecting information on fish stocks at European level under the Data Collection Regulation (Council Regulation (EC) No 199/2008) and quality checked by the International Council for the exploration of the Seas (ICES) and extensive peer review.
- Most recent data for the plankton indicator continue to reflect the apparent long term decline in abundance of zooplankton in the North Sea (thought to be largely due to climate change impacts). Abundance in 2007 stood at 32.5% of that measured in 1960 (compared to 36% in 2006). Data are provided by the Sir Alister Hardy Foundation for Ocean Science (SAHFOS) to Defra on an annual basis, following extensive international peer review.

Indicator 28.5: Land management – the contribution of agricultural land management to the natural environment as measured by the positive and negative impacts of farming.

There has been improvement against this indicator. Most recent data (2007) for the key indicator show that the positive impacts of farming have increased whilst negative impacts have decreased since 2000, and since data published in APR 2008 (2006 data).

Table 1 Positive and negative impacts of farming

| Measure | Index baseline (2000) | 2006 | 2007 |
|---|-----------------------|------|------|
| Index of positive impacts (benefits) of farming | 100 | 119 | 120 |
| Index of negative impacts (damages) of farming | 100 | 89 | 85 |

The indicators of positive and negative impacts of farming are based on a combination of different environmental measures associated with water, air, soil, landscape and biodiversity. The annual estimates of the impacts of these measures are aggregated, taking into account the relative size of their impact. The resulting positive and negative impacts are presented as indices in Table 1 to show relative change over time. The benefits series has improved mainly due to the improving condition of Sites of Special Scientific Interest (SSSI) and stable landscape quality. The damages series has improved mainly due to the fall in ammonia emissions and a steady improvement in river water quality, with other impacts stable. Data for 2008 will be available in early 2010.

Forward Look

- Further measures are being developed to reduce levels of NO₂ pollution and to support a proposed application from the UK to the European Commission to extend the deadline for meeting the NO₂ limit. Measures include the feasibility of low emission zones outside London and engaging proactively with local authorities on local measures.
- The final River Basin Management Plans will be published in late December 2009, when a Water Protection Zone Statutory Instrument will also be in place.
- The UK National Ecosystem Assessment, the first analysis of the UK's natural environment in terms of the benefits it provides to society and continuing economic prosperity, commenced in mid 2009 and will be reporting in early 2011. Initial findings will be published in February 2010.

DSO 1: A society that is adapting to the effects of climate change, through a national programme of action and a contribution to international action

Cutting greenhouse gas emissions is crucial if we want to avoid the serious impacts of climate change that could happen in the latter half of this century. However, some climate change is now inevitable due to past emissions. All of us - as individuals, businesses, Government and public authorities will need to adapt to respond to the challenges our changing climate will bring over the next forty years and beyond.

Adapting to climate change involves making decisions that are sustainable, made at the right time, maximising the benefits and minimising the costs.

Adaptation needs to be built into planning and risk management now to ensure the continued and improved success of businesses, Government policies and social operations.

Overall Summary:

Not yet assessed: Work is ongoing to develop the Intermediate Outcome and indicator framework for this DSO

Defra's work on adaptation was previously reported through DSO 4: Managing environmental risk. This DSO was revised after the creation of DECC and the climate change adaptation part removed to form the new DSO 1. This reflects Defra's lead on domestic adaptation, and the important role we play on international adaptation, where the lead is held by other departments.

Work is ongoing to develop the Intermediate Outcomes and indicator framework to support this DSO. This work will build on some of the existing performance measures that relate to adaptation.

It is not possible to provide an assessment of progress compared to previous years against indicator 1.1 on the sustainable abstraction of water, or indicator 1.2 on local authority preparedness for climate change. The way in which indicator 1.1 is reported has changed, as described below, and indicator 1.2 is reported on for the first time this year.

These existing indicators will be useful in benchmarking success in the future. However, because there are many other areas of life where we need to adapt, we will need to develop additional performance measures. We have carried out some initial scoping work and will publish a paper before the end of 2009 which will include comments on our proposed approach to developing additional performance measures for DSO 1.

Progress to date

- The UK Climate Projections 09 were launched successfully in June, providing people and organisations with a key tool in assessing and addressing their climate change risks. The Projections provide information on changes to the UK's climate up to 2099, and have been backed-up by Projections in Practice, a comprehensive training and awareness raising programme for customers aimed at key sectors (e.g. water, energy, health) at the national level as well as a week-long series of events in each Government Office region.
- Alongside the UK Climate Projections, new supplementary Green Book guidance on adapting to climate change risks was also released. This new guidance outlines how to identify and address the risks from climate change, and how to incorporate these into the appraisal and evaluation of policies, programmes and projects.
- The Climate Change Act 2008 gives the Secretary of State the power to require certain organisations carrying out key public services to report on their climate change risks and how they will address them. A consultation on how this power will be used was launched alongside the Projections in June and responses were used to develop the Reporting Power Strategy which was laid before Parliament in November.

Indicator 1.1: Sustainable abstraction of water

This indicator is not yet assessed. We have amended the indicator method so that it is technically more robust and sensitive to policy interventions. It now shows the current environmental state of water resources, shown in Table 2, separately from the likely availability of water for new abstractions, as shown in Table 3 Relationship between integrated water bodies and the percentage of time additional water resource is available for abstraction in each water body. This information was combined in previous reports. Although the methodology has changed there was no significant change in the amount of water available for abstraction between 2007 and 2008. Currently:

- 80% of water bodies are assessed as having flows compliant with the standards, with 3% as significantly below standards; and
- 48% of water bodies can support further abstraction that will be reliable for 95% of the time, while 21% of water bodies can support new abstractions for less than 30% of the time.

Table 2 Relationship between compliance at low flows with the Environmental Flow Indicator (EFI) reported for integrated water bodies excluding regulated rivers, lakes and reservoirs

| Compliance bands | Number of integrated water bodies ⁹ | Percentage of integrated water bodies |
|--|---|--|
| Green: Compliant Flow > EFI | 8,105 | 80 |
| Yellow: Non compliant Flow < EFI | 500 | 5 |
| Orange: Non compliant Flow << EFI | 187 | 2 |
| Red: Non compliant Flow <<< EFI | 354 | 3 |
| Regulated rivers, lakes and reservoirs | 970 | 10 |
| Total | 10,116 | 100 |

Table 3 Relationship between integrated water bodies and the percentage of time additional water resource is available for abstraction in each water body

| Resource availability % of the time at water bodies | Number of integrated water bodies | Percentage of integrated water bodies |
|--|--|--|
| less than 30% | 2,083 | 21 |
| at least 30% | 975 | 10 |
| at least 50% | 1,472 | 15 |
| at least 70% | 777 | 8 |
| at least 95% | 4,809 | 48 |
| Total | 10,116 | 100 |

This indicator is also reported under indicator 27.2 of PSA 27 by the Department for Energy and Climate Change.

Indicator 1.2: Local Authority preparedness for climate change

This indicator is not yet assessed. It is measured under the Local Authority Agreement National Indicator 188.

- Government has also set out, as part of the local government performance framework, an indicator for all English local authorities on embedding climate change adaptation in the full range of their work, National Indicator 188 (NI 188).

⁹ 'integrated water bodies' are a combination of Water Framework Directive water bodies and assessment points, these are used as the base reporting unit in Catchment Abstraction management Strategies.

- All local authorities self assess their performance against the indicator levels each year. Performance is assessed by the Audit Commission, the auditor for local government. In June 2009, the results from the first year of NI188 showed that 82% of local authorities who had included NI188 as a priority indicator in their local area agreement had met or exceeded their agreed target.
- Overall, around half (49%) of all 150 local authority areas reported they were at Level 1 or above.

Forward look

Adapting to Climate Change is a new and developing area and there are still many uncertainties about the adaptive state of the UK. Further evidence to drive delivery will be gathered over the coming months via:

- Departmental Adaptation Plans from across Whitehall (due spring 2010) which will set out how each Government Department is assessing and addressing the risks to their operations and policy portfolios;
- the Adaptation Reporting Power - under the Climate Change Act, the Secretary of State will require key organisations providing a public service to produce adaptation reports, and the first of these is due in summer 2010; and
- work is well underway to carry out the first National Climate Change Risk Assessment, report due in January 2012.

Defra is also taking forward new projects to improve adaptive capacity in the areas of infrastructure and business and looking at adaptation in the EU.

DSO 2: A healthy, resilient, productive and diverse natural environment

This DSO aims to protect and enhance the natural environment, and to encourage its sustainable use within environmental limits.

Overall summary:

Some Progress: improvement against 6 out of 14 indicators

Progress to date

This DSO is similar in scope to PSA 28, of the 8 intermediate outcomes of this DSO, 5 are reported on under PSA 28 and so are covered above, starting on page 27. Key areas of progress include those reported under PSA 28, including improved water quality, reduced inputs of hazardous metals to the marine environment and continuing improvement of Sites of Special Scientific Interest on page 79. Progress on the additional areas under DSO 2 includes the following highlights:

- in November the Secretary of State Signed the Order to confirm the South Downs as England's ninth National Park;
- the Soil Strategy for England and Construction Code of Practice was published on 24 September 2009;
- pilot results have been received for the new Monitoring Engagement with the Natural Environment survey (MENE), carried out by Natural England. The survey aims to build up evidence, at national and regional levels, of the extent to which people across England visit the natural environment and the benefits that they derive and we are now evaluating success and scope;
- delivery agencies' projects continue to increase outdoor recreation and engagement to improve public health and encourage environmentally sustainable behaviours. On the Local Environmental Quality indicator, preliminary returns show majority of authorities performing better than independently set national benchmarks; and
- the Flood and Water Management Bill was introduced into the House of Commons on 19th November. The Bill would provide better, more comprehensive management of flood risk for people, homes and businesses, help safeguard community groups from unaffordable rises in surface water drainage charges and protect water supplies to the consumer. The Bill supports authorities in working with natural processes. We expect to see better water quality, better carbon management as well as more attractive, ecologically rich and accessible coastal and river landscapes.

Intermediate Outcome 2.1: Air with minimum practicable harmful levels of pollutants.

Indicator 2.1.1: Meeting the Air Quality Strategy targets for eight air pollutants as illustrated by trends in measurements of two of the more important pollutants, particles and nitrogen dioxide.

There has been no improvement against this indicator. It is reported on under indicator 28.3 of PSA 28 on page 29

Intermediate Outcome 2.2: Biodiversity valued, safeguarded and enhanced.

Indicator 2.2.1: Trends in populations of wild birds: population index for farmland; woodland; water and wetland.

There has been no improvement against this indicator. It is reported on under indicator 28.2 of PSA 28 on page 29.

Indicator 2.2.2: Percentage of SSSIs meeting target condition.

There has been improvement against this indicator. It is reported on under the SR04 Sites of Special Scientific Interest target on page 79.

Intermediate Outcome 2.3: Sustainable water use aiming to achieve a balance between water quality, environment, supply and demand.

Indicator 2.3.1: Water quality as measured by parameters assessed by Environment Agency river water quality monitoring programmes.

There has been improvement against this indicator. It is reported on under indicator 28.1 of PSA 28 on page 28.

Indicator 2.3.2: The number of environment agency catchment abstraction management strategies (CAMS) that are not either “over-abstracted” or over-licensed.

This indicator is not yet assessed. It is reported on under indicator 1.1 of DSO 1 on page 32. This indicator is also reported on under indicator 27.2 of PSA 27 by the Department for Energy and Climate Change.

Intermediate Outcome 2.4: Clean, healthy, safe, productive and biologically diverse oceans and seas.

Indicator 2.4.1: Riverine and direct inputs of metals from the UK to marine waters around the UK.

There has been improvement against this indicator. It is reported on under indicator 28.4 of PSA 28 on page 30.

Indicator 2.4.2: Number of fish stocks around the UK at full reproductive capacity and harvested sustainably.

There has been no improvement against this indicator. It is reported on under indicator 28.4 of PSA 28 on page 30.

Indicator 2.4.3: Plankton status.

There has been no improvement against this indicator. It is reported on under indicator 28.4 of PSA 28 on page 30.

Intermediate Outcome 2.5: Land and soils managed sustainably.

Indicator 2.5.1: Land managed sustainably as measured by overall area coverage of the Environmental Stewardship Scheme and previous agri-environment schemes.

There has been improvement against this indicator. This data shows that, as at September 2009, 65.9% of agricultural land in England was being managed under agri-environmental management schemes, compared to 63.0% in September 2008. This is on track to meet the 70% target by March 2011.

Indicator 2.5.2: Soil Status (chemical and physical)

This indicator is not yet assessed. It is a contextual indicator which is based on results of national soil monitoring, and the next soils data from the Countryside Survey¹⁰ of 2007 (nutrients, metals, soil biota) will be published on 11 December 2009, after this Autumn Performance Report has gone to print.

Indicator 2.5.3: Soil management as measured by compliance with cross-compliance and take-up of agri-environment options.

There has been improvement against this indicator. More farmers are taking actions to protect their soils within Environmental Stewardship, there has been no statistically significant change in the level of inspection failures for cross-compliance from the previous very good position.

There has continued to be good uptake of soil protection relevant options within Environmental Stewardship, meaning that more farmers are taking actions which will protect their soils. The data comes from the Natural England database into which the records of new agreements are entered. Between April 2009 and September 2009 there have been 528 new agreements with buffer strip options, 153 agreements with

¹⁰ <http://www.countrysidesurvey.org.uk/>

overwintered stubbles, 22 new agreements with undersown spring cereals and 3 with erosion control under maize. This means that the total number of agreements that include each of these options now stands at 16862, 4908, 512 and 432 respectively.

The inspection statistics for Cross-compliance for 2008 published by the RPA¹¹ show that the majority of farmers are complying with the standards relating to soil protection (GAEC1-4) and that there has been no significant difference in the level of compliance between 2008 and 2007. In 2008, 50 farmers failed to comply fully with GAEC 1, the most common reason being that they had not completed the Soil Protection Review (this compares to 35 farmers in 2007). In 2008, 1 farmer was failed for non-compliance with GAEC 3 on waterlogged soils, and there were no inspection failures for GAEC 2 (post-harvest management) or 4 (burning crop residues). There were no inspection failures for GAECs 2-4 in 2007.

Intermediate Outcome 2.6: People enjoy, understand and care for the natural environment.

Indicator 2.6.1: The proportion of the adult population taking part in visits to the outdoors from home for leisure purposes and the frequency of these visits.

This indicator is not yet assessed. We have relied on recreational data collected in past English Leisure Visits Surveys. The survey has now been renamed the Monitor of Engagement in the Natural Environment (MENE. Data for this indicator will be collected by MENE, which will provide information on:

- the number of visits to the natural environment from a home base by the adult population in England;
- the characteristics of visits to the natural environment (including the duration of visit, main activity, origin and destination, type of destination, group composition, distance travelled and mode of travel).
- reasons for not visiting the natural environment; and
- other measures of engagement with the natural environment.

Fieldwork on MENE started in March 2009 and the first 6 months data was presented to the Project Board on 15 October. The first full year's data will be available in April 2010 and will be published on the Natural England website in July 2010. The survey is due to run for 3 years.

Intermediate Outcome 2.7: Improved local environmental quality.

Indicator 2.7.1: Local street and environmental cleanliness, as measured through the percentage of relevant land and highways that is assessed as having combined levels of litter, detritus, graffiti and flyposting that fall below an acceptable level.

¹¹ Rural Payments Agency, Inspection Statistics 2008

This indicator is not yet assessed. Returns for the year 2008/09 will be made up of an aggregation of the three four-monthly survey returns from local authorities on the National Indicator 195 (street cleansing). Preliminary results will be compiled in the first quarter of 2009/10. This will represent the baseline year for this indicator.

Intermediate Outcome 2.8: Sustainable, living landscapes with best features conserved.

Indicator 2.8.1: Length of linear features managed under agri-environment schemes.

There has been improvement against this indicator. Under our previous Rural Development Programme, which ended in 2007, around 30,000 km of hedgerows have been restored or planted under agri-environment schemes. Some 2,500 km of stone walls have also been restored. Our current programme has built further on this to deliver, under Entry Level Stewardship (ELS), a further 132,000 km of hedgerows under environmentally friendly management. About 18,000 km of dry stone walls are being protected and maintained.

Some progress has been made over the year as there continues to be good uptake of hedgerow management options under ELS. This data comes from the Natural England database on Environmental Stewardship, of which ELS is a part. Comparison with the 2008 data is difficult as we move from environmental schemes offered under our previous rural development programme to those offered under our new programme and consequently it is difficult to compare like with like.

Forward Look

As this DSO is similar in scope to PSA 28, upcoming highlights include those from the PSA's forward look section such as the UK's first National Ecosystem Assessment on page 35. Additional areas not covered by the PSA include:

- a customer research project, started in November 2009, and due to be complete by the end of March 2010. This will identify the specific needs, requirements and preferences of various groups to enable us to focus our efforts on making the natural environment more interesting, accessible and relevant to all;
- the publication, in March 2010, of the eighth annual Local Environment Quality Survey of England which provides a picture of levels of litter and graffiti across England. There will also be a re-launch of Keep Britain Tidy's Big Tidy Up campaign encouraging local community groups and individuals to get involved in clean-ups in their neighbourhood; and
- soils, in which the focus is now on developing robust implementation plans to ensure the delivery of our strategic objectives and commitments. This follows the publication of the new Soil Strategy for England in September, which outlines the Government's approach to safeguarding our soils over the next twenty years.

DSO 3: Sustainable, low carbon and resource efficient patterns of consumption and production

Production and consumption patterns in the UK are currently unsustainable. Some estimate that if everyone continued to use resources throughout the world as we do in the UK we would need three planets to continue to live the way we live¹².

Production and consumption account for a significant proportion of greenhouse gas emissions, and are dependent on inputs of non-renewable resource, energy and water. The aim of the programme is to minimise these negative impacts whilst maximising the positive benefits of change. Encouraging greater resource efficiency has the potential to create new market opportunities, increase competitiveness, reduce negative environmental impacts and improve sustainability. Defra is seeking to achieve this by encouraging:

- the reduction of environmental impacts of products and services across their lifecycle, while boosting prosperity and competitiveness; and
- less waste, more material recovery and energy from waste and much less landfill.

Overall summary:

Strong progress: improvement against 5 out of 7 indicators

The assessment against this DSO is that strong progress has been made against a revised indicator set since the last report in 2008. Since the publication of the APR 2008, progress has been made on a number of indicators including a reduction in waste to landfill and a reduction in non-recycled waste. The first four indicators have been reviewed and the first three have been revised as a result, to bring them closer into line with the activities of the Sustainable Consumption and Production Programme; and to focus on overall outcomes rather than the contributions of the specific parts of this Programme. At the same time we have worked to improve the quality of the existing indicators, taking into account any findings from the recent National Audit Office (NAO) review; in particular by carrying out sensitivity tests to confirm that any mismatches between the coverage of the indicator and the objectives of the Programme do not materially affect the assessment of the outcomes. We are currently considering how best to assess the sustainability of the outcomes reported in these indicators, and intend to review by the next Departmental Report the relevant Government targets for carbon dioxide emissions and waste in order to inform this assessment.

¹² Source: WWF (2006) Living Planet Report

Progress to date

Defra continues to make progress on the issues and actions highlighted in its Departmental Report 2009. Key actions delivered recently which will contribute to the delivery of DSO 3 include:

- in the EU, we are negotiating minimum energy performance standards for 95% of the products used in UK households. Ten standards that we have negotiated so far will save UK consumers and businesses nearly 7 mtCO₂ and £900m annually by 2020, mainly in the form of reduced energy bills. We are aiming to double these emissions savings through the adoption of further measures through to 2012;
- launch in June 2009 of the Greener Living Fund projects to promote greener living across England by helping individuals and communities in England to live more sustainably, reducing their carbon footprint and reducing pressure on natural resources¹³;
- publication of a new Packaging Strategy, Making the Most of Packaging, in June 2009, the overall aim of the new Packaging Strategy is to minimise the environmental impact of packaging, without compromising its ability to protect the product¹⁴;
- the Government published the Low Carbon Transition Plan white paper in July 2009, setting out how we will meet our carbon budgets while maintaining energy security, creating jobs and economic opportunities for UK firms, and protecting the most vulnerable sectors of our society.¹⁵
- September 2009 publication of Defra's, in partnership with DECC, guidance for businesses and organisations on how to measure and report their greenhouse gas (GHG) emissions¹⁶;
- publication in October 2009 of our aims and actions for Commercial and Industrial Waste in England to help businesses to use resources more efficiently and encourage them to think about what they do with their waste as well as delivering benefits for the environment¹⁷;
- WRAP-led business resource efficiency event 'The Future for UK Businesses' to raise the profile of resource efficiency and a media campaign 'Saving

¹³ <http://www.greenerlivingfund.org.uk/>

¹⁴ <http://defraweb/environment/waste/producer/packaging/documents/horizon-scanning.pdf>

¹⁵ <http://defraweb/environment/climate/projections/low-carbon.htm>

¹⁶ <http://www.defra.gov.uk/environment/business/reporting/>

¹⁷ <http://defraweb/environment/waste/topics/index.htm>

Money - It's Your Business' in November 2009 to help businesses through the downturn;

- to help drive the move to a low-carbon and resource-efficient economy, Budget 2009 announced a continued increase in the standard rate of landfill tax by £8 per tonne on 1 April each year from 2011 to 2013; and
- the Government has continued to support development of waste infrastructure through PFI credits with £2.48bn of PFI credits committed to 37 projects.

Intermediate Outcome 3.1: More sustainable products, business processes in the manufacturing and service sectors¹⁸ and consumer lifestyles, which reduce environmental impacts and contribute to an innovative and productive economy.

Indicator 3.1.1: Low carbon patterns of production: CO₂ emissions from energy use by the UK manufacturing and service sectors.

There has been no improvement against this indicator between 2006 and 2007. This indicator assesses the climate change impact of the UK manufacturing and service sector in terms of Office for National Statistics (ONS) estimates of carbon dioxide (CO₂) emissions from energy use. It is similar to one of the elements of the corresponding indicator shown in the APR 2008, but the coverage of sectors has been revised following comments from the NAO.

The most recent data shows that between 2000 and 2007, CO₂ emissions relating to energy use in the manufacturing and service sectors fell by 6%. An important underlying factor for this trend was that emissions from use of fossil fuels fell by 13% over the period, but this was partly offset by an increase of 4% in electricity use. The year-on-year variation in emissions relating to electricity production is discounted in this calculation by the use of a constant average emission factor.

This indicator shows no significant change (a 1% reduction in CO₂ emissions) between 2006 and 2007.

Indicator 3.1.2: Low carbon patterns of consumption: CO₂ emissions from energy use by UK households.

There has been no improvement against this indicator. This indicator assesses the climate change impact of households in the UK, by reference to ONS estimates of CO₂ emissions from energy use. It is similar to one of the elements of the corresponding indicator shown in the APR 2008, but the scope has been extended to include emissions from private road transport.

¹⁸ For the purposes of the Sustainable Consumption and Production Programme, the manufacturing and service sectors are defined to include the Construction sector, and to exclude energy industries such as refineries and coke manufacture, utilities such as water supply, sewerage and waste, and the transport sector.

The most recent data shows that, between 2000 and 2007, CO₂ emissions from households' energy use fell slightly by 2%, with a 5% fall from the peak in 2004 to 2007. An important underlying factor for this trend was that emissions from fossil fuel use in the home fell by 10% over the period, but this was largely offset by increases in road transport and electricity use emissions. The year-on-year variation in emissions relating to electricity production is discounted in this calculation by the use of a constant average emission factor. We intend to extend this indicator further to include estimates of the climate change impact of households' consumption of goods and services, following further research which should be completed by the time of the Departmental Report 2010.

This indicator shows no significant change (a 2% reduction in CO₂ emissions) between 2006 and 2007.

Indicator 3.1.3: Resource efficient patterns of production: waste to landfill by the UK non-domestic sector.

There has been improvement against this indicator. This indicator assesses the resource efficiency of the UK manufacturing and service sectors by reference to changes in the amount of non-domestic waste sent to landfill in the UK, using Landfill Operator returns to the Environment Agencies. It is similar to one of the elements of indicator 3.1.1 shown in the APR 2008, but the coverage has been extended from England only to include the rest of the UK. Non-domestic waste to landfill in the UK fell from 67 million tonnes to 56 million tonnes (over 15%) between 2002 and 2007. To set this in context, over the same period the Gross Value Added of UK manufacturing and service sectors rose by 16%.

This indicator shows a significant improvement (a 6% reduction in waste to landfill) between 2006 and 2007.

The reported figures include waste to landfill by sectors other than the manufacturing and service sectors. Evidence from the latest Commercial and Industrial Waste survey indicates that this is not likely to affect the totals or trend significantly. The results from the Commercial and Industrial Waste survey planned for 2010 should enable us to update this analysis by the time of the APR 2010.

There is a wide range of resources used and environmental pressures which can potentially arise from UK production activities: estimates of waste to landfill are the best available proxy for resource efficiency, but do not specifically cover other resource use such as water and energy, or atmospheric pollutants emitted from production processes (other than carbon dioxide, which is shown in indicator 3.1.1).

Indicator 3.1.4: Resource efficient patterns of consumption: UK household waste not recycled.

There has been improvement against this indicator. This indicator uses WasteDataFlow¹⁹ estimates to assess the resource efficiency of the consumption of UK households by reference to changes in the amount of household waste not

¹⁹ <http://www.wastedataflow.org>

recycled. It is identical to one of the elements of indicator 3.1.2 shown in the APR 2008, which also included two other measures of impacts from household activities.

The most recent data shows that household waste not recycled in the UK fell by 25% between 2000 and 2007, from 26.8 million tonnes in 2000 to 20.2 million tonnes in 2007, largely as a result of increases in the amount of recycling. To set this in context, over the same period UK household final consumption expenditure rose by 21%.

There is a wide range of resources used and environmental pressures which can potentially arise from UK consumption activities: estimates of waste to landfill are the best available proxy for resource efficiency but do not specifically cover other resource use such as water and energy, or atmospheric pollutants (other than CO₂, which is shown in indicator 3.1.2) emitted as a result of household consumption.

This indicator shows a significant improvement (a 7% reduction in non-recycled waste) between 2006 (the latest year reported on in the previous year's report) and 2007.

Intermediate Outcome 3.2: Less waste, more material recovery and energy from waste and much less landfill

Indicator 3.2.1: Household residual waste per head (i.e. after prevention re-use, recycling and composting)

There has been improvement against this indicator. Targets aim to reduce household waste after reuse, recycling and composting from over 22.2 million tonnes in 2000 by 29% to 15.8 million tonnes in 2010 with an aspiration to reduce it to 12.2 million tonnes in 2020 – a reduction of 45%. This is equivalent to a fall of 50% per person (from 450 kg per person in 2000 to 225 kg in 2020).

Residual household waste was 15.5mt (or 306kg per head) in year to end December 2008, a decrease of roughly 1 million tonnes (6.3%) compared to 2007/08 meaning the target has been met 2 years early.

Indicator 3.2.2: Household waste recycling

There has been improvement against this indicator. Targets for household recycling and composting are set at 40% in 2010, 45% in 2015 and 50% in 2020.

- The household recycling rate increased to 37% in year to end December 2008, compared to 35% in 2007/2008
- In 2007/08, green recycling accounted for over one-third of total recycling, compared to around one-fifth in 1998/99.

Indicator 3.2.3: Non-inert, non municipal waste landfilled

There has been improvement against this indicator. Total waste to landfill in England has decreased by 19% (15mt) from 80mt in 2000/01 to 65mt in 2006.

- Non-municipal/non-inert waste to landfill is a proxy for commercial and industrial waste. This is calculated by subtracting municipal and inert waste landfilled from total waste going to landfill.
- The BIS Strategy for Sustainable Construction set a target for a 50% reduction of Construction, Demolition and Excavation (CD&E) waste to landfill in 2012 compared to 2008. This excludes aggregates used for backfilling quarries, site restoration and spreading on exempt sites. The total amount disposed via landfill is estimated at around 25 million tonnes, but data will be developed further to assess the baseline and progress.

Forward Look

Defra will continue to work with others to improve the environmental performance of products, improve business resource efficiency and develop approaches to consumer engagement. Significant up and coming activities that will contribute to the delivery of these environmental benefits include:

- influencing the development and revision of the EU agreement to framework for Green Public Procurement criteria (December 2009);
- contribute to the work to develop a vision for a "Greener Society" in 2030;
- publication of revised Green Claims Code on the fair environmental marketing of products and services (Mid 2010);
- launch (by December 2010) of final action plans for remaining pilot Product Roadmaps, which seek to improve the sustainability of ten high impact products; and
- completion of Greener Living Fund projects (March 2011).

DSO 4: An economy and a society that are resilient to environmental risk

Ensuring that flooding and coastal erosion risks are managed sustainably; the economy, human health and ecosystems are protected from environmental risks and emergencies; and public health and the economy are protected from animal-related threats.

Overall summary:

Some progress: improvement in 8 out of 17 indicators.

Defra's work on adaptation to climate change was previously reported through this DSO. After the creation of DECC this element was removed to form the new DSO 1. The creation of DECC also saw the transfer of responsibility for radioactive waste management from Defra, and this is no longer part of the scope of DSO 4.

Progress to date

Since the publication of the Departmental Report 2009, a significant revision to the suite of indicators that support this DSO has taken place, under the auspices of the DSO owner, Defra's Chief Scientific Adviser. It was felt that the previous suite of indicators did not provide adequate evidence and early warning of the range of risk reduction and resilience that is sought within this DSO. The number of indicators has subsequently increased (new ones are highlighted in the text below); the previous ones are still included, with the exception of the indicator monitoring the proportion of farms engaged in farm health planning which has now been removed.

Intermediate Outcome 4.1: Risk from flooding and coastal erosion managed sustainably

Indicator 4.1.1: Households at significant risk of flooding or coastal erosion

There has been improvement against this indicator. Current estimates suggest that there are about 489,000 properties at significant risk²⁰ (based on 2009 results from the Environment Agency's National Flood Risk Assessment model – NaFRA). A target exists to remove 45,000 households from significant risk by the end of the spending review period (31 March 2011). As of the end of June 2009, it was estimated that nearly 15,000 households classified as being at 'significant risk' had been removed from this category (about 13,000 since the APR 2008) as a direct result of our investment in new or improved flood defences since April 2008.

²⁰ Properties at 'significant risk' have a 1 in 75 (or greater) annual probability of flooding

Indicator 4.1.2: Biodiversity protection

There has been improvement against this indicator. This new indicator measures the number of hectares of biodiversity action plan habitat created and the number of hectares of Sites of Special Scientific Interest land brought into target condition through flood and erosion risk management work. A short-term target exists to create 800 hectares of biodiversity action plan habitat by the end of the spending review period (31 March 2011), of which at least 300 ha should be inter-tidal. As of the end of June 2009, it was estimated that 243 hectares had been created.

Indicator 4.1.3: Flood warning take-up

There has been improvement against this indicator. This new indicator measures the number of households and businesses that have been offered and have registered for Flood Warning Direct - a free service that provides community-based flood warnings to affected individuals by telephone, mobile, email, SMS text message and fax. As of the end of June 2009, just over 252,000 properties in high-risk flood areas²¹ were registered. This represents 16% of all properties in high-risk areas.

Indicator 4.1.4: Emergency response preparedness

This indicator is not yet assessed. This new indicator assesses both central government and local-level planning for flood emergencies. Defra's lead department plan is in place and has proved effective in responding to a range of small incidents throughout 2009; it will be further reviewed in the light of lessons from the major floods in Cumbria of November 2009. Preparedness has been enhanced by the opening of the National Flood Forecasting Centre in April 2009, which brings together weather forecasters from the Met Office and hydrological experts from the Environment Agency, in response to a recommendation from the Pitt Review. The second part of this indicator measures the proportion of Local Resilience Forum flood response plans considered to be satisfactory by the Environment Agency. The inaugural results (for the year 2008-09) have been received but do not appear to reflect accurately the effectiveness of local multi-agency planning for flood emergencies. Defra, in consultation with the Environment Agency, is considering how best to amend this part of the indicator.

Indicator 4.1.5: Inappropriate development

This indicator is not yet assessed. A new indicator measures the proportion of planning applications, where the Environment Agency (EA) objects on flood risk grounds that are amended in line with EA advice (or are withdrawn by developers before determination is needed). Data are collected by EA, in conjunction with Local

²¹ Properties in 'high-risk flood areas' (Flood Zone 3) have a 1 in 100 (or greater) annual probability of flooding from rivers or a 1 in 200 (or greater) annual probability of flooding from the sea.

Authorities, and published on an annual basis. The latest information (December 2008) shows the proportion determined in line with EA advice to be 96%.

Indicator 4.1.6: Longer-term capability and planning

This indicator is not yet assessed. This new indicator is still in development, so no baseline assessment has been made. We are looking to develop an indicator which will consider the assessment of long-term plans with a measurement of capability and skills within operating authorities.

Intermediate Outcome 4.2: Protection of the economy, human health and ecosystems from environmental risks and emergencies

Indicator 4.2.1: REACH implementation

There has been improvement against this indicator. There are a large number of industrial chemicals for which there are inadequate data to judge whether they are likely to present a risk to the environment and/or human health. The EU REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) Regulation provides a single control framework that attempts to address these gaps and allows for appropriate controls where risks are identified. The degree to which the regulation is being implemented effectively in the UK gives us a proxy measure of the degree to which the environment and the public are protected from adverse impacts of chemicals. We monitor this in a number of ways, including the number of chemicals that have been made subject to regulatory control (particularly those 'substances of very high concern'), with the high-volume ones going first. The REACH regulation is currently being implemented on schedule within the UK.

Indicator 4.2.2: Nanotechnology Assessment

There has been improvement against this indicator. This new indicator monitors the development of a risk-based approach to the use of nano-materials as a proxy for direct measurement of the presence of potentially harmful nano-materials in the environment. It assesses our progress in the areas of evidence-gathering and policy response. This is an interim approach; after March 2010 we will take stock and consider the development of a revised indicator. Important progress has been made this year, and in June the Government responded to the Royal Commission on Environmental Pollution's report on 'Novel Materials in the Environment: The Case of Nanotechnology'. The Government shares the Royal Commission's understanding that there is no evidence of actual harm resulting from the use of nanotechnologies but accepts that this is a possibility and that there is a need to develop our understanding further. To address this the Government has already established a large programme of work, ranging from the development of a research base through to the provision of guidance for those who work with certain nano-materials, and many of the issues raised by the RCEP will be addressed in developing a UK Strategy for nanotechnology.

Indicator 4.2.3: Pesticides

This indicator is not yet assessed. This new indicator is still in development, so no baseline assessment has been made. We are looking to develop a means of bringing together a range of information on user practice, human health, the environment and biodiversity.

Indicator 4.2.4: GMO control environment

There has been no improvement against this indicator. Defra is responsible for the control of the deliberate release of genetically modified organisms (GMOs) in England, for developing national GMO policy and for assessing the environmental risk of the contained use of GMOs. Given the experience built with GMOs over recent years, the current regulatory framework and the fact that no GMO is being commercially grown in the UK, the residual environmental risk from GMOs is currently assessed as very low. This new indicator monitors movement from this position, by reference to such things as: the number of contained-use incidents in the UK; the number of contamination incidents (e.g. sowing of conventional seed containing some GM) in the UK; and the number of instances where post-market monitoring reports (in other EU member states) for an EU-approved GMO indicate an unforeseen adverse environmental impact. Our latest assessment indicates that the residual environmental risk from GMOs is being maintained at a very low level.

Indicator 4.2.5: Defra emergency preparedness

There has been no improvement against this indicator. This is a process indicator, based on an internal assessment of the preparedness of the Department to respond effectively to a range of emergency situations for which it has 'lead department' responsibility (excluding flooding and exotic animal disease, which are dealt with elsewhere in DSO 4 (see Indicators 4.1.4 and 4.3.3), but comprising: plant diseases and pests, waste management, CBRN (chemical, biological, radiological and nuclear) and pollution of controlled waters). Our latest assessment shows that Defra's overall level of preparedness has been maintained, despite a number of organisational changes, and the Department has coped well with a succession of emergencies over the past 12 months.

Intermediate Outcome 4.3: Public health and the economy protected from animal-related threats

Indicator 4.3.1: International disease management

There has been no improvement against this indicator. Some exotic animal diseases could have a significant impact on the health and welfare of the UK animal population, and some may pose a risk to human health. Some also could have a significant impact on the UK's ability to trade in live animals and animal-related products. This new indicator is primarily for internal management use, as it provides Defra's Management Board with a snapshot of the current main disease threats outside our borders. It also monitors the speed with which we assess new international outbreaks. In the period July to mid-September 2009, the risks

associated with 344 international outbreaks were assessed promptly and appropriate risk management measures have either been put in place or are being actioned.

Indicator 4.3.2: Early warning of new threats

There has been no improvement against this indicator. This new indicator provides information on the average number of days taken to detect an incursion of exotic notifiable disease and the extent of veterinary practitioner awareness of the Veterinary Laboratories Agency, as a route for the investigation of the unusual. Work is ongoing to develop measures for the latter and we anticipate the first full report being available in April 2010. No notifiable exotic animal disease outbreaks have occurred this financial year.

Indicator 4.3.3: Preparedness for exotic disease outbreaks

There has been improvement against this indicator. Despite our investments in early warning and in disease controls, exotic disease outbreaks will still occur. This new, forward-looking indicator is primarily for internal use. It identifies the ten exotic diseases currently of most concern to Defra, and measures the level of preparedness and risk mitigation in place for them, as well as identifying where more could be done by Defra to reduce the threat. For each of the ten exotic diseases, data about three key factors that can be influenced by policy measures (to mitigate the risk of incursion and the impact of the disease) are assessed in order to describe our level of preparedness. These are: the risk of incursion; the uptake of control measures by animal keepers; and the level of national preparedness. In general, the desired policy outcome is to reduce these three key factors to as close as practically possible to the inherent risk of incursion and spread.

Indicator 4.3.4: BSE incidents

There has been improvement against this indicator. Bovine Spongiform Encephalopathy (BSE) is a zoonosis with the potential for huge political, economic and social impacts. There was a Spending Review 2004 target that BSE would be eradicated in Great Britain by 2010. We anticipate that this specific target will not be met because of a very small number of cases in 2010 and for a few years thereafter. We expect the number of new infections in 2010 to be close to zero, although it will not be possible to confirm this until at least 2015 due to the average incubation period of the disease (five years). There have been five BSE cases confirmed in GB up to 30 September 2009 (all born before 1 August 1996, the date from which reinforced controls on animal feed are considered effective), compared with 25 cases for the same period in 2008.

Indicator 4.3.5: Salmonella control

There has been improvement against this indicator. EU legislation seeks the harmonised monitoring and control of Salmonella, through the implementation of control programmes in all Member States, with the aim of reducing the level of Salmonella infection (of public health significance) at the farm level and a reduction in the level of human infection. The latest assessment of this new indicator shows a

lower prevalence of designated Salmonella serotypes than is required by the EU legislation.

Indicator 4.3.6: Bovine TB incidents

There has been no improvement against this indicator. This indicator monitors the Bovine TB (bTB) situation by looking at its spread to new parishes, particularly in the context of our policy desire to maintain the spread at or below the former PSA 9 (2008) target level (i.e. spread of bTB to new parishes is below the incremental trend of 17.5 confirmed new incidents per annum). The bTB statistics for Great Britain for the period 1 January to 30 June 2009 have shown a slight increase in the number of new herd incidents. There were 2,746 new herd incidents to June 2009 compared to 2,735 for the same period in 2008. Over the same time period, the overall incidence rate (which considers the number of new incidents as a proportion of herd tests performed each month) decreased from 8.2 % (at 30 June 2008) to 8.0% (at 30 June 2009). It is important not to read too much into short-term changes. Bovine TB is a chronic disease and is cyclical in nature, with variations occurring both seasonally and over longer timescales. Factors such as testing patterns can also influence the amount of disease being detected (e.g. with increased and more targeted testing we would expect to detect more disease). Trends should therefore only be considered in the long-term over a number of years.

Forward Look

- REACH will continue to be implemented during 2010/11. The first substances of very high concern will be identified, and this will require industry to obtain authorisations for their continued use. Where no authorisations are granted, these hazardous chemicals will be removed from the market over the course of the next few years. By 1 December 2010, the first tranche of phased registrations will have been completed for substances already on the market in quantities of 1,000 tonnes or more per year. We will report to the European Commission by 1 June 2010 on the operation of REACH within the UK, and we will continue work throughout 2010 on developing an appropriate suite of indicators to monitor and evaluate the impact of REACH.
- Defra is contributing towards the development of a Nanotechnology Strategy for the UK, following a public evidence-gathering exercise. We expect the strategy to be published in early 2010. Alongside this we are also considering how to take forward a reporting scheme on nanotechnology. We will also continue to work at the European level to bring nano-materials within the REACH framework.
- We plan to publish a consultation in December on options for implementing the new package of EU pesticides legislation. The consultation will include measures, ranging from voluntary to statutory, for the sustainable use of pesticides. How the pesticides indicator is monitored may change as a result.
- We will maintain risk-based BSE controls and surveillance, in line with EU requirements, to continue to reduce the annual number of new BSE cases. This will contribute to EU negotiations for more proportionate BSE controls and surveillance, to reduce the economic burden and contribute to a more sustainable farming sector.

DSO 5: Championing sustainable development across Government, the UK and internationally

Defra is the Government's champion for sustainable development – domestically and internationally. The past 20 years have seen a growing realisation that the current model of development is unsustainable. In other words, we are living beyond our means. The goal of sustainable development is to enable all people throughout the world to satisfy their basic needs and enjoy a better quality of life, without compromising the quality of life of future generations.

Overall summary:

Not yet assessed: 5 indicators out of 5 are not yet assessed

The indicators under this DSO are being revised to reflect changes in the role and activities of the Sustainable Development Programme. At the same time we are working to improve the quality of the indicators, taking into account any findings from the recent NAO review.

Progress to date

We have made good progress championing sustainable development domestically and internationally. Key outcomes delivered recently, which contribute to the delivery of DSO 5 as a whole, include:

- Government departments are leading by example and look set to have improved their performance against all the Sustainable Operations on the Government Estate (SOG E) targets;
- the Government is reviewing the existing framework of sustainable operations and procurement targets and commitments. The new framework will be announced in the New Year, in partnership with DECC and the Office of Government Commerce (OGC);
- in February 2009 the Sustainable Development Commission's (SDC) status changed from an advisory to an executive Non Departmental Public Body (NDPB) and in July 2009 Will Day succeeded Jonathan Porritt as the SDC's new Chair;
- embedding sustainable development into policy making processes is at the heart of Defra's new Sustainable Development Action Plan (SDAP) which was launched in November 2009;
- we have been working across Government to ensure that sustainable development is central to the development of policy in relation to housing, planning and transport. This includes the new Planning Policy Statement on Eco-towns, which sets out the highest standards for development ever applied in this country; new draft National Policy Statements designed to streamline

the planning system for energy and ports infrastructure; revised Planning Policy Statements addressing issues such as climate change and biodiversity; delivery of the Strategy for Sustainable Construction and the review of the Code for Sustainable Homes; and new guidance on Local Transport Plans designed to support Local Transport Authorities in improving their environmental performance;

- sustainable development is fully integrated into the Olympic project, as evidenced by the independently reviewed Olympic Delivery Authority's full Sustainability update and London 2012 sustainability report which was published in December 2009;
- regionally, work has focussed on the Sub-National Review (SNR) reform agenda, and involved efforts to ensure that sustainable development principles were robustly represented in the Local Democracy, Economic Development & Construction (LDEDC) Act and emerging policy guidance;
- in July 2009 Defra set up a new engagement vehicle – the Local Sustainable Development Sounding Board (LSDSB) – in order to provide a forum for discussion between Defra and Local Authorities and intermediary bodies;
- we have been contributing to a series of meetings led by the Swedish EU Presidency to review delivery of the EU Sustainable Development Strategy, which was last revised in 2006, this has led to recommendations for the next review of the Strategy, due in 2011; and
- internationally, the partnerships forged under the sustainable development dialogues (SDDs) with China, India, Brazil, Mexico and South Africa are going from strength to strength. Both India and Mexico have agreed to extend their SDDs with us for a further 3 years and a new two year sustainable development work plan was recently agreed with China and the UK. We have now concluded an exercise to identify the benefits derived from projects that ran from 2005 to 2008 to inform development of international work going forward.

DSO 5 is supported by two Intermediate Outcomes with underpinning indicators, which aim to ensure that policy and delivery at all levels of Government observe the five principles of sustainable development as set out in the 2005 sustainable development strategy *Securing the Future*.

Intermediate Outcome 5.1: Sustainable Development successfully championed across Government

Indicator 5.1.1: Performance of Government as a whole against the Sustainable Operations on the Government Estate (SOGE) targets and against SD action plans as summarised in the Sustainable Development Commission's (SDC) reports

This indicator is not yet assessed. For indicators 5.1.1 and 5.1.2 work is led by the Centre of Expertise in Sustainable Procurement (CESP) in the OGC. The CESP has taken on the role for the delivery of the SOGE targets from Defra. In Defra's APR

2008 we were unable to report on this indicator because data had yet to be published on SOGE.

The OGC's delivery plan for Sustainable Procurement and Operations on the Government Estate (July 2009) indicates that the Government is on track to meet or exceed its 2010/11 targets for carbon emissions from offices and road vehicles, waste arisings, recycling and water consumption. An updated delivery plan is due to be published on 18 December; this will include SOGE performance data for 2008/09. The OGC's delivery plans are available at:

http://www.ogc.gov.uk/sustainability_programme_progress.asp

The final report on Defra's previous SDAP (2007-09) was published in September and sent to the SDC. Our new SDAP (2009-11) was published in November 2009. This is available on the Defra website at:

<http://www.defra.gov.uk/sustainable/defra/action-plan.htm>

The SDC has produced an SDAP tracker which reports on the status of Departments' SDAPs. This tracker also links to the SDC's SDAP assessment along with each Department's summary of their self-assessment of progress. Defra's previous SDAP scored a green RAG rating of 31/40 against the SDC's assessment methodology which scores against the following headings: Coverage Strategic planning; Actions; Ownership, engagement and delivery; Monitoring, review and reporting. Defra's reports and assessment are available on the SDC website at: <http://www.sd-commission.org.uk/publications.php?id=874>

Indicator 5.1.2: Indicator on Government estate water use and waste to landfill, and CO₂ emissions from the wider Government estate

This indicator is not yet assessed. Please see Indicator 5.1.1.

Indicator 5.1.3: Stakeholders' perceptions of Defra's (and the SDC's) effectiveness and usefulness as champion of sustainable development

This indicator is not yet assessed. The stakeholders' survey which focuses on our international work (combined with indicator 5.2.2), noted in the APR 2008, was completed earlier this year. The results will be factored into further developing this indicator, as well as the development of the wider sustainable development programme. The findings will be published in Departmental Report 2010.

Intermediate Outcome 5.2: Evidence of progress on SD Dialogues.

Indicator 5.2.1: An indicator is under development

This indicator is not yet assessed. Since APR 2008 we have increased the number of live projects in the five countries where we have SDD, from 56 to 59. A new indicator is still being developed which will show the level of engagement and impact of interventions in each of the Sustainable Development Dialogue countries. The final version of the indicator will be ready in early 2010.

Indicator 5.2.2: Stakeholders' perceptions of Defra's (and the SDC's) effectiveness and usefulness as champion of sustainable development

This indicator is not yet assessed. Please see Indicator 5.1.3.

Forward Look

Defra will continue to work with its delivery partners to champion sustainable development as an efficient approach to achieving policy and delivery outcomes within fiscal constraints. Looking forward, key activities that will contribute to this include:

On intermediate outcome 5.1:

- launch of a revised SOGE framework early in 2010;
- revision of DSO 5 indicators to ensure they are fit for purpose following machinery of government changes in 2008;
- a series of Growth within Environmental Limits dialogue workshops will be delivered in early 2010, to assist regional decision-makers and influence the delivery of single integrated Regional Strategies;
- improving the content of the sustainable development website in conjunction with the redesign and re-launch of the e-newsletter, SD Scene, in the New Year;
- appointment of two non-Executive Directors and up to six Commissioners at the SDC;
- further engagement with internal Third Sector teams and other government departments to establish a clear action plan for community sustainable development interventions;
- continue to ensure that sustainable development is robustly represented in both current (LDEDC Act and Draft Regional Strategy Policy Guidance) and future SNR reform measures, whilst seeking to develop an appropriate role for Defra in support of sub-regional, local and community sustainable development priorities;
- contributing to the work on Zero Carbon building for homes and non-domestic infrastructure and the retrofitting of existing buildings and structures;
- continuing work to ensure that sustainable development is at the heart of the town and country planning system and of the planning reforms for major infrastructure, and that developing transport strategy promotes sustainable options including increased opportunities for walking and cycling;
- ensuring that sustainable development is incorporated in taking forward the recommendations of the Killian Pretty Review, which includes extending permitted development rights for certain small scale renewable energy technology; and
- ensuring that sustainability remains at the heart of the London 2012 project through the construction, event management, and legacy phases. Continue to develop vision and delivery of using the Games to inspire sustainable living.

On intermediate outcome 5.2:

- explore options for an international sustainable development workshop to share learning from SDDs to date.

DSO 6: A thriving farming and food sector, with an improving net environmental impact

Making the farming industry more innovative, self-reliant, profitable and competitive and with better environmental management throughout the whole food chain.

Overall summary:

Strong progress: improvement against 4 out of 7 indicators

There has been improvement across several of the indicators since the APR 2008 although, due to data lags, this is demonstrated by improvement between 2006 and 2007 data. 2008 data for most of the Indicators is not yet available. There has also been progress on some of the proxy indicators for Intermediate Outcome 6.1.

Progress to date

- The Secretary of State launched The Future of our Farming pamphlet at the Royal Show (9 July), which set out a new approach to partnership between Government, the farming community and the voluntary sector to achieve a thriving and environmentally sustainable farming sector, and to recapture the environmental benefits of set-aside.
- Delivery of this is being taken forward through the Campaign for the Farmed Environment (CFE). CFE is a voluntary, industry-led approach involving the industry, Government and third sector organisations. It was launched on 5 November by Peter Kendall, NFU, and the Secretary of State.
- In July, changes were announced in Good Agriculture & Environmental Condition (GAEC) requirements for cross-compliance to simplify the existing standards and introduce new standards required by EU legislation.
- The UK Low Carbon Transition Plan, published on 15 July²², included a specific target for agriculture, namely an annual reduction of 3m tonnes CO₂ equivalent in Greenhouse Gases from agriculture by 2018-2022. We have started work which will deliver the Defra Climate Change Delivery Plan in 2010 (see below). This will draw upon the voluntary action plan presented by the industry's Climate Change Task Force to Defra at the end of November. Defra is also commissioning research to enhance the UK agricultural Greenhouse Gases Inventory.
- The report of the Anaerobic Digestion Task Group 'Developing an Implementation Plan for Anaerobic Digestion', was published on 15 July; the anaerobic digestion online advice portal²³ set up on behalf of Defra and

²² <http://defraweb/environment/climate/projections/low-carbon.htm>

²³ <http://www.biogas-info.co.uk/>

DECC was launched on 16 September, and contracts were signed and work started on site for two Anaerobic Digestion Task Group projects.

- Agreement has been reached between Defra and the industry on an agri-skills action plan (November 2009) which will help farmers to have the skills needed to run a competitive and thriving business with a positive impact upon the environment.
- Defra, DFID and Chinese Ministers jointly signed the UK China Food Security Action Plan on 19 October. There has also been discussion at Ministerial and official level between the UK and China to agree the next stages of collaboration on sustainable agriculture.
- The Responsibility and Cost Sharing Programme, which is central to changing Defra's relationship with the industry, consulted between March and June 2009 on the creation of an independent body for animal health. Responses to the consultation exercise indicated that the livestock sector is split on the need for a new body but the creation of the new RCS Advisory Group will help to address this by engaging with the sector. The consultation also highlighted opposition to the proposal to share costs.

Intermediate Outcome 6.1: Farming has an improving net environmental impact

Performance indicators have now been developed to establish clearer evidence about the current relationship between farming practice and environmental impact. Proxy indicators are: uptake of Single Payment Scheme (SPS) and failure rates of cross-compliance inspections; uptake of Entry Level Scheme (ELS); use of Integrated Farm Management; and length of hedgerows environmentally managed under ELS. A fifth indicator on soil management plans was identified but this was dropped after the option to introduce these plans within the ELS was dropped.

The proxy indicators show small quarterly increases in length of hedgerow managed under ELS (some 2000km between quarters 1 and 2 of 2009, and 9000km since quarter 2 of 2008) and in uptake of ELS (3000 more agreement holders between 2007 and 2008, and 3,000,000 additional hectares in ELS in the same period). Updated annual data from the 2009 Farm Practice Survey shows an increase in those practising Integrated Farm Management to some 20% of farms; however data on whole farm conservation plans & farm environment policy cannot be directly compared with that for previous years due to changes in wording of questions. The number of SPS claims in Scheme Year 2008 was 106,500 (a marginal decrease of 200 from 2007). It is expected that the number will increase in Scheme Year 2009 as new crops will become eligible for scheme payment.

Indicator 6.1.1: Index of farming's positive benefits on the natural environment

There has been improvement against this indicator between data for 2006 and 2007. This is reported on under indicator 28.5 of PSA 28 on page 31.

Indicator 6.1.2: Greenhouse gas (GHG) emissions from agriculture

There has been improvement against this indicator between data for 2006 and 2007. Total GHG emissions from agriculture continue to show a steady decline, but the sector still accounts for a significant proportion of the UK's methane and nitrous oxide emissions (based on data for 2007, published in March 2009, it is responsible for 38% of methane emissions and 74% of nitrous oxide). The next annual data (2008) are expected to be available by April 2010.

Indicator 6.1.3: Index of farming's negative impacts on the natural environment (excluding GHGs)

There has been improvement against this indicator between data for 2006 and 2007. This is reported on under indicator 28.5 of PSA 28 on page 31.

Intermediate Outcome 6.2: Profitable and competitive farm based businesses

Indicator 6.2.1: Gross Value Added (GVA) per person, as a ratio of UK to EU 14

This indicator is not yet assessed. The 2007 ratio of UK GVA to EU14 stands at 1.32. This represents a 1% rise on the 2006 figure of 1.31, and continues the recovery towards the trajectory seen since 2004.

Intermediate Outcome 6.3: CAP reform vision delivered

Indicator 6.3.1: Production linked support as measured by projections of reductions in the sum of EU 15 support to the Amber and Blue boxes

This indicator is not yet assessed. Indicator 6.3.1 shows the extent of EU production-linked support which is trade distorting. It includes a measure of market support and direct payments linked to production. This support is classified by the World Trade Organisation's (WTO) Amber and Blue box definitions which are set out on the WTO's site²⁴.

The World Trade Organisation's Doha Development Agenda negotiations aim to reduce the levels of overall trade distorting domestic support (including Amber and Blue box spending) which would cut the EU's ceiling by 80%. G20 leaders have confirmed their determination to conclude the negotiations in 2010 but substantive progress at the political level has so far been unattainable. Delays affect the Government's ability to secure progress in reducing agricultural tariffs.

²⁴ http://www.wto.org/english/tratop_e/agric_e/agboxes_e.htm

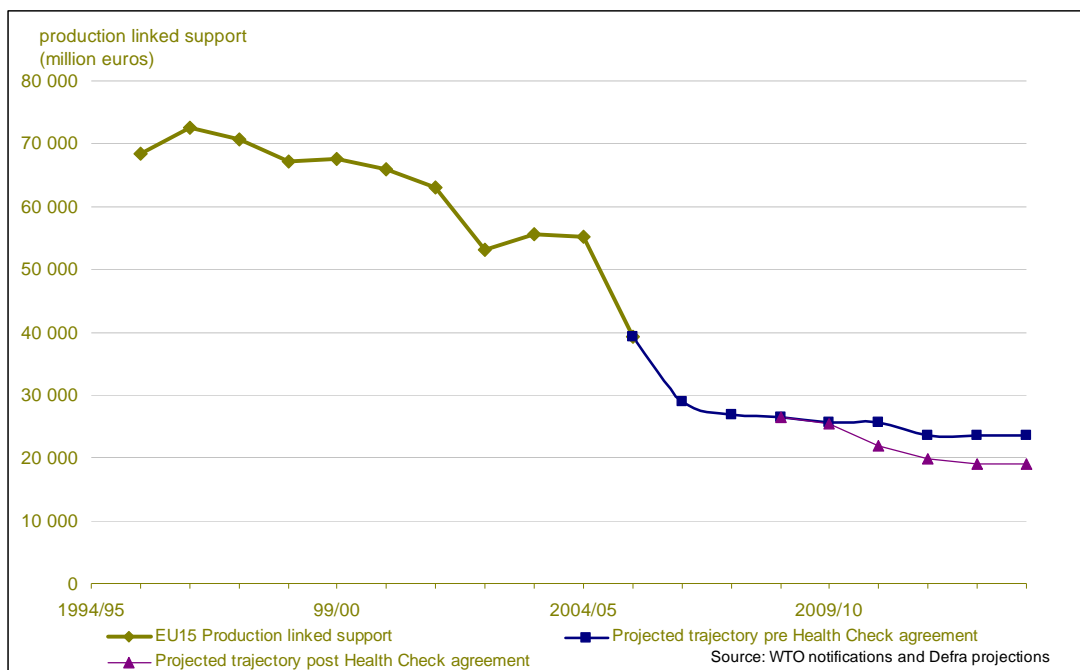


Figure 2: The trajectory of production linked support in the EU 15²⁵

The estimates are compiled by the European Commission, including returns by each member state on their commodity support expenditure, and using the methodology specified in the Uruguay Round Agreement on Agriculture, which are then notified to the World Trade Organisation. The estimates include both market price support and production-linked direct payments. The former are calculated by multiplying the volume of production by the difference between the domestic support price and a historic world price; the latter are calculated by summing expenditures on direct payment budget lines which are deemed to fall under the Amber and Blue Boxes.

Indicator 6.3.2: Securing Common Agricultural Policy (CAP) Health Check reforms

There has been improvement against this indicator. The Health Check was a scheduled review of the major CAP reform of 2003, which aimed to ensure those reforms were operating smoothly, make necessary adjustments, and to take further the reform principles established then, including decoupling, modulation and reduced intervention. Political agreement on the Health Check was reached in Agriculture Council in November 2008, followed by adoption of legal text in January 2009.

The implementation of changes agreed during the CAP Health Check is well underway. Three public consultations in England (dairy, mitigating set-aside and

²⁵ Figures exclude production linked support under Article 69 (Payments for specific types of farming) and the larger replacement for it agreed in the Health Check (Article 68). It is not yet clear how Article 68 will be implemented, but we estimate that in a worst-case scenario, by 2013/14 it could add a maximum of approximately €1.3bn to the post Health Check trajectory.

direct payments) have helped to shape implementation decisions and work continues on implementing the agreed changes.

The main changes now being implemented are a new minimum claim size for the single payment scheme of 1ha. Whilst this will exclude a small number of farmers from the scheme in future years, the decision was supported by the majority of the industry. A further significant decision was made following a public consultation on proposed changes to cross compliance, including recapturing the environmental benefits of set-aside, to pursue an industry-led voluntary approach (Campaign for the Farmed Environment) this is described under Progress to date for DSO 6 on page 57.

The allocation for the five annual increases in the UK Milk Quota which would take the EU towards abolition in a carefully managed way and which had been agreed under the CAP Healthcheck, would be on the basis of net quota held on 31 March preceding each increase. There has been pressure on this timetable following unrest in the dairy sector across Europe, however all member states are clear that the Healthcheck Agreement on final quota abolition is not for negotiation.

Intermediate Outcome 6.4: Improved welfare of kept animals

Indicator 6.4.1: Percentage of Animal Health random inspections which achieve full compliance with welfare code and law per annum

There has been no improvement against this indicator. Since 2005, there has been no significant change in the percentage of random inspections which achieve full compliance. As the number of random inspections are only based on a small percentage of national livestock farms, too much emphasis should not be placed on small percentage changes from year to year. Assessments will only be made using the annual figures as there is too much variability in the quarterly figures to provide an accurate basis for assessing progress.

The non-significant reduction in the percentage of random inspections which achieve full compliance seen in 2007 and 2008 figures, may reflect the change in the inspection process for welfare under the single farm payment scheme where more detailed and consistent data collection has been carried out since 2007.

Table 4 Percentage of Animal Health random inspections which achieve full compliance with welfare codes and law per annum.

Source: Compiled from data on Animal Health Agency welfare visits

| | 2005 | 2006 | 2007 | 2008 |
|--------------------------------|------|------|------|------|
| All random welfare inspections | 93 | 91 | 89 | 87 |
| Non SPS Claimants | 93 | 91 | 90 | 88 |
| Cross Compliance Inspection | - | - | 88 | 87 |

For further information and background on farm welfare inspections, please see <http://defraweb/foodfarm/farmanimal/welfare/onfarm/index.htm>

Forward Look

- The Copenhagen Climate Change Conference (7-18 December 2009) is expected to include the role of agriculture in climate change mitigation in its outcomes.
- Booklet and guidance on the Campaign for Farmed Environment to be sent to over 40,000 farmers, January 2010. Baseline survey results on the level of voluntary environmental management already carried out on farms will also be published in January 2010.
- A Statutory Instrument (SI) for the GAEC changes will be laid by January 2010.
- The Defra Climate Change Delivery Plan will be produced in spring 2010, in response to the challenge set down in the Low Carbon Transition Plan. This will also include the Government's response to the recommendations of the Anaerobic Digestion Task Group, which were submitted to Government in July 2009. The Plan will also include Defra's strategy for how the Department's policies and operational functions will adapt to a changing environment.
- The revised Fertiliser Manual (RB209) is due to be published by the end of 2009.
- A draft Responsibility and Cost Sharing Bill is expected to be published for pre-legislative scrutiny in the New Year. A Bill will follow in the new Parliament.

DSO 7: A sustainable, secure and healthy food supply

This DSO was introduced in December 2008 when Defra was given a new remit to lead for the Government in developing a coherent approach to ensuring a sustainable, healthy and secure food supply. Three new Intermediate Outcomes (IOs) to support this DSO have been developed and are in draft form; HM Treasury is yet to approve them. Work is underway to develop an indicator framework to measure progress towards these, as described below. The draft IOs are:

- Increasing economic productivity from food related industries;
- Improving environmental impact from food production and consumption; and
- More people choose to eat a healthy diet, and have reliable access to healthy and safe food.

Overall summary:

Not yet assessed: Work is ongoing to develop the Intermediate Outcome and indicator framework.

Progress to date

In August we published The UK Food Security Assessment papers: 'UK Food Security Assessment: Our approach' and 'UK Food Security Assessment: Detailed Analysis' which describe the Government's approach to ensuring the UK maintains a high level of food security, drawing on a full analytical assessment. The papers set out what food security is, the challenges and risks facing UK food security, our current assessment of the state of our food supplies, and how we plan to continue to deliver sufficient, safe and nutritious food for all in the UK. A key element of the Assessment has been the involvement of stakeholders and experts, who have helped shape the framework.

The Assessment consists of a scorecard of indicators of UK food security. The scorecard has two functions:

- Communicating the key elements of and risks relating to the security of our food system, so as to inform evidence-based discussion of food security policy; and
- Monitoring changes in these indicators over time to assess any material improvement or deterioration in the different dimensions of our food security.

The scorecard gives a balanced analysis across the main themes of UK food security, namely:

1. Global availability
2. Global resource sustainability
3. UK availability and access
4. UK food chain resilience

5. Household food security
6. Safety and confidence

For each theme, a headline indicator has been selected to provide an initial high level indication of the state and change in the theme. Where they do not reflect all aspects of the theme they are selected as covering the most important aspects. Additionally, supporting indicators are given to add breadth and depth to the process of monitoring change.

A draft suite of indicators for measuring a sustainable food system was also published, in the form of a consultation exercise between August and October 2009, their development will be ongoing. It is intended that these indicators, in conjunction with the UK Food Security Assessment, will be used to measure progress against DSO 7. The involvement of stakeholders has been important for this work in both shaping the framework of the indicators, as well as providing data sources for indicator development. The framework of proposed indicators is based around 7 themes:

1. Economic performance and resilience
2. Skills and innovation
3. Eco-efficiency
4. Essential Resources
5. A healthy and well managed ecosystem
6. Healthy and informed consumers
7. A safe food supply

Each theme identifies one or more factors related to a sustainable food system, and each of these in turn is supported by one or more indicator. The themes will not be treated in isolation as some factors relating to a sustainable food system translate across the themes.

Forward look

- The Food Strategy will be published in January 2010 along with the headline and supporting indicators on sustainable food.
- Further stakeholder engagement is planned for aspects of the work which require more research in order to provide appropriate measures for a sustainable food system.
- The Intermediate Outcomes will be re-submitted to HMT for sign off with the supporting indicators in January 2010.

DSO 8: Socially and economically sustainable rural communities

This is a high-level objective for which the whole of Government shares delivery responsibility. Due to the significant breadth of issues affecting rural people and places, this objective covers a wide range of indicators, each of which is 'owned' by another part of Government. It should be noted that Defra has no direct control over delivery by other parts of Government but seeks, through guidance, leadership and collaboration to influence mainstream policies and delivery mechanisms to ensure that the rural context is fully taken into account.

This DSO includes a suite of socio-economic indicators covering a wide range of the Government's policy priorities. The indicators are updated on an annual basis and were last updated in October. It is worth noting that the indicator set does not lend itself to more frequent updates. So in-year risk assessment relating to individual policy areas will be limited and based on qualitative analysis of events (such as the economic downturn, for which monthly dashboard reports are prepared and sent to Ministers).

Overall summary:

Some progress – improvement in 1 out of 12 indicators

On most of these measures the data show that rural people experience more positive outcomes overall than the national average. Areas where rural areas fare worse or equally as well as the national average are waiting lists, affordability of housing, productivity (gross value added), earnings, and capital investment per employee.

Progress to date

Rural Policy Division continues to take a monitoring and influencing role on these indicators, with specific progress listed under each of the two intermediate outcomes below. Information about how the Red, Amber or Green (RAG) ratings are assigned to these indicators and how they are combined to give an overall rating can be found at <http://www.defra.gov.uk/rural/policy/dso/traffic-light.htm>

Intermediate Outcome 8.1: The evidenced needs of rural people and communities are addressed through mainstream public policy and delivery.

This is measured by data that compares outcomes for rural areas with the national average, rather than against a historical baseline. Table 5 provides key figures for the indicators for this Intermediate Outcome. Where local authority data has been used, "Rural areas" refers to the most rural category, Rural-80. Where the Rural Definition has been used, data for less sparse villages has been used to represent

“rural areas”. However, these are not the only data for rural areas and further detail in addition to commentary can be found on our website²⁶.

Table 5 Performance of rural areas compared to the national average measured against each of the indicators held under Intermediate Outcome 8.1.

| | Rural areas | | England average | | Source, year |
|---|------------------|---------------|------------------|---------------|---------------------------|
| | Current position | Previous year | Current position | Previous year | |
| Intermediate Outcome 8.1 | | | | | |
| Sub-theme/indicator | | | | | |
| Indicator 8.1.1: Education | | | | | |
| 1 Percent of pupils leaving school with grades 5 A*-C at GCSE | 72 | 68 | 64 | 59 | DCSF 2007/8, 2006/7 |
| 2 Full time entrants to higher education per 1,000 population | 170 | 163 | 131 | 127 | BIS 2007/8, 2006/7 |
| Indicator 8.1.2: Social capital | | | | | |
| 1 Percent of people who feel people from different backgrounds get on well together in their area | 87 | 87 | 82 | 80 | CLG 2007, 2005 |
| 2 Percent of people who have meaningful interactions with people from different backgrounds | 63 | n/a | 79 | n/a | |
| 3 Percent of people who feel that they belong to their neighbourhood | 81 | 80 | 75 | 74 | |
| 4 Percent of people who feel they can influence decisions in their locality | 46 | 41 | 38 | 39 | |
| 5 Percent of people who participate in regular formal volunteering at least once a month | 38 | 37 | 27 | 29 | |

²⁶ <http://www.defra.gov.uk/rural/policy/dso/index.htm>

| | Rural areas | | England average | | Source, year |
|---|------------------|---------------|------------------|---------------|--|
| | Current position | Previous year | Current position | Previous year | |
| Indicator 8.1.3: Health | | | | | |
| 1 Potential years of life lost (PYLL) from all cancers | 137.8 | 142.2 | 151.7 | 153.8 | Information Centre for Health and Social Care 2007, 2006 |
| 2 PYLL from stroke and related diseases | 13.4 | 14.7 | 17.5 | 18.8 | |
| 3 PYLL from coronary heart disease | 40.4 | 44.3 | 52.3 | 55.5 | |
| 4 PYLL from suicide and undetermined injury | 26.5 | 27.6 | 25.5 | 26.7 | |
| Indicator 8.1.4: Affordable housing | | | | | |
| 1 Waiting lists as a proportion of housing stock | 48 | 47 | 45 | 42 | CLG 2008, 2007 |
| 2 Homelessness; temporary accommodation per 1,000 population | 1.9; 1.2 | 2.0; 1.5 | 3.1; 3.8 | 3.6; 4.3 | CLG 2007/8, 2006/7 |
| 3 Ratio of lower quartile house prices to lower quartile earnings | 9.3 | 9.5 | 8.1 | 8.2 | CLG 2008, 2007 |
| Indicator 8.1.5: Crime | | | | | |
| 1 Violence against the person offences per 1000 population | 9.4 | 10.2 | 16.7 | 17.8 | Home Office 2008/9, 2007/8 |
| 2 Sexual offences per 1000 population | 0.7 | 0.7 | 1.0 | 1.0 | |
| 3 Robbery offences per 1000 population | 0.2 | 0.2 | 1.5 | 1.6 | |
| 4 Burglary offences per 1000 households | 4.9 | 5.0 | 13.0 | 12.8 | |
| 5 Theft of motor vehicles per 1000 population | 1.4 | 1.5 | 2.8 | 3.2 | |
| 6 Theft from a motor vehicle offences per 1000 population | 3.8 | 4.1 | 7.4 | 8.1 | |

| | Rural areas | | England average | | Source, year |
|--|------------------|---------------|------------------|---------------|--------------------------|
| | Current position | Previous year | Current position | Previous year | |
| Indicator 8.1.6: Poverty (after housing costs) and unemployment | | | | | |
| 1 Percentage of households with income below poverty thresholds | 19 | 19 | 22 | 22 | DWP 2007/8, 2006/7 |
| 2 Percentage of children in households with income below poverty threshold | 25 | 22 | 32 | 31 | |
| 3 Percentage of working age people in households with income below poverty threshold | 17 | 16 | 21 | 21 | |
| 4 Percentage of pensioners in households with income below poverty threshold | 17 | 19 | 18 | 19 | |
| 5 Unemployment rate | 3.2 | 3.0 | 6.0 | 5.4 | ONS 2008 |

Intermediate Outcome 8.2: Economic growth is supported in rural areas with the lowest levels of performance.

As with outcome 8.1 this is measured by data that compares outcomes for rural areas with the national average, rather than against a historical baseline Table 6 provides key figures for the indicators for this Intermediate Outcome.

Table 6 Performance of rural areas compared to the national average measured against each of the indicators held under Intermediate Outcome 8.2

| | Rural areas | | England average | | Source/ year |
|--|------------------|---------------|------------------|---------------|---------------------|
| | Current position | Previous year | Current position | Previous year | |
| Intermediate Outcome 8.2 Sub-theme/indicator Indicator 8.2.1: Headline indicator – district level GVA per workforce jobs | 89.0 | 86.5 | 100.0 | 100.0 | ABI, ONS 2006, 2005 |
| Indicator 8.2.2: Earnings | | | | | |
| 1 Workplace based earnings | 18,180 | 17,700 | 20,350 | 19,180 | ASHE 2007, 2006 |
| 2 Residence based earnings | 19,440 | 18,990 | 20,350 | 19,850 | ASHE 2007, 2006 |
| Indicator 8.2.3: Employment | | | | | |
| 1 Employment rates | 79.1 | 78.5 | 74.5 | 74.3 | ONS 2007/8, 2006/7 |
| 2 Economic activity rates | 82.0 | 81.6 | 78.8 | 78.6 | |
| Indicator 8.2.4: Skills | | | | | |
| 1 No qualifications (% working age pop.) | 10.3 | 10.8 | 12.9 | 13.6 | ONS 2007, 2006 |
| 2 Proportion of working age population with NVQ2+ | 70.4 | 69.4 | 68.4 | 67.8 | |
| 3 Higher qualifications (% working age pop.) | 31.3 | 29.6 | 32.1 | 30.8 | |
| 4 Proportion of working age population having on the job training in past 4 weeks | 10.2 | 10.8 | 10.3 | 10.5 | |

| | Rural areas | | England average | | Source/ year |
|--|------------------|---------------|------------------|---------------|------------------------------|
| | Current position | Previous year | Current position | Previous year | |
| Indicator 8.2.5: Enterprise | | | | | |
| 1 Businesses per 10,000 population | 450 | 430 | 340 | 330 | ONS 2007, 2006 |
| 2 Business Start-ups per 10,000 population | 36 | 33 | 35 | 31 | |
| Indicator 8.2.6: Investment | | | | | |
| 1 Capital investment per employee | 2,607 | 2,902 | 3,297 | 3,086 | ABI, ONS 2006, 2005 |

Forward look

The Government's commitment to ensuring that the needs and interests of rural people, businesses and communities are fully rural proofed and equitably addressed in Government policies and programmes was set out in the Rural White Paper 2000, and was restated in Rural Strategy 2004. Delivering this commitment is the responsibility of all parts of Government, with Defra having a coordinating and promotional function to encourage other Departments to address their rural responsibilities.

Defra and its Ministers have relatively few levers to influence directly the way in which the issues of importance to rural people are handled in Government. This creates a degree of challenge in demonstrating how Defra is delivering this DSO. We are addressing this challenge by gathering evidence on the state of rural England across a range of key indicators, maintaining two-way links with those with their feet on the ground in rural communities and engaging with partners in national, regional and local government to encourage them to ensure rural interests are reflected in their mainstream policies and programmes.

The focus of DSO 8 will continue to be the promotion of rural mainstreaming and our objectives will be pursued through the following activities:

- engagement with other government departments – Dan Norris, the Rural Affairs Minister will meet Ministers from relevant Whitehall Departments to discuss how we can continue to address mutual rural interests effectively and agree shared agendas for the future. (Bilateral meetings - November/December 2009; follow up work – December 2009 onwards);
- joint work with the Commission for Rural Communities (CRC) – Defra and the CRC have agreed five priority policy areas (on top of the overarching joint priority of rural proofing and mainstreaming) on which they will work closely together. These are the rural economy; affordable rural housing and planning;

broadband; fuel poverty; and ageing. Joint action plans on these priority areas are being finalised. These policy areas will be key to our rural policy work for the remainder of the CSR period. (Action Plans agreed – December 2009; implementation – January 2010 onwards);

- deployment of Rural Champions – Defra is funding, via the CRC, the deployment of a small number of rural policy experts in Whitehall Departments and a Government Office to provide short-term internal consultancy to improve rural understanding and rural proofing performance. The project will also share more widely the lessons learned. (Placements October 2009 – March 2010; dissemination spring/summer 2010);
- improvement of regional and local rural proofing – In addition to the Government Office Rural Champion placement, Rural Policy Division is working to improve rural proofing performance at the regional and local level conducting a detailed review of the Regional Rural Affairs Forums (RRAF); and the establishment of an expert local government practitioners' group. (RRAF review – December 2009 – March 2010; Rural Policy Group – first meeting early 2010);
- publication of and Response to Organisation for Economic Co-operation and Development (OECD) report on Rural Policy in England – Defra Ministers invited the OECD to conduct a study of rural policy in England as part of its ongoing programme of similar country studies. The fieldwork was undertaken in spring/summer 2009, and the draft report is expected in early 2010. The report will need to be agreed by the Government (it will go beyond Defra's areas of direct responsibility) before publication by the OECD. (Draft report received January 2010; Government consideration – early 2010; publication – mid 2010; Government response – after publication in 2010); and
- finalise research programme thematic focus for 2009-2011 and priorities for 2009-10 – The Defra rural research programme is out to consultation and is due to be finalised at the December meeting of the DSO Programme Board (December 2009).

DSO 9: A respected department, delivering efficient and high quality services and outcomes

No Intermediate Outcomes or indicators are defined for this DSO.

Overall summary:

Not yet assessed: There are no indicators for DSO 9

Defra is a respected department, and the good stories of policy success elsewhere in this report help to illustrate why.

Progress to date

Ministers and the Management Board recognise that respect is a fragile thing, affected by weakness in any area of our business – policy, delivery or corporate – in any part of the Defra Network. The fact that we work in a political environment, with close media scrutiny, also means that, despite our best efforts, our ability to preserve the quality of our reputation is not wholly within our control. We are, for example, affected by the performance of other parts of Whitehall and by the general perception of Government.

In this context, Defra has adopted an approach to monitoring this strategic objective which is different from the others. No Intermediate Outcomes have been defined. Instead, progress with delivering the policy outcomes for DSOs 1-8 (the building blocks of a solid reputation), is tracked in combination with a range of internal management indicators which provide information on customer service, stakeholder perspectives, public opinion, staff engagement and efficiency and information on anything that has gone badly wrong.

- Research carried out in June 2009 amongst a sample of Defra's key stakeholders (on their view of Defra's engagement with them), revealed that many of our stakeholders are happy with the current type and levels of our engagement. They had noticed genuine improvements over the last two to three years, particularly in: openness and transparency; being accessible and getting the right balance of contact (including seniority); willingness to engage; and being inclusive (i.e. involving all sizes of stakeholders early on in the policy development process). Those with clearest relationship contracts with Defra (for example, other government departments) are the most satisfied. A number of areas were identified where improvement was desirable, particularly in: staff continuity; the degree to which we are joined up; and how

- Defra's reputation as a Department that is adept at managing its finances has been maintained. The Department's accounts were laid before Parliament rose for the summer recess and we have met all the milestones so far for implementing International Financial Reporting Standards. Budgets for 2009-10 were allocated against programmes and projects, which ensured that they were better aligned to our objectives. Alongside this, a central approvals panel and local approvals panels have been established to make resource prioritisation decisions. These changes have become part of normal business, and are strengthening our management of financial resources through their emphasis on living within a finite budget for a portfolio of business. A formal review has been set up to investigate the financial and operational performance of the Rural Payments Agency (RPA) with the intention of improving its performance and processes and to progress action arising from the qualification of RPA's accounts.
- The Customer Focus and Insight Team's (CFI) Customer Feedback Survey was issued in September across core Defra and the seven main delivery bodies. The Survey seeks detailed information on types of feedback mechanism in place (ranging from correspondence, through telephone helplines, to formal Customer Satisfaction Surveys), information gathered, and the use made of it, with a view to analysing responses and bringing forward recommendations for rationalisation, data sharing and improved joining-up between core Defra and the delivery Network. The CFI Team is also proposing research which will collate, from a range of customers (including business and citizens), the key drivers – i.e. customer service issues which they believe are most important - in respect of their contact with Defra and the Network; this will feed into developing common customer satisfaction measures and targets.
- Defra is making steady progress towards its efficiency target of £381m of sustained, cash-releasing, value for money (VfM) savings by the end of March 2011. This includes Defra's contribution of £75m to additional cross-Government VfM savings confirmed in the 2009 Budget. Our latest assessment indicates that we are on track to meet the target.

Forward look:

- We will take forward work to address the improvement areas identified in the recent stakeholder research and any significant issues raised in the findings of the customer feedback survey.

- We will assess and respond to the results of the first cross-Government staff survey (conducted in November 2009). This will provide an opportunity to compare the Department's performance on staff engagement with other government departments, and to compare the core-department with its agencies.
- Given the respected position of the Department, we will consider the case for removing this DSO and, instead, monitor respect alongside a range of other cross-cutting indicators, which the Management Board reviews as part of its corporate dashboard.

Previous Spending Review Targets

In line with HM Treasury guidance, we continue to monitor and report on any outstanding PSA targets from the 2004 Spending Review (SR04).

Table 7 Summary of performance assessment against each previous spending review PSA target.

| SR04 Targets | Overall Assessment |
|--|---|
| PSA 3a: Reversing the long-term decline in the number of farmland birds | There is currently slippage against this target |
| PSA 3b: Sites of Special Scientific Interest (SSSI) | There is currently slippage against this target |
| PSA 9: To improve the health and welfare of kept animals, and protect society from the impact of animal diseases, through sharing the management of risk with industry | Defra has met this remaining part of PSA Target 9 |

PSA 3a: Reversing the long-term decline in the number of farmland birds

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.

Reversing the decline in farmland birds is viewed as a measurable surrogate of the ecological health of the wider countryside, including areas outside designated nature conservation sites such as Sites of Special Scientific Interest (SSSIs) and nature reserves. This PSA target relates to the long-term trend in farmland bird populations.

This target contributes to PSA 28 as it is one part of the wider composite indicator (indicator 28.2) measuring biodiversity.

Overall assessment: There is currently slippage against this target

Update

- The farmland birds index for England showed a period of steep decline between the mid-1970s and mid-1980s, followed by a shallower decline until the late 1990s. Following a period of no significant change between 1999 and 2004, the index has fallen in recent years.
- The 'smoothed'²⁷ 2008 data published in October 2009 shows that the index decreased by 2% (1 percentage point) between 2007 and 2008 relative to the 1966 level.
- The long-term decline in the farmland birds index for England is primarily driven by the farmland specialists (those species that breed solely or mainly on farmland).
- The unsmoothed farmland bird index for England increased by 4 per cent (2 percentage points) between 2007 and 2008. The effect of this on the smoothed index was to reduce the most recent rate of decline compared with last year's results.

Figure 3 shows the year-on-year changes in the smoothed England farmland birds index. The solid line shows the actual year-on-year changes of the indicator, and the top and bottom lines of the error bars show the 95% confidence limits. In the last four years that there has been a statistically significant decrease in farmland bird populations in England. Between 2004 and 2008 the combined effect of the latest decline and the 'smoothing method' has retrospectively made the results for 2005 and 2006 more negative and that for 2007 the results were less negative.

²⁷ Refers to a statistical technique to remove short-term changes in long-term data

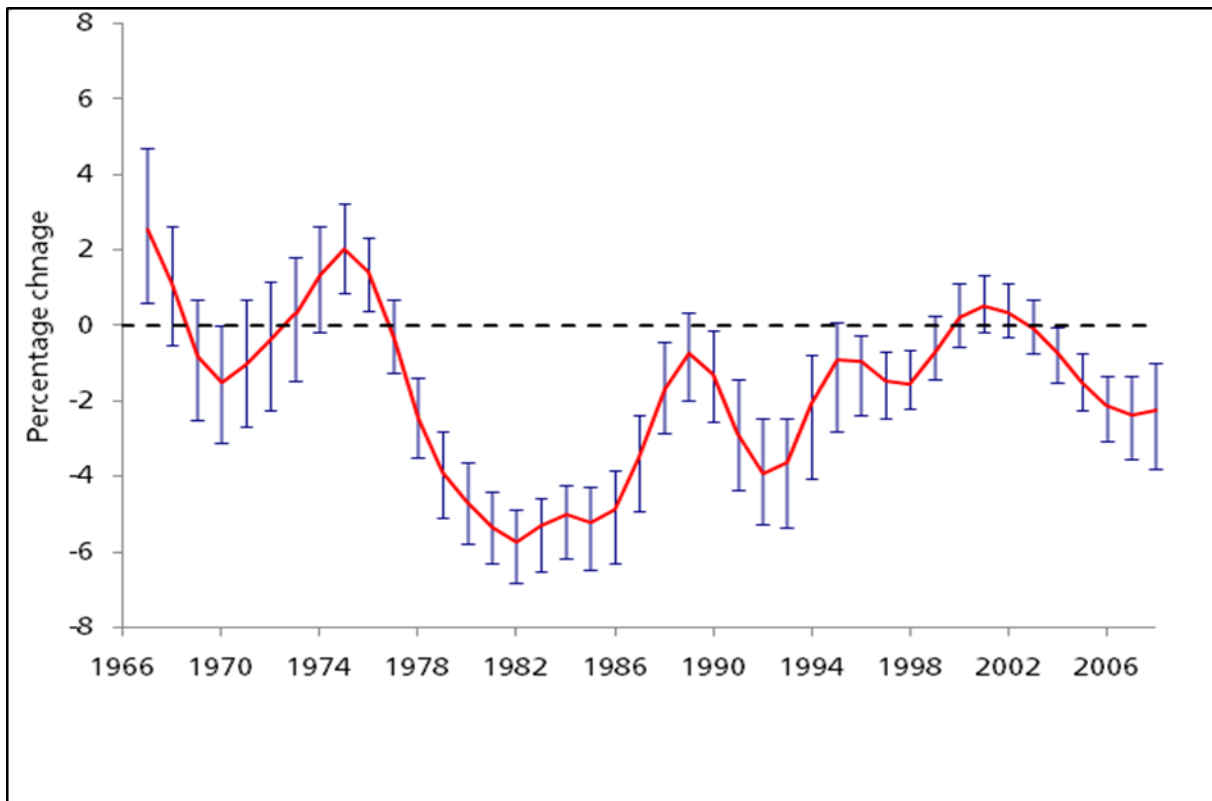


Figure 3 Year- on- year changes in the farmland birds index for England: long-term trend 1966-2008 of all 19 farmland species using smoothed data

Source: RSPB, BTO, Defra.

Figure 4 shows that there is currently no progress against the milestones as set out below:

- 2004-2009 Bird populations in key areas are secured (stable or increasing);
- 2009-2014 Bird populations nationally are stabilised; and
- 2014-2020 Bird populations nationally increase.

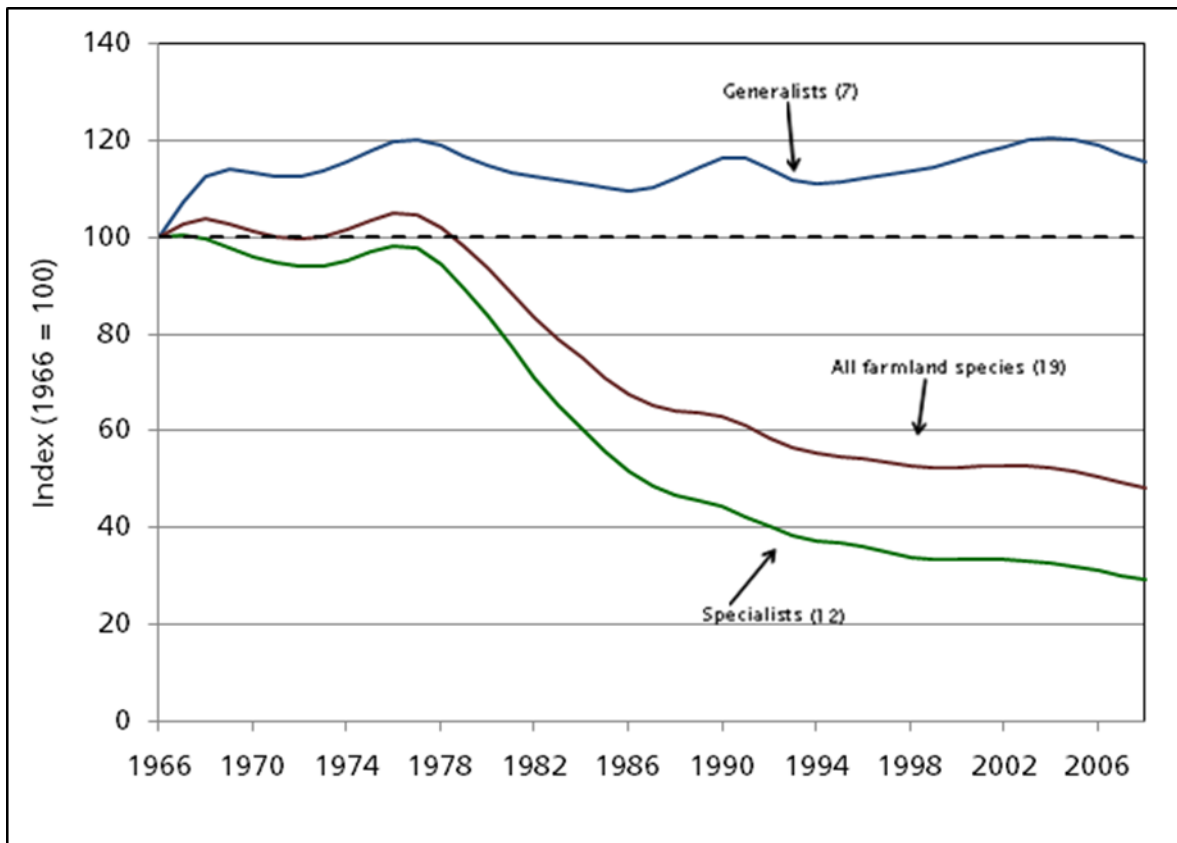


Figure 4 Population of farmland generalists and specialist birds 1966-2008 using smoothed data *Figures in brackets show the number of species included in each category.*

Source: RSPB, BTO, Defra.

Forward look

It is not possible to predict the future impact on the index of delivery instruments. This is a long-term programme, and many factors will influence its achievement. Environmental Stewardship (ES) is the key delivery instrument. Recommendations which relate to improving ES's performance for farmland birds, from the review of progress of ES (February 2008), are being implemented.

Following a public consultation in spring 2009, concerning re-capturing the environmental benefits lost with the ending of set-aside, the Secretary of State announced on 9 July his decision to pursue an industry-led voluntary approach 'the Campaign for the Farmed Environment' rather than imposing new legal requirements. The Campaign is aimed at three key beneficiaries of set-aside – farmland birds, other biodiversity and resource protection.

PSA 3b: Sites of Special Scientific Interest (SSSI)

This PSA target aims to bring into favourable or recovering condition (Target Condition) 95% of the area of Sites of Special Scientific Interest (SSSIs) in England by December 2010.

Overall assessment: There is currently slight slippage against this target but planned progress should bring the year-end milestone within reach.

Update

Further progress was made towards the target of having 95% of SSSI area in England in favourable or recovering condition by December 2010. A continuing close working partnership between Defra, Natural England and other delivery bodies has, on the basis of the latest condition assessments of each unit of land, resulted in a net increase of 4.8 percentage points since 31 October 2008 with 89% of SSSI land in target condition as of 31 October 2009. Data are publically available and updated monthly on the Natural England website:

<http://www.sssi.naturalengland.org.uk/Special/sssi/reportIndex.cfm>

Although there has been a slower start than usual in this financial year, together with some slippage where certain sites have fallen out of target condition, plans are in place to recover the lost ground and still come close to our 2009/10 year-end milestone of 93% of SSSI land in England in favourable or recovering condition.

The Parliamentary Committee of Public Accounts conducted a hearing into the NAO report 'DEFRA: Natural England's Role in Improving Sites of Special Scientific Interest'. The Government responded to the Committee's eight conclusions in October and a report will be included in the 2010 Departmental Report.

Forward Look

A further 6 percentage points remain to be achieved over the remaining 14 months of the PSA. Current predictions indicate that the target remains challenging but achievable.

Defra and its partners will continue to work closely together, both individually and through the Major Landowners Group²⁸, to address issues as they arise and drive delivery of the target.

²⁸ The Major Landowners Group consists of landowners with more than 10,000 hectares of SSSI. It includes Government Departments, Executive Agencies, the voluntary sector and industry.

PSA 9: To improve the health and welfare of kept animals, and protect society from the impact of animal diseases, through sharing the management of risk with industry

Targets

- a A reduction of 40% in the prevalence of scrapie infection (from 0.33% to 0.20%) by 2010;
- b A reduction in the number of cases of BSE detected by both passive and active surveillance to less than 60 in 2006, with the disease being eradicated by 2010; and
- c A reduction in the spread of Bovine TB to new parishes to below the incremental trend of 17.5 confirmed new incidents per annum by the end of 2008.

Parts a and b had their final assessment in the 2008 Departmental Report. Part c is reported on below:

Bovine TB indicator

Assessment: This part of PSA Target 9 has been met

The latest available figures indicate progress is in line with the target. As at 30 June 2009, the value for the PSA9 indicator is -11.0 Confirmed New Incidents (CNIs) per annum in comparison with the target of no more than +17.5.

Details of the calculation:

The basic statistic used for calculating the PSA 9 indicator is the number of confirmed new Bovine TB incidents (CNIs) in parishes where no CNI had been disclosed during the previous 48 months, so-called "New" parishes. Results are based on an index established by the Veterinary Laboratories Agency which reflects the spread of Bovine TB in Great Britain. A 48-month period was chosen to ensure that herds would have been routinely tested at least once. The PSA 9 indicator is the difference between two 5-year averages of the basic statistic; for the period ending 30 June 2009, the average for 1 January 2004 to 30 June 2008 was subtracted from the average for 1 January 2005 to 30 June 2009.

The number of CNI in new parishes in the twelve months ending 30 June 2009 was 267. The average number of confirmed new incidents in new parishes in the five twelve-month periods ending 30/6/2009 was 273. The average number of confirmed new incidents in new parishes in the five twelve-month periods ending one year earlier was 284. The PSA 9 indicator was the increase (or decrease) in the average number of confirmed new incidents in new parishes since one year earlier, i.e. -11.

To ensure a practically complete count of CNI, the downloaded data contained records for CNI that were disclosed on or before 20 August 2009, which is 34 days after the end of the period being studied (30 June 2009). The minimum recommended delay is usually 60 days.

Progress to date

The PSA indicator has been negative throughout 2008 to 2009.

The value for the PSA 9 indicator for bovine TB at the end of 2008 was -4.8, well below the target of +17.5 CNIs per annum. The PSA indicator at 31 March 2009 was -3.8, and the PSA indicator value on the 30 of June 2009 was -11, so has remained below the target for the first six months of 2009.

Forward look

There is no Forward Look Statement for the PSA 9 target that refers to Bovine TB confirmed new incidents (CNI) as this Target was set to be reached by December 2008, which was achieved and highlighted in last year's APR.

Chapter III

CSR07 Value for Money Delivery

CSR07 Value for Money Delivery

Highlights

The Department has a target of achieving sustained, cash-releasing annual Value for Money (VfM) savings worth £381m by the end of the 2007 Comprehensive Spending Review (CSR07) period. This target takes account of a reduction of £73m to the target following the creation of the Department for Energy and Climate Change (DECC) in October 2008 and an increase of £75m as Defra's contribution to the additional £35bn cross-Government VfM savings confirmed in the 2009 Budget.

Table 8 sets out the target profile across the CSR07 period. Details of Defra's original savings plans are set out in our CSR07 VfM Delivery Agreement, published on our website at <http://www.defra.gov.uk/corporate/about/how/busplan/spending-review/docs/vfm-agreement-2009.pdf>

A revised CSR07 VfM Delivery Agreement will be published when the full package of savings has been agreed.

Table 8 CSR07 VfM target profile (Cumulative)

| 2008/09 | 2009/10 | 2010/11 |
|---------|---------|---------|
| £177m | £244m | £381m |

At the end of March 2009, the Department had delivered £175.36m of full year savings against its 2008/09 target of £177m.

Key savings delivered in 2008/09 are listed below:

- £6.46m delivered in the Animal Health area, where proposals for cost sharing took effect from January 2009;
- £4.87m delivered through efficiencies at Natural England, including £1.5m from back office staff reductions, £1m from estate rationalisation, £0.7m from strategic procurement savings and £1m from other workforce reductions and improved vacancy management;
- £10.06m delivered by closing or scaling back a number of minor projects and programmes, including the Rural Social Community Programme, and cost savings at Non Departmental Public Bodies (NDPBs), committees and commissions;
- £25.7m from cross-departmental initiatives, including procurement (£3.3m), Environment Agency efficiencies (£13.6m), lower IT support costs (£1m) and estates rationalisation (£7.8m);

- £34m counted as SR04 over-delivery, largely comprising savings from the Environment Agency and Defra Executive Agencies. With HM Treasury agreement, Defra was able to count as early delivery of CSR07 value for money savings up to £34 million of SR04 financial efficiencies in excess of our target (where these savings are both cash releasing and sustainable into the CSR07 period); and
- £75.6m delivered through allocative VfM savings made as part of settling budgets for the CSR07 period. These are based on reduced input costs in lower value activities, allowing savings to be released and factored into budgets for higher value activities. The budgets in question were reduced by the amount of the allocative savings.

At the end of September 2009, the Department had delivered £234m of savings against its cumulative 2009/10 target of £244m. All savings are subject to ongoing internal review against National Audit Office (NAO) criteria to ensure they are cash-releasing, sustainable, conform with CSR07 VfM methodology and are reported net of costs.

- further savings for 2009/10 and 2010/11 will continue to be achieved across a number of areas: Key programme areas which were subject to zero based review (Natural Resources Protection, Flood and Coastal Erosion Risk Management and Animal Health and Welfare);
- a review of minor programmes and projects, where termination of curtailment is releasing funding for work more closely aligned with Defra's strategic objectives;
- cross departmental initiatives involving corporate functions in the core department (e.g. procurement, IT, shared services and estates);
- The Environment Agency; and
- further efficiency initiatives following the Budget 2009; and
- further allocative VfM savings made as part of setting budgets for the CSR07 period.

Table 9 summarises the plan for cumulative VfM savings to the end of 2010/11.

Progress to date

Progress in delivering the CSR07 VfM plan is reported quarterly to the Defra Management Board. Based on initial validation within the Department, by the end of September 2009 Defra had achieved continued delivery and additional savings in areas such as:

- allocative savings of £18.6m;
- further efficiencies of £2.5m from Natural England;
- £23.9m from cross-Departmental initiatives, largely comprised of £11.2m additional procurement savings and £11.2m from the Environment Agency programme of efficiencies; and

- A further £6.4m from a range of animal health and welfare activities.

Table 9 CSR07 VfM target grouped by savings area

| Grouping | Plan for 2010/11 (£m) |
|---|------------------------------|
| Zero based review areas | 107.4 |
| Review of minor programmes and projects | 14.8 |
| Cross Departmental Initiatives | 56.6 |
| SR04 over-delivery ²⁹ | 34.0 |
| Allocative Savings from reprioritisation of work during budget setting exercises 2008/09 – 2010/11 | 156.1 |
| Efficiency initiatives identified following Budget 2009 (the balance of the £75m, referred to above, is included in the £156.1m allocative savings in the previous row) | 34.7 |
| Total (including contingency) | 403.6 |
| CSR07 Target | 381.0 |

All savings are subject to further internal validation and NAO review.

In addition, Defra procurement and commercial teams are actively pursuing a collaborative procurement agenda, this is being achieved in a number of ways:

- OGC and Buying Solutions joint working initiatives, for example the Environmental Consultancy Framework;
- The Defra Procurement and Contracts Division (PCD) is working on a number of joint procurements with Defra network and OGDs.

Progress on relocating posts from London and the South East

Under the Lyons Relocation Programme, Defra has a target to relocate 390 posts from London and the South East by March 2010.

As at 30 September 2009, a total of 637 posts in Defra and its delivery network had been relocated, thus significantly exceeding the 2010 target. This represents an

²⁹ Cashable and sustainable over-delivery rolled forward from the SR04 Efficiency Programme by agreement with HM Treasury.

increase of 159 relocations from the last update published in the 2009 Departmental Report, all of which relate to the Agriculture and Horticulture Development Board which completed its relocation to Stoneleigh, Warwickshire from various locations in July 2009.

The latest overall forecast for the number of posts the Department may be able to relocate by March 2010 stands at 777. The additional 140 relocations that make up this forecast relate to the establishment of the Marine Management Organisation in Tyneside, largely drawn from Marine and Fisheries Agency posts based in London.

Forward Look

Looking forward across the remainder of the year, further savings will mostly represent a continuation of the activities already delivering efficiencies in the first half. Defra and its delivery bodies will continue to work together to finalise arrangements for and ensure delivery of the additional efficiencies required in Budget 2009. Examples of areas already identified are:

- the Sustainable Built Environment Workplace Support (SBEWS) initiative will bring much of the Defra estate (which currently covers over 234 sites across the Department and its Agencies) into a single Facilities Management contract. Defra will save £6m each year from 2010/11 onwards through economies of scale and increasing the flexibility and quality of Defra's facilities;
- £17m will be saved on transmissible spongiform encephalopathy (TSE) surveillance through a more risk-based approach to monitoring and enforcement and by sharing costs with industry;
- the Animal Health Agency will save £7m through modernised working practices supported by IT-enabled process change;
- creation of the Food and Environment Research Agency (Fera) will reduce overhead costs by £2.5m through the merger of the Central Science Laboratory, the Government Decontamination Service and Defra's Plant Health Service and Plant Variety Rights and Seeds Office; and
- Defra's waste management and resource efficiency activities will be delivered through a single delivery channel, the Waste and Resources Action Programme (WRAP), saving £3m.

**Nobel House
17 Smith Square
London SW1P 3JR**

www.defra.gov.uk



Published by TSO (The Stationery Office) and available from:

Online

www.tsoshop.co.uk

Mail, Telephone Fax & E-Mail

TSO
PO Box 29, Norwich, NR3 1GN
Telephone orders/General enquiries 0870 600 5522
Order through the Parliamentary Hotline Lo-Call 0845 7 023474
Fax orders: 0870 600 5533
E-mail: customer.services@tso.co.uk
Textphone: 0870 240 3701

The Parliamentary Bookshop

12 Bridge Street, Parliament Square,
London SW1A 2JX
Telephone orders/ General enquiries: 020 7219 3890
Fax orders: 020 7219 3866
Email: bookshop@parliament.uk
Internet: <http://www.bookshop.parliament.uk>

TSO@Blackwell and other Accredited Agents

Customers can also order publications from

TSO Ireland
16 Arthur Street, Belfast BT1 4GD
028 9023 8451 Fax 028 9023 5401

ISBN 978-0-10-177352-2



9 780101 773522