

2007 Pre-Budget Report and Comprehensive Spending Review

Department for Environment, Food and Rural Affairs

Increased resources for a sustainable future

The Government announced today increased funds for the Department of Environment, Food and Rural Affairs (Defra) – underlining the Government's commitment to tackling climate change and enhancing the natural environment. Building on the sustained increases of the last two spending reviews, the Comprehensive Spending Review grows Defra's budget by 1.4 per cent a year over the period, taking the Department's total budget from £3,508 million in 2007-08 to £3,960 million by 2010-11. This will deliver:

- a step-change in investment for sustainable waste management options, with funding through the Private Finance Initiative rising from £280 million in 2007-08 to £700 million in 2010-11, totalling £2 billion over the CSR period;
- £570 million for an Environmental Transformation Fund (which totals over £1.1 billion across Government) to help with the development and deployment of low carbon and energy efficient technologies in the UK and to support development and poverty reduction through environmental protection, and help developing countries respond to climate change; and
- a £200 million increase for flood and coastal erosion risk management across government, from £600 million in 2007-08 to £800 million in 2010-11.

Hilary Benn, Secretary of State for the Environment, Food & Rural Affairs, today said:

“We have much to do to protect our natural resources and secure our global climate over the next few years. The Stern Review showed that we need to act now if we are to avoid dangerous climate change. That means investing today before climate change costs us our planet. We need to invest to protect against the increased risk of flooding which is already upon us. And we need to reduce waste significantly in the coming years. This funding for the next

three years will allow us to make progress in protecting our environment now, before it's too late.”

NOTES FOR EDITORS

1. In addition to the increases in funding, announced in today's Comprehensive Spending Review, an ambitious value for money programme will deliver net-cash releasing savings of £379 million per year by 2010-11.
2. The Government is today publishing 'Moving to a global low carbon economy; implementing the Stern Review', which sets out how the Stern Review's findings are being incorporated into the Government's approach to tackling climate change. The introduction of the Climate Change Bill will, for the first time, enshrine in statute the Government's commitment to reduce emissions by 60 per cent by 2050 as well as putting in place a system of five-year carbon budgets to move towards this target.
3. In addition, the 2007 CSR allocates resources to continue the Warm Front programme, which provides heating, energy efficiency measures and benefit entitlement checks to low-income vulnerable households. The Government is also planning to substantially expand the Carbon Emissions Reduction Target obligations on energy suppliers. Subject to final decisions, the combination of Warm Front and the focus on low-income customers through the priority group obligation in CERT mean that spending on energy efficiency and other measures in low-income households will rise in the CSR period compared to the previous spending period. [See Chapter 5].
4. Defra will invest at least £170 million in the domestic element of the Environmental Transformation Fund, which will be funded jointly with the Department for Business, Enterprise and Regulatory Reform and total £370 million. Launching in April 2008 the UK element will bring together the Government's existing and new funding commitments within England and the UK to support the demonstration and development of new energy and energy efficient technologies.
5. Defra will invest £400 million in the international element of the Environmental Transformation Fund which will be funded jointly with the Department for International Development and total £800 million. The fund will support development of low carbon and energy efficient technologies and poverty reduction through environmental protection, and help developing countries to tackle environmental challenges.
6. Hilary Benn announced on 2 July 2007 that expenditure across government on flood and coastal erosion risk management will rise from

£600 million in 2007/08 to £800m in 2010/11. The Government will also spend around £10 million a year introducing a flood adaptation toolkit to help communities adapt to change where constructing defences is not the most appropriate means of managing flood and coastal erosion risk.

7. £2 billion of funding will be provided through the Private Finance Initiative (PFI) to help local authorities invest in more sustainable waste management options. PFI credits for local authority waste projects will rise from £280 million in 2007/08 to £700 million in 2010/11.
8. See also Press Notice 1, which sets out further details on PBR measures to tackle climate change and protect the natural environment, and Defra's press notice on the Environmental Transformation Fund www.defra.gov.uk.

Table

Environment, Food and Rural Affairs baseline and additions				
	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL	2,897	38	69	76
of which near-cash	2,580	47	47	47
of which administration	365	-9	-18	-26
Capital DEL	782	218	268	418
Total DEL¹	3,508	236	306	452

¹ Full resource budgeting basis, net of depreciation.

For further details on Defra's settlement and their Departmental Strategic Objectives over the CSR07 period, please see *The 2007 Pre-Budget Report and Comprehensive Spending Review: Meeting the aspirations of the British people* www.hm-treasury.gov.uk/pbr_csr/pbr_csr07_index.cfm

The Government today announced 30 cross-departmental Public Service Agreements, setting out the top priorities for the CSR07 period. For further details on these please see: www.hm-treasury.gov.uk/pbr_csr/pbr_csr07_index.cfm

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