MY PRIORITIES FOR DEFRA

Thank you for your Personal Minute setting out the key challenges facing my Department. You asked for an initial assessment of my priorities going forward.

I am determined that Defra should make the fullest possible contribution to meeting the overarching challenges for the Government which you set out. But it is the environmental challenge you identify which is our ultimate test. This letter sets out how I and my colleagues intend to do that.

Refreshing Defra’s strategy

Since my arrival in Defra we have been examining our aims, priorities, engagement with citizens and businesses, and alignment of policies, finances and organisation. That process is still going on, but I want to share with you our initial thinking.

Our licence to operate

Our starting point is that there are certain things we just have to get right, because they are key to the needs of our customers and to our reputation as a Department. Most obviously, it was clear when I arrived in the Department that we needed to engage swiftly on the single payment to farmers. We have made progress but there are still big challenges ahead.
Under Margaret Beckett, Defra went a long way to re-establish public confidence in government’s ability to handle animal health crises. I am determined to maintain that confidence while sharing more responsibility for high levels of animal health and welfare with the farming industry. The other major risk we manage is on floods. This is a major area of spend for Defra, where we know we need to maximise efficiency. We need to manage growing flood risk as we face the impact of already unavoidable climate change, striking the right balance between defence and other sustainable risk management approaches including adaptation and building resilience to flooding, and between support from the taxpayer and the beneficiaries.

We also need to maintain the confidence of people in rural areas that the government understands their concerns. In the long-run, I believe that must mean mainstreaming rural issues across government. I plan to work with Ruth Kelly to develop a positive approach to “places” that works for rural communities as well as those living in towns and cities, seizing the opportunity offered by the creation of the Department for Communities and Local Government.

**Our mission**

The challenges we now face in the environmental arena are of a different order of magnitude: quite simply they come down to the fact that as a nation – indeed, across much of the globe – we are living beyond our environmental means. The best illustration of this is the fact that if everyone in the world consumed as many natural resources as we do in the UK we would need three planets to support us. So, put simply, I see Defra’s mission as enabling a move toward what the WWF has called “one planet living”.

The clearest evidence that we are living beyond environmental means is the threat of dangerous climate change. The scale of this threat, to human life and to the natural resources and assets on which it depends, for everything from oxygen and clean water to healthy soils and flood defence, means that this simply must be our top priority. We are on track to exceed our Kyoto target, but we know that is just a start. Domestically, we need to maintain our focus on the long term trajectory towards our target to reduce carbon emissions by 60% by 2050. The Emissions Trading Scheme decision I was
able to announce is a declaration of the Government’s intent to move us towards that long-term goal as is the Energy Review across a wider canvas. Interim targets are also important and we have said we will look carefully at the legislative framework for this (sometimes called carbon budgeting).

Of course, a strong domestic commitment on climate change is meaningless without international action. But it gives us leverage as we press for a new international agreement on stabilising emissions, keeping up the momentum you generated at Gleneagles a year ago, and is the right thing to do.

There are other pressures which we need to tackle urgently if we are to live within our environmental means, by continuing to push forward with action at national and EU level to improve water and air quality, manage soils sustainably and halt the decline in biodiversity. I am keen to improve our understanding of the services that whole ecosystems provide, and how we can value these services. These could be powerful conceptual tools for helping government to design future policies in a way which reflects the true cost of depleting natural resources.

High impact policies

With this mission of “one planet living” steering the Department, and climate change and natural resources the evidence that we are most clearly living beyond our environmental means, I see a number of issues that we simply must prioritise, even if it means making some tough decisions and trade-offs.

We cannot achieve our goals without action at the European and international level. Many of the outcomes we are seeking are set, rightly, by the EU because environmental issues do not respect national borders. Our long term aim must be to create a global carbon market underpinned by a goal for stabilising climate change. Working closely with Margaret Beckett and Hilary Benn, we must continue to play a lead role in the EU and internationally to reach a post Kyoto climate change agreement, further CAP reform, a successful outcome to the Doha Development Round and to embed better regulation.
(i) Energy
As a government, we must ensure that our collective efforts ensure that we move toward a lower carbon future for all. (It is worth noting that our fuel poverty targets are made much more challenging by rising energy prices, even with the additional resources the Chancellor made available at the Pre-Budget report.) This means delivering the positive vision of the Energy review, looking at both new ways of delivering energy supply through greater decentralisation, where I see a big role for local authorities, further action on demand by households, and stimulating technological solutions through the new Environmental Transformation Fund and the National Institute of Energy Technologies the Chancellor announced in the Budget. I will be working with Ruth Kelly and Yvette Cooper on how we can move to low/zero carbon development and how ambitious we can be about raising standards in the UK’s underperforming existing housing stock. We need to make the most of the new Planning Policy Statement on Climate Change to start to lock in low carbon living. And I will be working closely with Douglas Alexander to develop ideas on how to tackle the problem of rising carbon emissions in the transport sector. This will include developing a successor to the voluntary agreement with car manufacturers to improve the efficiency of new cars, including the examination of mandatory options. We must also secure the long term future of the EU Emission Trading Scheme, and examine how it can be expanded to other sectors.

(ii) Water
The threat of drought in the South East has brought home the problem of the supply and demand balance there – which will be exacerbated by climate change. We need to continue to work on a long-term solution while ensuring that the companies act to minimise impacts now. Ian Pearson’s Water Saving Group is tackling demand: we will look at the scope for accelerating the growth of water metering from its current level of 28% in areas of water stress, and with Ruth Kelly we will be consulting this summer on new regulations to make the water appliances in our homes more efficient.
(iii) Waste
Rising levels of waste are another symptom of failing to live within “one planet” limits. Waste itself is a major source of greenhouse gas emissions from landfill – and there is a high degree of popular reluctance to site adequate facilities to deal with the waste we create. Through the waste strategy review I want to put in place a comprehensive approach from minimisation, through recycling, to recovery and use of energy from waste which will enable us to match the high standards achieved by some of our European partners. We cannot pre-empt Sir Michael Lyons’ recommendations, but I am personally interested in whether variable household waste charging might have a role to play here (this is not “double charging” but means setting a new and higher bar on what constitutes acceptable individual behaviour.) Finally, we must respond positively to the CoRWM report which offers us the prospect as a country of achieving consensus on the nuclear waste issue.

(iv) Food and farming
Farming is not separate from the rest of the department; it is central to it. Nor is it separate from our wider ambitions for the country. The food and farming sector is at the frontline of our approach to both climate change and the natural environment. Alongside its important economic and health impacts, the food sector leaves a very significant environmental footprint. Farmers and foresters manage some 80% of our land, and play a crucial role in preserving the beauty of the countryside and the biodiversity and natural habitats within it. Farmers are also integral to our response to climate change mitigation and adaptation. Our goal must be to develop a profitable and competitive domestic farming industry which is a positive net contributor to the environment, while reducing the environmental footprint – at home and abroad - of our food consumption. Developing a shared agenda with the industry, founded on a long term view of the funding and policy framework, to move toward a vision of “one planet farming” is a high priority. We will shortly be launching our revised Action Plan for delivering the Sustainable Food and Farming strategy for the next three years and I hope that, alongside a renewed drive on schools and health catering, we can deliver gains for farmers and the environment. Our domestic work must go alongside work with our European partners to
secure further reform of the Common Agricultural policy as part of the Commissions review of the EU budget in 2008-9.

(v) Land
We need to start a serious debate about the use of land in England. The countryside and green space are highly valued and contribute hugely to our wellbeing as well as our national identity. Recent polling by Defra shows just how much importance people place on protection of the countryside, and maintaining habitats for our wildlife. But Kate Barker’s interim report raises important issues about how we ensure the best use of land – for economic, social and environmental benefit. We are always going to have to make trade-offs in a densely populated country, but we need to be sure that the system we have in place is protecting the right land for the right reasons. I am meeting Kate soon to discuss possible ways forward.

(vi) Marine environment
We want to legislate for an agreed UK-wide regime for the sustainable management of the marine environment. We have completed the first round of consultation on the Marine Bill proposals and I will be taking forward discussions on this important issue.

Achieving our goals together: a new contract with citizens and business

To enable “one planet living”, we need to think about different ways of engaging citizens, businesses and land managers. Recent polling, for example, suggests that over the past year we have seen a dramatic change in the public concern about climate change. Research suggests that people are willing to act, but only if they have some guarantee that they are acting within a framework which means that action will make a difference.

That’s why I’m developing the idea of an “environmental contract” which sets out the rights and responsibilities of citizens, businesses and government in achieving environmental goals. It will be based on the principles of reciprocity and fairness with the aim of making environmentally friendly behaviour the social norm. It will involve providing citizens and businesses with the information, incentives, choices and expectations to enable them to change their behaviour. Part of that bargain needs to be that people continue to see
tangible improvements in their immediate environment around them and have easy access to quality green space - and this is particularly true of more deprived communities. We will continue to work with DCLG, Home Office, Department of Transport and local government to maintain the progress we have already made.

We know from our research that to have any impact such a contract needs to be rooted in the way people live their everyday lives, and the areas that have the biggest impact: homes, household products, food, personal travel and tourism. Our new waste strategy will be an important test of this new approach to enabling sustainable consumption and production, which I propose to set out in a more comprehensive action plan.

A key element of it will be to emphasise businesses’ role. I want to work closely with Alistair Darling and the Treasury to encourage innovation in more environmentally beneficial technologies, materials, processes and products, and to use this as a way of increasing competitiveness and building new markets. We should also ensure that overall Government support to business enables them to realise the very real benefits of greater resource productivity.

The tools we need to use

As well as reviewing our mission and priorities, and the offer we are making to citizens and businesses, we have also been looking across the Department at whether we have the right mix of tools to take forward this agenda.

This is particularly important given the tight fiscal climate facing all Departments over the coming years. We are determined to play our part, by achieving more with less. Of course, direct spending is only one of the tools available in pursuing our environmental goals. Potentially as important are:

- Procurement, which can be used both to exemplify behaviours and to kick-start innovation and investment in sustainable goods and services
- The planning system, because patterns of development have such major long-term impacts on the environment
• Regulation, which if used sensibly and proportionately can drive up product standards, give businesses a level playing field and make it easier for consumers to make sustainable choices
• Fiscal measures and emissions trading which can contribute towards more sustainable behaviours
• Information and engagement, which can unleash the power of consumer demand by enabling people to make more informed choices in their own lives

We need to make sure we are using these tools to maximum effect in our priority areas, and I will be thinking with my team about how to do this.

Towards a new approach

In June, Defra celebrated its fifth birthday. The Department has a track record of achievement on which I wish to build. But I believe that as an organisation we need to find new ways of working if we are to deliver our new agenda, particularly when so many of the issues I have identified involve working across government. We are making a start on establishing the new Office for Climate Change which will be a key government resource in achieving the challenging targets we have set. I have asked for the Office to be up and running by September - it will be based in Defra but staffed by a mix of people on secondment from other key Departments and will report to a joint Ministerial group.

This is a Department with a strong sense of moral purpose. My overwhelming impression from talking to staff at all levels is their passion to make a difference. The challenges we face are daunting, but with a renewed strategic focus on making “one planet living” a reality, I think we can rise to them.