



House of Commons
Environment, Food and Rural
Affairs Committee

The Annual Report of the Committee 2003

Second Report of Session 2003–04



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Report, together with formal minutes

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Environment, Food and Rural Affairs Committee

The Environment, Food and Rural Affairs Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Environment, Food and Rural Affairs and its associated bodies.

Current membership

Mr Michael Jack (*Conservative, Fylde*) (Chairman)
Ms Candy Atherton (*Labour, Falmouth and Camborne*)
Mr Colin Breed (*Liberal Democrat, South East Cornwall*)
David Burnside (*Ulster Unionist, South Antrim*)
Mr David Drew (*Labour, Stroud*)
Patrick Hall (*Labour, Bedford*)
Mr Mark Lazarowicz (*Labour/Co-op, Edinburgh North and Leith*)
Mr David Lepper (*Labour, Brighton Pavilion*)
Mr Ian Liddell-Grainger (*Conservative, Bridgwater*)
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Paddy Tipping (*Labour, Sherwood*)
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The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No. 152. These are available on the Internet via www.parliament.uk.

Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at

www.parliament.uk/parliamentary_committees/environment__food_and_rural_affairs.cfm.

A list of Reports of the Committee in the present Parliament is at the back of this Report.

Committee Staff

The current staff of the Committee are Gavin Devine (Clerk), Fiona McLean (Second Clerk), Dr Kate Trumper and Jonathan Little (Committee Specialists), Mark Oxborough and Louise Combs (Committee Assistants), Anne Woolhouse (Secretary) and Rebecca Flynn (Intern).

Contacts

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1 Introduction to our work

Introduction

1. The Department for Environment, Food and Rural Affairs is a sprawling body which is responsible for a vast range of Government policy. Our remit in overseeing Defra is correspondingly broad. In determining our work programme we have sought to find a balance between topicality, in depth analysis and following up Government actions in fields we have previously reported on. To achieve this we have used the main Committee for lengthy inquiries of key significance, Sub-committees for more sharply focussed reports, and the *rapporteur* approach for follow up work.

2. Our workload has been heavy. We have undertaken fifteen inquiries during 2003 which have led to published reports: in addition, we published two reports relating to evidence taken in 2002, and also our Annual Report 2002. We have completed two further inquiries which will lead to reports early in 2004. We also took 'one-off' evidence which did not lead to a report on eight occasions. The subjects we have covered are set out in the table below. In short, we have been extremely busy. We would like to take the opportunity in this report to thank all those who have otherwise helped us in our work during 2003, including our staff.

Membership and staffing changes

3. During the course of the year we have had significant changes in the membership and in the staff of the Committee. In November our Chairman, David Curry, resigned upon his appointment to the shadow Cabinet. He was replaced as Chairman by an existing member of the Committee, Michael Jack. Ian Liddell-Grainger replaced David Curry on the Committee. Phil Sawford and David Borrow have also left us, to be replaced by Alan Simpson and Joan Ruddock.

4. Amongst our staff we have lost a number of able people whom we thank for their work for the Committee. In particular, we would like to record a special thanks to Mark Oxborough, our Committee Assistant, who has left after a long period of service working for both us and our predecessor Committee. His assiduity will be sorely missed. We also welcome those staff who have joined us during the course of the year: Andy Boyd, Louise Combs, Jonathan Little and Fiona McLean.

Table 1: Subjects covered by EFRA Committee, 2003

<i>Subject</i>	<i>Evidence sessions in 2003</i>	<i>Sub-committee?</i>	<i>Outcome</i>
Mid-Term Review of the Common Agricultural Policy	-	Yes	Report, January 2003
Water Framework Directive	-	No	Report, March 2003
Countryside and Rights of Way Act	1	Yes	Report, April 2003
Rural Payments Agency	1	Yes	Report, April 2003
Badgers and Bovine TB	2	Yes	Report, April 2003
Bovine TB: Follow-up	1	No	Evidence to be published
Future of Waste Management	5	No	Report, May 2003
Delivery of Education in Rural Areas	3	Yes	Report, June 2003
Horticulture Research International	-	<i>Rapporteur</i>	Report, July 2003
Rural Broadband	4	Yes	Report, July 2003
Departmental Annual Report 2003	1	No	Report, July 2003
Poultry Farming in the UK	3	Yes	Report, July 2003
Gangmasters	3	No	Report, September 2003
New Covent Garden Market	2	Yes	Report, October 2003
Vets and Veterinary Services	3	Yes	Report, October, 2003
Biofuels	4	No	Report, November 2003
Conduct of the GM Public Debate	1	No	Report, November 2003
Water Pricing	2	No	Report, December 2003
Marine Environment	3	No	Report to be published
Cetacean By-catch	3	Yes	Report to be published
Environmental Directives	4	Yes	Report to be published
Animal By-product Regulations	1	No	Evidence, March 2003
Ofwat Annual Report	1	No	Evidence, July 2003
Rural Delivery Review	1	No	Evidence, August 2003
Rural Delivery Review (No.2)	1	No	Evidence to be published
Reform of the CAP	1	No	Evidence, October 2003
WTO Conference in Cancun	1	No	Evidence, October 2003
US 'Ghost' Ships	1	No	Evidence, December 03

Visits

5. A key part of the Committee's work is its ability to visit both at home and abroad to put into context issues raised by particular inquiries. During 2003 we undertook five visits within the United Kingdom, and two overseas. In addition we sent delegations to meetings of the Agriculture and Environment Committees of the parliaments of European Union Member States and of the accession states in Athens and in Rome.¹

Table 2: Visits by the Committee in 2003

<i>Location</i>	<i>Purpose of visit</i>
Rainham and Lewisham	Inquiry into Future of Waste Management
Peterborough and Loughborough	Inquiry into Future of Waste Management
Copenhagen, Denmark	Inquiry into Future of Waste Management
Athens, Greece	EU Parliamentary Agriculture Committees (delegation)
Athens, Greece	EU Parliamentary Environment Committees (delegation)
Wellesbourne	Inquiry into Horticulture Research International (delegation)
Cambridge	Inquiry into Gangmasters (delegation)
Brasilia, Goias, Sao Paulo, Brazil	Inquiries into Biofuels and Poultry Farming
Rome, Italy	EU Parliamentary Agriculture Committees (delegation)
Southampton	Inquiry into Marine Environment

2 Core tasks

6. Following a resolution of the House of May 2002,² the Liaison Committee has determined that select committees should be expected to perform a number of 'core tasks'. These are to carry out inquiries into (a) Government policy proposals, (b) areas seen to require examination because of deficiencies, (c) departmental actions, (d) associated public bodies (of the Department), (e) major appointments, and (f) implementation of legislation and major policy initiatives. The Liaison Committee also proposed that details be given of the examination of any draft legislation, expenditure and performance against Public Service Agreement targets.

¹ An agriculture and an environment meeting took place in Athens during the Greek presidency of the European Union in May 2003. During the Italian Presidency we were invited only to an agriculture meeting in October 2003.

² See *Votes and Proceedings*, 14 May 2002

7. An analysis of our performance of these core tasks is set out in Table 3 above. In the remainder of this section of our Annual Report we provide a commentary on our core activities. Further analysis of our work is contained in an Annex to this report, which sets out selected recommendations of previous reports, together with the Government response and an update on further developments.³

Identification of inquiries

Government and European Commission policy proposals

8. As in 2002, Defra did not publish any White or Green Papers. It did, however, publish important consultation and strategy papers. A particular example was the consultation on animal welfare begun in January 2003 by the publication of an animal health and welfare strategy,⁴ and continued by the publication of an outline strategy in July 2003.⁵ These two documents will underpin the final strategy expected in March 2004. Our inquiry into *Vets and Veterinary Services* focused on aspects of the strategy, and persuaded the Government to establish a working party with the veterinary profession to consider our report.⁶

9. Another example of our examination of domestic policy proposals was our decision to take evidence from Lord Haskins about his *Rural Delivery Review*. We took evidence from him first in June, prior to the delivery of his report to Ministers, and subsequently in December. It was crucial that we should have done so, as the Review will strongly influence the way in which the Government's rural, agricultural and agri-environmental policies are delivered. For that reason, we will undoubtedly return to the subject of the Review, and the Government's response to it, during 2004.

10. We also looked into policy proposals from the European Commission, particularly those which stem from the *Mid-Term Review of the Common Agricultural Policy*. Our report was published at the beginning of 2003, following evidence taken during 2002. In it we critically assessed the initial proposals made by the Commission, and also the way in which the proposals had subsequently been amended. We maintained our scrutiny of this area when in July we were able to take evidence from the Secretary of State shortly after final agreement on CAP reform had been reached.

11. Implementing the reforms of the CAP will pose challenges for the United Kingdom. In the New Year we will inquire into *Implementation of CAP Reform in the United Kingdom*. Enlargement of the European Union will affect European agricultural markets, and establishing the reformed CAP will be challenging for the new European Union states. Thus in the New Year we will also look into *Agriculture and EU Enlargement*.

³ This can be compared against Annex A of our Annual Report 2002, HC (2002-03) 269, p.13

⁴ Defra (2003) *Preparing an animal health and welfare strategy for Great Britain*, www.defra.gov.uk

⁵ Defra (2003) *Outline of an animal health and welfare strategy for Great Britain*, www.defra.gov.uk

⁶ *Outline of an animal health and welfare strategy*, p.24

Table 4: Reports looking primarily at Government and European Union policy proposals

<i>Report</i>	<i>Principal findings</i>
Mid-Term Review of the CAP	<ul style="list-style-type: none"> • welcomed and supported proposals made for reform, though concluded that they should go further • regretted that proposals for reforms in certain sectors (ie. dairy) had not been made • urged the Government to press for further change
Vets and Veterinary Services	<ul style="list-style-type: none"> • concluded that there was shortage of large animal vets • noted that the shortage would affect the delivery of Government animal health and welfare strategies • recommended that the Government take a range of steps to seek an increase in large animal vet numbers

Areas seen by the Committee as requiring examination because of deficiencies

12. One of the principal aims of select committees is to identify deficiencies in the actions of Government Departments or Agencies, and to propose remedies. Such was the main objective of our inquiries into the *Water Framework Directive*, the *Rural Payments Agency*, *Gangmasters*, and the *Conduct of the GM Public Debate*. In addition, much of the evidence we received in our inquiry into certain European *Environmental Directives* (which we will complete in 2004) related to deficiencies in the negotiation and subsequent implementation of European legislation, especially that relating to waste.

Table 5: Reports looking primarily at deficiencies in the work of Defra and its agencies

<i>Report</i>	<i>Principal findings</i>
Water Framework Directive	<ul style="list-style-type: none"> • noted and re-stated the significance of the Directive • observed that the Government did not seem to regard the matter as urgent • made specific recommendations relating to scientific research and administrative structures • urged the Government to adopt a more positive approach • highlighted the cost implications of the Directive
Rural Payments Agency	<ul style="list-style-type: none"> • commented on delays in making subsidy payments, particularly to cattle farmers • urged Defra to keep a watchful eye on the development of a major new IT system under the Agency's Change Programme; and recommended that the Agency keep the Committee informed about the Programme
Gangmasters	<ul style="list-style-type: none"> • expressed disappointment about the poor quality of Government data on the activities of gangmasters • concluded that the Government was not doing enough to deal with problems caused by some gangmasters and exploitation of their workforce • observed that the relationship between supermarkets and their suppliers contributed to the problem • strongly recommended that the Government do more
Conduct of the GM Public Debate	<ul style="list-style-type: none"> • concluded that although the Debate had been a good idea, in the end it had been an opportunity missed • said that fault for deficiencies in the Debate rested with Government decisions about its timing resources • asked what lessons the Government had learnt

Departmental actions

13. The distinction between inquiries which examined deficiencies in Departmental activities, and inquiries which looked at Departmental actions is not always clear. For example, although our inquiry into the *Water Framework Directive* focussed on deficiencies in the Government's actions, it also, necessarily, recorded the progress which had been made. We have decided that our inquiries into *Badgers and Bovine TB*, *Poultry Farming in the United Kingdom*, and *Biofuels* primarily looked at 'Departmental actions', analysing what policies Defra had developed in relation to each subject area, and how it had pursued them. Our inquiries into the *Delivery of Education in Rural Areas* and into *Rural Broadband* were similar: both looked at the ways in which Defra had developed a role as a Department for Rural Affairs.

Table 6: Reports looking primarily at Departmental actions

<i>Report</i>	<i>Principal findings</i>
Badgers and Bovine TB	<ul style="list-style-type: none"> • recorded progress made with the badger culling trials • proposed a range of measures to enhance and improve the trials
Poultry Farming in the UK	<ul style="list-style-type: none"> • concluded that higher costs due to regulatory standards and increasing international competition threaten the viability of the poultry sector in the UK • urged the Government to ensure a 'level playing field', requiring imports to meet the same standards as exist in the European Union • made other recommendations intended to provide greater certainty to the industry
Biofuels	<ul style="list-style-type: none"> • noted the role that might be played by biofuels in reducing greenhouse gas emissions, and in supporting certain farming sectors • concluded that the Government was confused about what it hoped to achieve from a biofuels policy • asked the Government to clarify its objectives
Delivery of Education in Rural Areas	<ul style="list-style-type: none"> • investigated the role played by Defra in bringing together Government Departments and Agencies to deliver educational services in rural communities • expressed disappointment that it had not established itself as the 'lead body', co-ordinating policy delivery • concluded that Defra could not yet be regarded as a Department for Rural Affairs
Rural Broadband	<ul style="list-style-type: none"> • noted Government support for access to broadband • regretted the 'digital divide' between urban and rural communities in the availability of broadband • recommended that the Government commit itself to making broadband available to <i>all</i> parts of the country as soon as possible

Associated public bodies

14. In our last Annual Report we recorded that there are more than seventy public bodies associated with Defra,⁷ and made clear our commitment to examine their work. This year we completed three inquiries into such bodies, looking at aspects of the work and management of the *Rural Payments Agency* (an Executive Agency), *Horticulture Research International* (a non-Departmental Public Body) and *New Covent Garden Market* (a public corporation). In addition, our inquiry into the *Countryside and Rights of Way Act 2000* dealt with the work of the Countryside Agency in implementing the Act, and our report into *Water Pricing* focussed on the activities of the Office of Water Services. **We remain committed to examining each year the work of public bodies associated with Defra.**

Table 7: Reports looking primarily at the work of associated public bodies

<i>Report</i>	<i>Principal findings</i>
Horticulture Research International	<ul style="list-style-type: none"> • noted developments since the Committee's last report • urged the Government to conclude negotiations over the future of HRI as soon as possible
New Covent Garden Market	<ul style="list-style-type: none"> • noted developments since the Committee's last report • urged the Government to get a grip of decision-making over the Market's future, and to reach conclusions as soon as possible
Water Pricing	<ul style="list-style-type: none"> • noted progress so far in Ofwat's Periodic Review • made a number of comments (for example about vulnerable water users) intended to influence ministerial decisions in relation to the Review

Major appointments

15. Defra failed to respond to our recommendation last year that the Committee should receive advanced notice of major appointments in case it wanted to talk to such appointees. We note that a number of vacancies have arisen, including for Chief Veterinary Officer (filled on 24 November 2003),⁸ Chairman of the Board of Trustees at the Royal Botanic Gardens in Kew (filled on 8 October 2003),⁹ Chairman of the Advisory Committee on Releases to the Environment (filled on 10 September 2003),¹⁰ Deputy Chairman of the Home-Grown Cereals Authority (filled on 17 July 2003),¹¹ Chairman of the Agricultural Wages Board (filled on 1 April 2003),¹² and Chairman of the Advisory Panel on Air Quality (filled on 12 February 2003).¹³ **Once again this year we have not been specifically informed by Defra in advance (or, indeed, afterwards) of any of these appointments to posts in non-departmental public bodies or elsewhere. We recommend, as we did last year, that the Department put in place procedures to inform us in advance of all major**

⁷ For a complete list, please see www.defra.gov.uk/corporate/agencies.asp

⁸ Defra press notice 494/03, 24 November 2003

⁹ Defra press notice 413/03, 8 October 2003

¹⁰ Defra press notice 368/03, 10 September 2003

¹¹ Defra press notice 296/03, 17 July 2003

¹² Defra press notice 122/03, 1 April 2003

¹³ Defra press notice 51/03, 12 February 2003

appointments pending and/or made, in line with the recommendation of the Liaison Committee.

Implementation of legislation and major policy initiatives

16. Three of our inquiries specifically addressed issues of policy implementation and the effect of legislation. The inquiry into the *Water Framework Directive* addressed the ways in which the Directive was being implemented in this country. Our review of the *Countryside and Rights of Way Act 2000* allowed us to assess progress made since the Act had been passed. And our inquiry into certain *Environmental Directives*, which will be completed in 2004, looked at how the End-of-Life Vehicles and Waste from Electrical and Electronic Equipment Directives are being implemented in the United Kingdom.

Table 8: Report looking primarily at the implementation of legislation

<i>Report</i>	<i>Principal findings</i>
Countryside and Rights of Way Act	<ul style="list-style-type: none"> • noted developments since the Act was passed • made a number of recommendations to enhance the arrangements made to allow access under the Act

Draft Legislation

17. In the Queen's Speech in November 2002 three pieces of primary legislation within the remit of Defra were announced: the Water Bill, the Wastes and Emissions Trading Bill, and the Hunting Bill. **We regret that the Government did not invite us to undertake pre-legislative scrutiny of any of these Bills; nor did it make time available to do so.** That said, our predecessor Environment, Transport and Regional Affairs Committee looked at a draft Water Bill in 2001,¹⁴ and our inquiry this year into the Water Framework Directive was pertinent.¹⁵

18. We were, however, able to take evidence about secondary legislation which would allow the European Union *Animal By-Products Regulation* to be enforced in this country.¹⁶ The Regulation had been adopted on 3 October 2002, and came into force on 1 May 2003: the domestic instrument had been delayed following the agreement of new implementing and transitional powers. We took evidence from a Defra Minister just prior to the laying of the domestic regulations, in effect conducting scrutiny of the proposed legislation in draft.

Expenditure

19. To an extent all of our inquiries deal with expenditure by Defra and by its associated public bodies. For example, our report into the *Rural Payments Agency* noted that in the Spending Review 2000 a ring-fenced fund of £130 million had been provided to resource a 'change programme' at the Agency. We discussed the cost savings that the programme was expected to bring.¹⁷ Our inquiry into *New Covent Garden Market* concluded that it was

¹⁴ HC (2000-01) 145-1

¹⁵ HC (2002-03) 130-1

¹⁶ Minutes of evidence for 14 May 2003, HC (2002-03) 707

¹⁷ HC (2002-03) 382, paras.4 ff

funding issues related to a proposed refurbishment of the market which were driving decisions about the ownership of the market.¹⁸ The report into *Rural Broadband* discussed the use made of Government monies made available in the UK Broadband Fund.¹⁹

20. Two of our inquiries, however, centred on expenditure. As usual we undertook an inquiry into Defra's *Departmental Annual Report 2003*, taking evidence from the Permanent Secretary as Defra's accounting officer. **In general, the Department's account of its expenditure was much improved compared to 2002. Nevertheless, we noted in our report that there are ways in which transparency might be further improved, such as by giving a commentary of performance against objectives, and by setting out the key financial data relating to each Departmental objective.**

21. As well as considering the Annual Report we have monitored the Estimates and Supplementary Estimates published throughout the year. In 2003 we wrote to Defra about both its Winter and Spring Supplementary Estimates, as well as about a proposal to change the way in which its 2004-05 Estimate will be presented. **We will continue to pay close attention to the ways in which Defra spends money, and how it accounts for its expenditure.**

Table 9: Departmental Annual Report

<i>Report</i>	<i>Principal findings</i>
Departmental Annual Report 2003	<ul style="list-style-type: none"> • commented on the way in which the Department reports its achievements against its expenditure • recommended certain changes to Defra's administration • made observations about the usefulness of Defra's PSAs, and its performance against them

22. Defra's Agencies and other associated public bodies spend considerable sums on their own account. For example, the Countryside Agency has a budget of £108 million.²⁰ Thus it is important that we take time to oversee the ways in which non-departmental public bodies account for their spending. In 2003 we took evidence about the annual report of the Office of Water Services (Ofwat): much of the session was devoted to the way in which it spent its resources.²¹

Evidence from Ministers

23. Defra Ministers have been regular witnesses during 2003: in all, they appeared on eighteen occasions; Ministers from other Departments appeared on three occasions. **We are grateful to Ministers for attending our meetings so often. We trust that our good relationship with them will continue during 2004.**

¹⁸ HC (2002-03) 901, para.8

¹⁹ HC (2002-03) 587, p.5

²⁰ Defra (2003) *Rural Delivery Review*, Lord Christopher Haskins, 11 November 2003, p.21

²¹ Evidence taken on 11 June 2003, HC (2002-03) 785, see Q14 ff

Public Service Agreements

24. Several of our inquiries examined aspects of the work of the Department which related to its Public Service Agreement (PSA) targets, even though performance against the PSA might not have been at the centre of the inquiry. These were

Table 10: Relationship between our inquiries and Departmental PSA targets

<i>Inquiry</i>	<i>PSA target</i>
Mid-Term Review of the CAP Reform of the CAP	Target 8 (SR 2000); target 5 (SR 2002) ²²
Water Framework Directive	Target 15 (CSR 1998) ²³
Countryside and Rights of Way Act	Target 14 (SR 2000); target 3 (SR 2002) ²⁴
Rural Payments Agency	Target 10 (SR 2002) ²⁵
Badgers and Bovine TB Vets and Veterinary Services	Target 6 (CSR 1998) ²⁶
Future of Waste Management	Target 3 (SR 2000); target 6 (SR 2002) ²⁷
Poultry Farming in the UK	Target 12 (SR 2000); target 9 (SR 2002) ²⁸

25. One further inquiry dealt at length with the PSA targets adopted by the Department, and its performance against them: our examination of the *Departmental Annual Report*. Our report set out useful information, provided by Defra, about the ways in which its PSA targets have developed over time, from the Comprehensive Spending Review in 1998 through to the Spending Review 2002.²⁹ It also looked at one particular PSA target, that relating to fuel poverty, which we said was flawed.³⁰ However, our principal concerns were more generally about the form of PSA targets and the way in which performance against them was reported.

- we criticised Defra because many of its PSA targets were aspirational and performance against them unmeasurable. For example, in the 2000 Spending Review Defra was set a target of reducing the cost of the Common Agricultural Policy to consumers and taxpayers.³¹ This is a worthy aim, but hardly a useful PSA target, since (a) delivering it is not solely in Defra's gift, and (b) it would have been successfully 'met' if the cost of the CAP fell by either a pound or a billion pounds. Moreover, the lack of ambition often shown in PSA targets is reflected by the fact

²² Defra (2003) *Departmental Report 2003*, p.73

²³ Defra (2003) *Departmental Report 2003*, p.59

²⁴ Defra (2003) *Departmental Report 2003*, p.79

²⁵ Defra (2003) *Departmental Report 2003*, p.75

²⁶ Defra (2003) *Departmental Report 2003*, p.56

²⁷ Defra (2003) *Departmental Report 2003*, p.64

²⁸ Defra (2003) *Departmental Report 2003*, p.78

²⁹ *The Departmental Annual Report 2003*, HC (2002-03) 832, Ev 3

³⁰ HC (2002-03) 832, para.17

³¹ PSA target 8 under Spending Review 2000

that the changed target under the 2002 Spending Review ‘coincidentally’ resembles the reforms by then proposed;

- although we agreed that Defra should reduce the number of its PSA targets (as it did from 14 to ten between the Spending Reviews in 2000 and 2002), we argued that the Department’s annual report should nevertheless include commentary about its performance against internal objectives in those areas for which there were no PSA targets;³²and
- we recommended that the Departmental annual report should give more details about how under-performance would be corrected, and about accountability in cases where PSA targets are shared with other Government Departments.³³

26. Assessment of Defra’s performance against its Public Service Agreement targets is a significant part of our work in holding the Department to account. We reiterate the view expressed in past Annual Reports that analysis of performance against PSA targets should be a major part of each annual Departmental Report. We trust that Defra will continue to strive to improve the way it reports its performance against such targets – and in those areas not covered by specific PSA targets.

3 The way we work

27. In our last Annual Report we commented on the innovative ways in which we had sought to conduct oversight of our broad remit. That innovative work has continued during 2003. Thus, for example, we have set up **Sub-committees** to consider ten subjects; and we have continued to ensure that different Members have had the opportunity to chair Sub-committees, as the Table below shows.

Table 11: Subjects examined, number of meetings, and chairmen of Sub-committees, 2003

<i>Subject</i>	<i>Number of meetings</i>	<i>Chairman</i>
Countryside and Rights of Way Act	1	Paddy Tipping MP
Rural Payments Agency	1	Paddy Tipping MP
Badgers and Bovine TB	2	Mr David Drew MP
Delivery of Education in Rural Areas	3	Diana Organ MP
Rural Broadband	4	Mr David Borrow MP
Poultry Farming in the UK	3	David Taylor MP
New Covent Garden Market	2	Mr Michael Jack MP
Vets and Veterinary Services	3	Mr Michael Jack MP
Cetacean By-Catch	3	Ms Candy Atherton MP
Environmental Directives	4	Paddy Tipping MP

³² HC (2002-03) 832, para.18

³³ HC (2002-03) 832, paras.19 and 20

28. Last year we also reported that we had chosen to appoint a *rapporteur* to conduct a follow up inquiry into the reform and future ownership of Horticulture Research International.³⁴ Our decision followed recommendations made by the Modernisation and Liaison Committees about the use of *rapporteurs*.³⁵ We consider that although using a *rapporteur* raises questions, particularly about the demands it places on staff resources, our experience was a successful one. We intend to make further use of the procedure in future.

29. At the time of our last Annual Report we were also in the process of undertaking an experiment in the use of **electronic equipment** such as laptop computers and palmtops in public evidence sessions. We successfully concluded our trial by Easter 2003, and made a report to the Liaison Committee. It subsequently agreed that Members and staff of all Committees should be able to make use of electronic devices during evidence sessions.

30. We also commented on the use we had made of the new **Scrutiny Unit**, set up in the Committee Office in November 2002. During 2003 the Unit provided briefing and other material relating to our inquiries into the *Rural Payments Agency*, the *Delivery of Education in Rural Areas*, the *Departmental Annual Report*, and the *Ofwat Annual Report*. Staff of the Unit also advised the Clerk of our Committee about Supplementary Estimates produced during the year, and about Defra's proposal to alter the way in which its Estimate is presented. **We continue to be strongly supportive of the work of the Scrutiny Unit, which complements the work of our own staff.**

Committee 'away day'

31. An innovation planned for 2004 is to hold an 'away day' at which we will review our past activities and plan our future inquiries. We intend to hold the event in February, hearing from observers well-placed to talk about Defra and its associated public bodies, to examine critically the way in which we have worked in the past and then to plan our future programme. The meeting will take place away from the Palace of Westminster, but in London, in order to help us improve our plans for departmental scrutiny.

Media coverage

32. Media coverage of our work helps to inform stakeholders, and also adds to the impact of our reports. During 2003 we have aimed to increase the coverage we get. A particular step we have taken has been to issue all of our reports in advance under embargo, allowing reporters to write pieces for publication on the day the report is issued. We have also issued a press notice with most of our reports, setting out the key points. As a result we have enjoyed extensive coverage, in both the specialist and general media. Our reports into *Gangmasters* and *Vets and Veterinary Services* were particularly widely covered.

³⁴ The report which followed was *Horticulture Research International*, HC (2002-03) 873

³⁵ HC (2001-02) 224-I, para.34; HC (2001-02) 692, para.18

Conclusions and recommendations

1. We remain committed to examining each year the work of public bodies associated with Defra. (Paragraph 14)
2. Once again this year we have not been specifically informed by Defra in advance (or, indeed, afterwards) of any of these appointments to posts in non-departmental public bodies or elsewhere. We recommend, as we did last year, that the Department put in place procedures to inform us in advance of all major appointments pending and/or made, in line with the recommendation of the Liaison Committee. (Paragraph 15)
3. We regret that the Government did not invite us to undertake pre-legislative scrutiny of any of these Bills; nor did it make time available to do so. (Paragraph 17)
4. In general, the Department's account of its expenditure was much improved compared to 2002. Nevertheless, we noted in our report that there are ways in which transparency might be further improved, such as by giving a commentary of performance against objectives, and by setting out the key financial data relating to each Departmental objective. (Paragraph 20)
5. We will continue to pay close attention to the ways in which Defra spends money, and how it accounts for its expenditure. (Paragraph 21)
6. We are grateful to Ministers for attending our meetings so often. We trust that our good relationship with them will continue during 2004. (Paragraph 23)
7. Assessment of Defra's performance against its Public Service Agreement targets is a significant part of our work in holding the Department to account. We reiterate the view expressed in past Annual Reports that analysis of performance against PSA targets should be a major part of each annual Departmental Report. We trust that Defra will continue to strive to improve the way it reports its performance against such targets – and in those areas not covered by specific PSA targets. (Paragraph 26)
8. We continue to be strongly supportive of the work of the Scrutiny Unit, which complements the work of our own staff. (Paragraph 30)

Appendix: Update on recommendations

Follow-up to recommendations made by the Environment, Food And Rural Affairs Committee since 2001

We asked Defra to provide an update on a number of recommendations that the Environment, Food and Rural Affairs Committee had made during Session 2001-02 and Session 2002-03. The Committee identified a number of recommendations that the Government had accepted and on which it had promised action.

The Committee's original recommendations and the Government's response appear in *italicised text* and our follow-up questions appear in ***bold italicised type***. Defra's updates appear in normal type.

Second Report from the Environment, Food and Rural Affairs Committee The Countryside Agency (HC 386) Session 2001-02 Published 13 February 2002

Government Reply: Fifth Special Report (HC 829) Session 2001-02 Published 14 May 2002

Recommendation: We therefore recommend that the Agency make its highest priority to define what is a "rural" area, and seek to ensure that other Departments and Agencies and other public bodies adopt the same definition. Within that overall definition the Agency should recognize the need to categorise different types of rural areas to reflect the different pressures they face. Final definitions should be available by Summer 2002.

Response: In the Agency's last submission to the Committee it expressed frustration at the lack of progress in this area. Since then the Agency and Defra have secured agreement with the Office of National Statistics and Department of Transport Local Government and the Regions colleagues on the need for a revised interim definition, followed by a second phase of work to create a final set of definitions based on a more sophisticated approach.

The Agency has already produced and tested an interim approach which deals with the current well-known anomalies and now has agreement from Department for Environment, Food and Rural Affairs, Department of Transport, Local Government and the Regions and the Office for National Statistics on its immediate adoption. Talks are also underway to initiate the second phase of work, which, due to the complexity of the task, has a planned completion date of early 2003.

What progress has been made in producing a definition of 'rural'?

A project to develop a standard basis for describing urban/rural is nearing completion. The project is co-sponsored by the Office for National Statistics, the Department for Environment, Food and Rural Affairs, the Office of the Deputy Prime Minister, the Countryside Agency and the Welsh Assembly Government.

It has been necessary to wait for the 2001 settlement boundaries and Census Output Area boundaries to be produced and released before the proposed definition could be finalised. However, by undertaking preceding preparatory work we plan to consult interested parties in November or early December.

The definition offers a standard classification to allow statistical analysis on an urban / rural basis at a number of geographical levels. These areas include Census Output Areas, wards and unitary/local authorities. This will allow application of the definition at a geographical level that is consistent with the data source, for example where the risk of disclosure prevents the use of very small areas.

Along with the standard statistical classification, the project will deliver a flexible, but structured framework that will allow targeting, monitoring and evaluation of specific policies and programmes in urban and rural areas.

Stakeholders from across central, regional and local government, academia, and the private and voluntary sectors are being invited to contribute to the consultation.

We are also holding discussions with the organisations responsible for key data sets to make sure that, once finalised, the definition is quickly and widely adopted. DA(RR) has lent its support to this process.

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**Third Report from the Environment, Food and Rural Affairs Committee
Radioactive Waste: The Government's Consultation Process (HC 407)**

Session 2001-02

Published 13 February 2002

Government Reply:

Seventh Special Report (HC 1221)

Session 2001-02

Published 24 October 2002

Recommendation: We recommend that in order to ensure that the roles performed by the various institutions involved continue to be as clear as possible, a decision be taken quickly about the future role of Nirex, about future responsibility for the functions it currently performs and that it or its successor should be independent of other nuclear companies.

Response: We agree that the question of the independence of Nirex, or any successor bodies, from the industry needs to be addressed. The UK Government White Paper Managing the nuclear legacy recognises the arguments in favour of independence, but considers it important that those

funding Nirex (or successor bodies) now and in the future are satisfied that they continue to get value for money for expenditure undertaken on their behalf. The relationship between Nirex and other organisations including the Liabilities Management Authority will be considered as part of the radioactive waste policy formulation process.

What progress has been made in reviewing the remit and independence of Nirex?

In a written answer on 16 July 2003, Margaret Beckett made a statement on progress in establishing a committee on Radioactive Waste Management (CoRWM). That answer also included the following comment about Nirex:

“It is very important that Nirex stands ready, along with others, to help CoRWM reach its view and inform policy decisions. It is important also that the company can do this from a position where it is, and can be seen to be independent of industry. The Government will consult Nirex shareholders on the best way of making Nirex independent of industry and under greater Government control and our aim is to establish and announce the appropriate way forward by Autumn of this year”.

Discussions are continuing within Government and with Nirex shareholders and an announcement will be made as soon as they are concluded.

Recommendation: We recommend a review of the remit and independence of Nirex or its successor companies to ensure that there is neither duplication nor a gap in the responsibilities of the many parties involved in the disposal of nuclear waste, especially in view of the formation of the Liabilities Management Authority. Resolution of responsibilities for the various waste streams would make the resolution of the definition of waste a great deal easier.

Response: We agree that this issue is important and needs to be addressed as soon as possible, as stated in our response to recommendation d. This will be taken forward as part of the radioactive waste policy process and as part of the process set out in the UK Government White Paper Managing the nuclear legacy.

How is responsibility for radioactive waste streams divided between Nirex, the Liabilities Management Authority and other organisations?

Nirex currently has the responsibility for considering the long-term management option of deep disposal for intermediate level waste (ILW) and the low level waste (LLW) streams that are unsuitable for shallow disposal at Drigg in Cumbria. The waste producers have responsibility for day-to-day management of their LLW, ILW and high level waste (HLW). The Liabilities Management Authority, now to be called the Nuclear Decommissioning Authority (NDA) will inherit the liabilities of UKAEA and BNFL which include LLW, ILW and HLW. The NDA will also inherit the Drigg LLW disposal site. Organisations other than those associated with the NDA, such as British Energy, will continue to have responsibility for their waste of whatever category.

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**Seventh Report of the Environment, Food and Rural Affairs Committee
Illegal Meat Imports (HC 968)
Session 2001-02
Published 23 July 2002**

**Government Reply
Tenth Special Report (HC 1224)
Session 2001-02
Published 24 October 2002**

Recommendation: Although we welcome the trial use of dogs to detect illegal meat imports it would be helpful if the Government were to publish the objectives of the pilot scheme and the criteria against which its success will be judged.

Response: The Department accepts this recommendation and terms of reference are attached at Annex 2 (Tenth Special Report of the House of Commons Select Committee on Environment, Food and Rural Affairs, Session 2001-02, HC 1224, p 10)

Recommendation: We accept that there are limitations and problems with the proposals to use x-ray equipment and provide amnesty bins, but we agree with Lord Whitty that both could be valuable in raising public awareness. We therefore recommend that both be carefully piloted and assessed for their efficacy in terms of addressing the problem of illegal meat imports and of raising public awareness of the problem.

Response: The Department agrees. The pros and cons of the use of both are being actively considered with other stakeholders. There is undoubtedly a positive commitment to increase the avenues for travellers to surrender illicit products they have unwittingly brought into the country, but there are concerns, over security in particular, about the use of amnesty bins which need to be addressed before a pilot can commence. In the meantime, the short-term priority will be to improve the use of the red channel in all airports.

A trial of x-ray equipment will be running this autumn.

Defra reported that “the use of detector dogs has been evaluated, and the Government has confirmed that more dogs will be introduced during 2003-04” (Defra, Annual Review of Controls on Imports of Animal Products: April 2002-March 2003, para 1.5).

Defra Comment: Since the Committee’s report was produced, anti-smuggling responsibilities have been transferred to HM Customs and Excise. The matters referred to below fall primarily within the remit of Customs. This response has therefore been prepared with Customs

How many dogs are now detecting illegal meat imports?

Following the transfer of responsibility for enforcement controls on illegal imports of products of animal origin to Customs on 11 April 2003, the existing two dogs and their handlers were transferred to Customs on 1 May 2003.

Four additional dogs teams commence training in November. Due to the high demand for training places, this was the earliest date available. The four new dog teams should enter full operational service with Customs in January or February.

These six dogs and their handlers will be used flexibly by Customs throughout the country alongside their strike teams who target smuggling of meat and animal products.

What were the results of the other trials aimed at detecting illegal meat?

Customs have carried out some informal trials of x-ray equipment using existing equipment which show the potential for identifying concealment. The results for specifically identifying organic material have been less conclusive. Customs, however, are in contact with manufacturers, including one which is working with the authorities in New Zealand to monitor development and potential application of new technology. They are yet to identify equipment appropriate for use in the UK with our high passenger numbers and congested major airports.

Customs and Defra are working jointly on a feasibility study into surrender methods (including amnesty bins), to encourage passengers carrying prohibited goods to surrender them before leaving the port or airport. A tendering exercise will begin shortly.

As a result of the trials, what new permanent measures will be put in place at ports and airports to assist in the detection of illegal meat imports?

Funding made available to Customs in 2003-04 is enabling them to introduce four new (and mobile) strike teams in addition to the two existing and four new dog teams.

In addition, Customs (who are now responsible for publicity at major ports of entry and in targeted third countries) have designed new posters. Substantial numbers will be on display at all major ports of entry into the UK from November. New leaflets will replace the current Defra leaflets later in the year. These measures are supported by agreements reached with a number of major airlines to raise awareness amongst passengers on inbound flights by either showing an in-flight video or in-flight announcements.

As the enhanced enforcement and publicity is evaluated, consideration will be given to introducing other measures where appropriate.

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**Eighth Report of the Environment, Food and Rural Affairs Committee
Hazardous Waste (HC 919)
Session 2001-02
Published 26 July 2002**

**Government Reply
Eleventh Special Report (HC 1225)
Session 2001-02
Published 24 October 2002**

Recommendation: We recommend as a matter of urgency that the Government formally assesses the risks posed by the landfill of hazardous waste between the date that the ban on co-disposal comes into force and the introduction of the Waste Acceptance Criteria. If, as the Environmental

Services Association believes, these risks are unacceptable, contingency plans should be made for that period.

Response: The final decision on the WAC and when to implement them has not yet been taken. Whenever the WAC are introduced, we agree with the Environmental Services Association the changeover from one regime to the other represents a difficult practical problem. We are in discussion with both industry and the Environment Agency on the issue.

If the WAC are not brought in until 2005 or later, hazardous waste disposal by landfill will only be permitted if it poses no unacceptable risk to the environment and human health. The Environment Agency would have to impose appropriate conditions on those sites for that interim period.

Have the Waste Acceptance Criteria now been agreed?

The waste acceptance criteria were agreed in Council in December 2002 and published in the Official Journal in January 2003. A consultation on implementing these requirements in England and Wales is now taking place and this will end on 17 December. Obviously, the final version of the national implementing legislation will depend on the outcome of that consultation, but the consultation document does include a Government preference in those areas where national Governments have a choice.

If so, when will they be implemented? What implications do the criteria have for the landfill of hazardous waste after the ban on co-disposal?

The date for implementing the waste acceptance criteria will depend on the outcome of the consultation. The Government preference set out in the consultation document for hazardous waste is 16 July 2005 going to existing hazardous waste landfill sites. Implementation of the waste acceptance criteria will constitute further progress towards the Government's aim of preventing or reducing as far as possible the negative effects on the environment as well as any resulting risk to human health from landfilling of waste. The Government recognised the potential regulatory and capacity problems that may arise as a result of the ending of co-disposal and these are being addressed both in the consultation document and by the Hazardous Waste Forum. The Forum includes representatives of waste producers, waste management companies, regulators, academia and Government.

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**Tenth Report from the Environment, Food and Rural Affairs Committee,
The Role of Defra (HC 991)
Session 2001-02
Published 14 November 2002**

**Government Reply:
First Special Report (HC 340)
Session 2002-03
Published 28 January 2003**

Recommendation: Putting sustainable development, particularly concern for the environment, at the heart of policy-making is vital. We welcome the fact that Defra has adopted as one of its primary roles the promotion of sustainability. There is no intrinsic reason why taking

responsibility for sustainable development and the environment away from the old Department of the Environment, Transport and the Regions and locating it in Defra should have removed it from the heart of Government - provided that mechanisms are put in place to ensure that Defra is listened to, and that its proposals are acted upon by other Departments. Whether or not those mechanisms will operate effectively is rightly the matter of some concern, a point we return to later in this report.

Response: Defra has been working in a number of different ways to ensure that sustainable development objectives are embedded across government ... Defra has also been working on the further roll-out of the integrated Policy Appraisal (IPA) tool across seven government departments and the usefulness of this tool will be evaluated by the in-house policy consultancy maintained by the Office of the Deputy Prime Minister and Department for Transport with the results presented to Ministers in 2003.

Defra also supports the Sustainable Development Commission and it is strongly placed to play a more active role advocating sustainable development across government. Its intrinsic strengths of a broadly-based membership who can draw on practical experience and its greater freedom to comment mean that we see the Commission playing a greater role in future. We are discussing how our tangible support to the Commission's secretariat can reflect this enhanced role.

Have the results of the evaluation of the Integrated Policy Appraisal tool yet been presented to Ministers? If so, what were the findings of the evaluation?

The Integrated Policy Appraisal tool (IPA) was developed to help policy makers assess the full range of social, economic and environmental impacts of their policy proposals and projects. It provides a way of drawing together all the appraisal requirements that Government has committed to as well as helping Departments meet commitments to Better Policy Making and sustainable development.

The Cabinet Sub-Committee, ENV(G) decided in July 2002 that a cross-Whitehall pilot of the IPA would be a useful way of examining whether it had the potential to achieve these aims. The pilot took place between January and May 2003 and was evaluated by a DfT in-house policy consultant. The pilot involved seven Government Departments and one Government Office and covered 13 policies or policy proposals. The results of the pilot will be reported to Ministers later in the year.

What was the outcome of discussions with the Sustainable Development Commission about Defra's support to the Commission's secretariat?

The Sustainable Development Commission (SDC) is playing an increasing role in helping Defra to deliver its commitments under the PSA1 on sustainable development. The SDC is especially suited to forging links with other sustainable development related delivery agencies within government. To this end discussions have been held with the SDC secretariat to help strengthen and streamline the support Defra's Sustainable Development Unit (SDU) provides as the sponsoring division.

These discussions have focussed on the practical issues surrounding financing of increased SDC activity; identifying better suited accounting arrangements in support of work plans; liaising with internal Defra directorates in support of the Commission and providing administrative

support for the appointment of the SDC Chair and its Commissioners. The SDU sponsorship role also involves financial oversight of the Commission's activities, reviewing the corporate and business planning process and providing advice to the secretariat when required.

Recommendation: We recommend that the Government reply in detail to the annual reports of the Countryside Agency on rural proofing, setting out how shortcomings will be put right.

Response: We will consider publishing a response to the Countryside Agency's report on rural proofing, as the Committee recommends.

What was the conclusion of your consideration of our recommendation?

Following consideration by DA(RR) Ministers, it was decided that publishing a formal Government response would not add anything of value to the means already in place for ensuring that recommendations from the Countryside Agency's report are acted upon.

DA(RR) itself, on which Sir Ewen Cameron sits, and its supporting official structures, provides a forum to take forward recommendations and monitor performance. Papers with work programmes are tabled at DA(RR), and work then taken forward outside of it.

As the Agency's reports are annual and well-published, there is a regular opportunity to hold the Government to account publicly if it has failed to respond to anything adequately. Ministers wish to see departmental resources focused on action rather than additional reporting.

Recommendation: We recommend that the Department set out its policies for recruiting and retaining staff, to ensure that shortages and turnover are reduced.

Response: As part of work on a Defra pay and workforce strategy for 2003-2006, we will be setting out our policies for recruiting and retaining staff, to ensure that turnover is at an appropriate level.

What are Defra's policies for recruiting and retaining staff? What mechanisms have been put in place to monitor the effectiveness of such policies?

Recruitment into Defra - and the Civil Service generally - is governed by the Civil Service Order in Council 1995. The Order in Council sets out the legal basis for recruitment policies and practice. The fundamental principle is that appointments must be made on merit on the basis of fair and open competition.

The Department has recently formally introduced a competence based recruitment and selection system which seeks to adhere to the modernising Government themes of removing barriers and getting the right people in the right jobs for both themselves and the organisation. This requires candidates to provide evidence as to how they have met (or shown the potential to meet) the competence/skills level required for the post.

Defra has a competence framework on which this system relies. It describes the skills, knowledge and behaviours which everyone needs to be effective in all types of job across the Department. It applies to all staff between Administrative Assistant and Grade 6 (and their equivalents), whatever their role, whether administrative, specialist or technical. Identifying the key characteristics required and describing them in terms which managers, interviewers and applicants can understand, means that selection can focus on how candidates have demonstrated the competences being sought. Selection methods which concentrate on what applicants can do (evidenced by what they have done in the past) and relate this to the job(s) to be filled should reduce the scope for subjective or biased decisions. The Department places considerable importance on leadership skills so for Grade 6 and Grade 7 appointments the Leadership Profile taken from the Senior Management Learning and Development Programme is also used.

This should aid retention - along with a dedicated training and development structure; an Interchange Strategy; well established Defra values that recognise the contributions people make (treating them fairly and equitably) and a pay structure which compares favourably within the Civil Service. Defra's Pay and Workforce Strategy sets out the measures to be taken and the success indicators for the period 2003-2006.

Monitoring the effectiveness of these policies is ongoing. The Management Board receive three monthly updates of Departmental performance in the form of a wide range of information using a Balanced Scorecard approach. This includes HR information incorporating data on staff turnover rates and any recommendations to refine policies. There is also a regular Staff Attitude Survey which contains questions related to morale, motivation and other recruitment and retention indicators. Monitoring the success of the Interchange Programme also features together with regular information from business units about staffing matters which feed into updates to the Pay and Workforce Strategy. More specifically, the new competence based selection system will be reviewed after its first year of operation (at 1 October 2004). Departmental staffing details are published annually in the Departmental Report.

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Ninth Report of the Environment, Food and Rural Affairs Committee

The Future of UK Agriculture in a Changing World (HC 550-I)

Session 2001-02

Published 6 November 2002

Government Reply:

Second Special Report (HC 384)

Session 2002-03

Published 4 February 2003

Recommendation: We welcome the establishment of the Chief Scientific Adviser's Group. Arrangements concerning the role of the group should form part of the future contingency plans.

Response: The Government's Chief Scientific Advisor (CSA) has established a Science Advisory Group. The inaugural meeting of the group took place on October 2002...The Group will be replaced within 12 months by a Scientific Advisory Council which will be established as an advisory Non-Departmental Public Bodies (NDPB).

What arrangements have been made to prepare for the replacement of the Science Advisory Group by the new advisory NDPB?

Advertisements for the Chair and members of the new Science Advisory Council were widely posted in July 2003. The closing date for receipt of applications was 30th September 2003. During this period, there were more than 1000 expressions of interest, resulting in the receipt of 275 completed applications.

All applications were considered in accordance with the procedures laid down by the Office of the Commissioner for Public Appointments regulations. A short-list of 25 will be interviewed for the posts of Chair or member in mid November 2003 and recommendations on appointments then made to ministers. We hope that the membership of the Science Advisory Council will be announced in December 2003, following Ministerial approval.

The Science Advisory Group will be wound up just as soon as the Science Advisory Council is established.

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**First report of the Environment, Food and Rural Affairs Committee
Reform of the Common Fisheries Policy (HC 110)
Session 2002-03
Published 28 November 2002**

**Government reply:
Third Special Report (HC 478)
Session 2002-03
Published 4 March 2003**

Recommendation: We welcome the proposal that technological monitoring measures such as satellite monitoring and electronic logbooks should be more widely adopted. That said, we recommend that the Government accepts that installation of them should be funded either by the United Kingdom or the European Union, so that British Fishermen can install them on the same basis as their European competitors.

Response: The Government supports these developments and grant aid will be made available under the fisheries structural fund, FIG (Financial Instrument for Fisheries Guidance) towards the cost of satellite position monitoring terminals on fishing vessels between 15 and 24 metres.

What has been the impact of making grant aid available in the way described?

It is too early to make an assessment of the impact of financial assistance towards the cost of installing satellite position monitoring terminals on UK fishing vessels between 15 and 25 metres. No terminals have been installed so far because detailed rules for satellite-based vessel monitoring systems were only agreed by the European Commission at the beginning of October 2003. Guidance on how to proceed is now being prepared for the UK industry and will be issued shortly.

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Third Report of the Environment, Food and Rural Affairs Committee
Session 2002-03
The Mid-Term Review of the Common Agricultural Policy (HC 151)
Published 21 January 2003-09-12

Government Reply:
Fourth Special Report (HC 615)
Session 2002-03
Published 8 April 2003

The Committee would be grateful for a general update on negotiations about the details of CAP reform.

General update

On 26 June EU Agriculture Ministers agreed a major reform of the Common Agricultural Policy (CAP), which provides for a substantial shift of EU support from production to a wider range of rural and environmental activities. The key points are:

- breaking the link between farm subsidies and production in order to reconnect farmers to their markets, reduce damaging environmental impacts and reduce bureaucracy: this is at the heart of our approach to sustainable food and farming;
- national envelopes which will allow us to develop targeted schemes to promote sustainable and environmentally friendly farming;
- cross compliance to make subsidies dependent on meeting standards in key areas like environment, and animal health and welfare;
- modulation, for the first time on an EU wide basis, switching support from production subsidies to targeted support for environmental and rural development objectives; we have secured an increase in the size of that switch, and in the size of the UK share of the funds available from modulation;
- support prices for butter, and rice are reduced, bringing them closer to world prices to the benefit of consumers;
- there is a new financial discipline which will trigger action to reduce subsidies if CAP expenditure looks to be in danger of exceeding the agreed ceilings.

We have gone further than the Commission's January 2003 proposals in key areas:

- we have secured a further switch to the second pillar which now starts earlier and is over a third larger than the January proposal. The final deal starts earlier than the January proposal (2005 instead of 2006) and at a higher rate in the earlier years (4% in 2006 instead of 1%), and will move €9 billion to rural development over the period to 2013, not just the €6.6 billion initially proposed;

- we have succeeded in protecting UK farmers from the immediate threat of an unfair settlement as part of the financial discipline process.

We met our main objectives. This was a good outcome which takes forward our strategy to provide a sustainable basis for EU agriculture:

- overall these reforms will allow us to secure EU funding to help deliver the entry level agri-environment scheme recommended by the Curry Commission;
- it sends a strong message to our negotiating partners in the WTO that the Community has made a real effort towards a positive outcome to the agriculture trade negotiations;
- it will help remove some of the distortions on world markets caused by the CAP, and should improve the trading position of – e.g. - developing countries; and it ends a difficult period of uncertainty for farmers allowing them to start to plan the future of their businesses, knowing what the regulatory framework will be.

For the first time, the bulk of farm subsidy will not be dependent on what or how much a farmer produces - a crucial change. Farmers will be free to produce what they, as business people, judge the market wants. For example, cut back production, and their costs, and focus on a smaller volume of higher quality produce. Or diversify into other products, where there might be higher returns. In addition, several bureaucratic subsidy regimes will be swept up into the new reformed single payment system, cutting red tape for farmers. And there are clear environmental benefits: the incentive to overstock and intensify is removed; through cross-compliance, the new subsidy will be linked to the protection of habitats, water and soil; and we can expect an increase in the area of fallow land and in the take up of agri-environment schemes.

Also, for the first time, “modulation” applies on an EU-wide basis, switching support from production subsidies to targeted support for environmental and rural development objectives. We’re ahead of the game in the EU and we’ll be able to modulate at a higher rate to fund our sustainable food and farming agenda.

Ministers have decided to introduce the reformed scheme in the UK from the earliest possible date – January 2005 – and to devolve decisions to Scotland, Wales and Northern Ireland where there is the option of doing so. We held public consultations at key stages of the reform negotiation process including a consultation that ended on 24 October 2003 on how we should implement the reforms. We will consult further over the winter and spring 2004 on the detailed implementing regulations.

June’s CAP reform agreement put the EU on a strong footing on agriculture at Cancun and many felt a deal was close – agriculture was not the cause of the breakdown. The setback at Cancun will not hinder the CAP reform process in Europe – indeed legislation setting the June agreement in stone was agreed by Agriculture Ministers on 29 September and at the same time the Commission published proposals for reforming the sectors which weren’t covered by the June agreement – sugar, cotton, olive oil, tobacco and hops.

On sugar, the Commission have published a discussion paper with three options for reform – status quo, cuts in price support, and full liberalisation. The UK Government view is that there is a strong case for early progress towards a market-driven, simplified and deregulated approach

in line with the June 2003 decisions. In so doing, we will need to take account of the legitimate interests of the African, Caribbean and Pacific (ACP) countries and least developed countries which currently benefit from preferential trade arrangements with the EU. Commissioner Fischler has told the European Parliament that he wants a political debate on possible ways ahead and does not envisage tabling any actual proposals on sugar until mid 2004.

The UK supports the Commission's proposals for full decoupling of the tobacco and hops regimes. For tobacco it will mean the end of the specific subsidy of this harmful product.

On olive oil and cotton, the Commission propose 60% decoupling of subsidy (with the option of 100% for cotton). The UK will be pressing for a greater decoupled element. For tobacco, olive oil, hops and cotton, following an orientation debate in October, the Commission aim in November to present formal legislative proposals for negotiation and there is likely to be pressure to secure agreement by next spring.

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**Fifth Report of the Environment, Food and Rural Affairs Committee
Countryside and Rights of Way Act 2000 (HC 394)
Session 2002-03
Published 18 March 2003**

**Government Reply
Fifth Special Report (HC 748)
Session 2002-03
Published 10 June 2003**

Recommendation: We welcome the commitment to improve practice in mapping the other regions, and the new procedures adopted by the Countryside Agency. We trust that there will prove an adequate response to the earlier problems, and that the original target for completion of the exercise will be met.

Response: The Government and the Agency will work closely together to ensure that the necessary funding is made available to allow the completion of the mapping project to timetable.

Is the mapping project currently on schedule? If not, what steps are being taken to improve the situation?

Yes. The mapping project is on schedule. The last of the eight draft maps showing open country and registered common land for East England was published on 2 September 2003.

Recommendation: We urge the Department to finalise its proposals relating to restrictions as soon as possible.

Response: The Government intends to lay regulations before the House very soon.

Have regulations been laid?

The Government laid the Access to the Countryside (Exclusions and Restrictions)(England) Regulations 2003 before Parliament on 24 October 2003. The Regulations entered into force on 17 November 2003.

Recommendation: It is not clear that any additional funds have been made available to local highway authorities to exercise their new powers under the Act in relation to newly-created open-access land. We urge the Department to clarify how it expects the additional costs of using these powers to be met.

Response: We intend to provide guidance to local authorities on these new powers before the end of 2003.

Has such guidance been provided? If not, when will it be given?

The Government issued guidance on 22 July 2003 setting out the role of access authorities in relation to their functions under Part I of the Act. We intend to issue further specific guidance on the discharge of access authorities' functions in time for regional commencement, starting in the summer 2004.

Recommendation: We are concerned that the Countryside Agency and the Department do not yet appear to have reached agreement on how the facilitation of new rights of access should be funded.

Response: The Government and the Agency are working closely with partners to look at what is needed to manage the new right of access and what existing funding streams are available. Once we have completed that work and identified whether or not there is a gap, we will jointly consider how to meet any requirements.

What progress has been made?

The Government is keen to ensure that the new right of access is implemented as smoothly as possible on the ground and understands the calls for the establishment of a national grant scheme made particularly by the Country Land and Business Association, National Farmers' Union and the Ramblers' Association. We need to be sure that any such scheme is affordable, that it will not involve any relaxation in the efforts of all concerned to fulfil their existing responsibilities and that it will deliver full value for money in respect of any additional expenditure.

The Government is currently looking at proposals which the Countryside Agency has put forward. We expect to make a decision shortly.

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Fourth Report of the Environment, Food and Rural Affairs Committee
The Water Framework Directive (HC 130-I)
Session 2002-03
Published 19 March 2003

Government Reply:
Sixth Special Report (HC 749)
Session 2002-03
Published 10 June 2003

Recommendation: The scale of the task involved in achieving good ecological status in our waters is not yet known.

Response: The Government will publish a revised overall assessment of the costs of implementing this Directive later this year.

Has this revised assessment been made? When will it be published?

The Government published a partial revision of the estimated costs of implementing the Directive in August 2003. In particular it updated the estimates of costs to agriculture.

Defra is currently finalising the RIA to update overall costs. The assessment will be published online and will accompany the Regulations when they are laid before Parliament.

A general update on progress made in implementing the Directive would be welcomed by the Committee.

The Government published in August a third consultation paper including draft transposing regulations. The full text of the consultation paper, including the RIA, is at <http://defraweb/corporate/consult/waterframe3/consultdoc.pdf>

Defra is working closely with the Environment Agency (EA) on all aspects of implementation, as the competent authority in England and Wales.

The EA continues its work on river basin characterisation which entails the identification of River Basin Districts and associated water body categories, types and reference conditions. A draft register of protected areas for each river basin district is also being established. For each district the significant pressures and impacts in catchments and the risk of failing the objectives for water bodies are being identified. It is planned that draft reports will be available for public review during September 2004.

The Ribble Pilot was launched in June of this year and is managed by the EA. The pilot will have two key phases of work:

- Testing of the Common Implementation Strategy (CIS) on the 'Planning Process' and 'Public Participation'. This will be completed by July 2004.
- Preparation of a prototype River Basin Management Plan and Programme of Measures for the Ribble Basin by May 2007.

The pilot is working closely with regional stakeholders to explore methods and techniques for engaging regional and local stakeholders in the river basin planning process. Key stakeholders, including regional representatives for business, industry, wildlife, environmental and farming organisations, are closely involved in the development of the pilot project. The prototype plan will be finalised as part of the draft River Basin Management Plan and Programme of Measures for the North West River Basin District.

The UK continues to vigorously engage at European level in the EU's Common Implementation Strategy (CIS) working groups especially with Working Group 2.A "Ecological Status" where the UK co-leads and on the preparation of a joint UK/France/Commission paper on the assessment of the Recovery of Costs for Water Services which comes under the auspices of the CIS Drafting Group "Eco 1", a strand of Working Group 2b "Integrated River Basin Management".

The WFD National Stakeholder Group (covering England) has met most recently on 22 May and 8 October where stakeholders have been updated on progress and asked for comments and feedback on how implementation is progressing. Similar stakeholder groups are being organised in Scotland. The WFD Inter-Departmental Steering Group (ISG) which ensures a cross-UK and cross- departmental approach to the Directive met most recently on 9 October.

Defra and the EA have jointly appointed a communications consultancy to develop a WFD Communications Strategy for England at the request of the WFD Stakeholder Communications Sub-Group. The consultant made a presentation and sought initial views at the most recent Communications Sub-Group Meeting on 8 October where stakeholders broadly supported the objectives for the strategy including the plans to maximise stakeholder involvement through a series of interviews and workshops. The strategy is to be finalised by the end of 2003 and will inform how Defra/EA communicate their messages on WFD to key audiences over the next 2-3 years.

Parallel work on the public participation requirements of the Directive (Article 14) is also in progress. The EA is aiming to consult on the draft strategy by the end of 2004. Pilot studies using public participation techniques across the UK and Europe (including the Ribble) will help inform this work.

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Sixth Report of the Environment, Food and Rural Affairs Committee
Rural Payments Agency (HC 382)
Session 2002-03
Published 8 April 2003

Government Reply:
Seventh Special Report (HC 830)
Session 2002-03
Published 24 June 2003

Recommendation: We welcome the prospect that new means of electronic delivery will simplify IACS forms. However, we are not yet fully persuaded that RPA is treating simplification of such forms with sufficient urgency. The matter should now be given the highest priority.

Response: RPA will test new form designs with customers and incorporate their views.

Have new forms been developed and tested with customers? What has been customer reaction?

Since we responded to the Committee on Recommendation 4, the CAP Reform package has been agreed and RPA has re-assessed priorities for its Change Programme. As a result the RPA's modernisation programme will now concentrate on the development of the new Single Integrated Payments Scheme (SIPS) to be implemented from 1 January 2005. As we acknowledged in our earlier response, we will test new form designs with customers and incorporate their views.

Legacy systems will therefore operate for one additional year based on existing forms and IT systems. When developing forms for the final years of the schemes, we will adopt the same approach as taken with SIPS and involve customers in the testing of any changes to form design. Our aim continues to be to make the process as simple as possible

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Seventh Report of the Environment, Food and Rural Affairs Committee

Badgers and Bovine TB (HC 432)

Session 2002-03

Published 9 April 2003

Government Reply:

Eighth Special Report (HC 831)

Session 2002-03

Published 24 June 2003

Recommendation: We welcome in principle the proposal to use 'lay' testers to clear the backlog of outstanding tests. We therefore recommend that the Government publish more detailed proposals about the qualifications it will require, taking into account the views of particularly the veterinary profession.

Response: The Government is planning a full public consultation exercise in the summer of 2003 on a proposal to introduce an Exemption Order, under the Veterinary Surgeons Act 1966, to permit trained and competent lay people to perform tuberculin skin testing of cattle.

Has the consultation exercise been completed? What was its outcome?

The Government's consultation on the proposal to introduce an Exemption Order, under the Veterinary Surgeons Act, to permit trained and competent lay people to perform tuberculin skin testing of cattle ended on 26 September 2003. We are currently analysing the responses received, although we await the responses from the British Veterinary Association and the Royal College of Veterinary Surgeons which will be submitted after the RCVS Council on 30 October. A summary of the responses will be made available on the Defra Website.

Recommendation: We recommend that the Government publish the terms of reference of and the plan of work for its review as quickly as possible.

Response: Government is developing, in consultation with stakeholders, a TB strategy. This will cover a period of up to 10 years. Government expects to issue a consultation document later this year.

When will the consultation paper be published?

The Government hopes to issue a TB Strategy consultation document by the end of the year. This will open debate on the development of a new TB Strategy for GB and propose short term measures for improved TB controls. Pre-consultation meetings with key stakeholder groups have been held and will inform the consultation document.

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**Eighth Report of the Environment, Food and Rural Affairs Committee
The Future of Waste Management (HC 385)
Session 2002-03
Published 22 May 2003**

**Government Reply:
Ninth Special Report (HC 1084)
Session 2002-03
Published 16 September 2003**

Recommendation: We are pleased that the Government is pressing for higher penalties for serious environmental crimes. We recommend that the proceeds of fines imposed for such crimes be passed to the Agency to support its work.

Response: We plan to consult on proposals at the end of the summer and to publish a policy statement once this has been completed.

Has the consultation been launched? When will it conclude?

The consultation is due to issue in Spring 2004 with a closing date 12 weeks later.

Recommendation: We recommend that the Government complete its deliberations about local authority household incentive schemes as soon as practicable and certainly by the time of the next Pre-Budget report.

Response: In response to the Strategy Unit report, the Government has undertaken to carry out further work before any decision is taken to enable local authorities to implement direct or variable charging for waste...The work will be carried out in co-operation with the Local Government Association and other stakeholders and will start this summer thus enabling Government to review its position on this in 2004.

Has the work started?

Work is now being taken forward to look at the potential for household incentives in influencing waste management behaviour, and how they might be implemented.

The Local Government Association and local authorities have been involved in discussions on what can be done within the constraints of existing legislation, what can be learnt from their experiences, and what their preferences would be in establishing a system of household incentives.

This work will allow the Government to review its position in 2004.

Recommendation: It remains to be seen whether the total pot of money available for local authorities to spend on more sustainable waste management is large enough. However, we are dissatisfied that what funding there has to be bid in competition with other authorities, or is not specifically for waste, or is tied to the introduction of Private Finance Initiatives.

Response: In line with this the Government announced in the budget that the existing Waste Minimisation and Recycling fund will be replaced with a Performance Reward Grant. The Government expects to announce more details of the new arrangements, including the timing of its introduction, later in the year.

Have further details been announced? If not, when will they be?

Defra announced in August that there would be one more round of the Waste Minimisation and Recycling Fund of £135m covering 2004/5 and 2005/6. The Performance Reward Grant will start in 2005/6 – initially with £45m, and £90m per annum thereafter.

The final round of bidding for the Waste Minimisation and Recycling Fund was announced on 20 October 2003.

Work on the design of the Performance Reward Grant is underway. The Government expects to issue a consultation on this before the end of the year.

Recommendation: We are disappointed that the Commission does not appear to include recycling under its Environmental Guidelines for state aid, and recommend that the Government support WRAP in its negotiations with the Commission.

Response: ... We will continue to work towards developing an interpretation that recognises the contribution that recycling can make to improving the environment and the legitimacy of public funding support to tackle certain market barriers, both through individual notifications and in any subsequent review of the Guidelines.

What progress has been made in negotiating with the Commission?

We have continued to support WRAP in its negotiations with the Commission and, since this response, WRAP has received further state aids clearance for its grants. However, the interpretation that the Commission has taken is that the aid under the Environmental Guidelines is for grants to companies to improve their own environmental performance by reducing emissions, rather than for broader environmental benefits such as increased recycling benefits the country as a whole.

We are continuing to work with the Commission to encourage them to examine their interpretation of the guidelines.

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Ninth Report of the Environment, Food and Rural Affairs Committee**The Delivery of Education in Rural Areas (HC 467)****Session 2002-03****Published 5 June 2003****Government Reply****10th Special Report (HC 1085)****Session 2002-03****Published 16 September 2003**

Recommendation: Defra has a key role in monitoring the effect of the various government initiatives and pilot projects to help post-16 students attend school and college. We recommend Defra publish examples of good practice by LEAs in rural areas, and also identify those LEAs where students are prevented from attending school and college because of poor transport provision.

Response: The Government is publishing a Good Practice Brochure featuring 12 of the most successful Transport Development Pathfinders, and references to 4 exemplary Local Education Authority Transport Policy Statements. It will be published in September 2003 and disseminated to all Local Education Authority- led Transport Partnerships to assist in the development of improved transport services and support.

Has the brochure been published?

DfES intend to publish the brochure at the end of January 2004.

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Eleventh Report of the Environment Food and Rural Affairs Committee
Rural Broadband (HC 587)
Session 2002-03
Published 15 July 2003

Government Reply
Twelfth Special Report
Session 2002-03
Published 16 September 2003

Recommendation: We agree with the Countryside Land and Business Association that setting trigger levels for all exchanges, no matter how high they might be, would help rural communities to gauge their prospects of accessing broadband via ADSL. We therefore strongly urge BT to set trigger levels on all exchanges.

Response: Ministers will write to BT to put forward the view that it is in their interests as a company as well as in the local public interest, for them to be open and transparent about trigger levels, but this must be a commercial decision for the company.

Have ministers written to BT in relation to this matter?

Ministers wrote to BT on 16 October 2003.

Formal minutes

Wednesday 14 January 2004

Members present:

Mr Michael Jack, in the Chair

Ms Candy Atherton	Joan Ruddock
Mr Colin Breed	Alan Simpson
Mr David Drew	David Taylor
Mr Ian Liddell-Grainger	Paddy Tipping
Mr Austin Mitchell	Mr Bill Wiggin
Diana Organ	

The Committee deliberated.

Draft Report [*Annual Report of the Committee 2003*], proposed by the Chairman, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 32 read and agreed to.

Resolved, That the Report be the Second Report of the Committee to the House.

Ordered, That the Chairman do make the Report to the House.

A Paper was ordered to be appended to the Report.

Ordered, That the Appendix to the Report be reported to the House.—(*The Chairman*).

The Committee further deliberated.

[Adjourned till Wednesday 21 January at a quarter past Two o'clock.]

Reports from the Committee since 2001

Session 2003–04

First Report	Water Pricing	HC 121
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Session 2002–03

Eighteenth Report	Conduct of the GM Public Debate	HC 1220
Seventeenth Report	Biofuels	HC 929-I
Sixteenth Report	Vets and Veterinary Services	HC 703
Fifteenth Report	New Covent Garden Market: a follow-up (<i>Reply, HC 123</i>)	HC 901
Fourteenth Report	Gangmasters (<i>Reply, HC 122</i>)	HC 691
Thirteenth Report	Poultry Farming in the United Kingdom (<i>Reply, HC 1219</i>)	HC 779-I
Twelfth Report	The Departmental Annual Report 2003 (<i>Reply, HC 1175</i>)	HC 832
Eleventh Report	Rural Broadband (<i>Reply, HC 1174</i>)	HC 587
Tenth Report	Horticulture Research International (<i>Reply, HC 1086</i>)	HC 873
Ninth Report	The Delivery of Education in Rural Areas (<i>Reply, HC 1085</i>)	HC 467
Eighth Report	The Future of Waste Management (<i>Reply, HC 1084</i>)	HC 385
Seventh Report	Badgers and Bovine TB (<i>Reply, HC 831</i>)	HC 432
Sixth Report	Rural Payments Agency (<i>Reply, HC 830</i>)	HC 382
Fifth Report	The Countryside and Rights of Way Act 2000 (<i>Reply, HC 748</i>)	HC 394
Fourth Report	Water Framework Directive (<i>Reply, HC 749</i>)	HC 130
Third Report	The Mid-term Review of the Common Agricultural Policy (<i>Reply, HC 615</i>)	HC 151
Second Report	Annual Report of the Committee 2002	HC 269
First Report	Reform of the Common Fisheries Policy (<i>Reply, HC 478</i>)	HC 110

Session 2001–02

Tenth Report	The Role of Defra (<i>Reply, HC 340, Session 2002-03</i>)	HC 991
Ninth Report	The Future of UK Agriculture in a Changing World (<i>Reply, HC 384, Session 2002-03</i>)	HC 550
Eighth Report	Hazardous Waste (<i>Reply, HC 1225</i>)	HC 919
Seventh Report	Illegal Meat Imports (<i>Reply, HC 1224</i>)	HC 968
Sixth Report	Departmental Annual Report 2002 (<i>Reply, HC 1223</i>)	HC 969
Fifth Report	Genetically Modified Organisms (<i>Reply, HC 1222</i>)	HC 767
Fourth Report	Disposal of Refrigerators (<i>Reply, HC 1226</i>)	HC 673
Third Report	Radioactive Waste: The Government's Consultation Process (<i>Reply, HC 1221</i>)	HC 407
Second Report	The Countryside Agency (<i>Reply, HC 829</i>)	HC 386
First Report	The Impact of Food and Mouth Disease (<i>Reply, HC 856</i>)	HC 323