

Chapter 10: Defra's delivery partners



HIGHLIGHTS DURING 2007-2008

The Environment Agency responded successfully to major flooding events across England during 2007. They also reported a reduction in the number of serious and significant pollution incidents compared with the same period last year.

The Animal Health's and the Veterinary Laboratory Agency's emergency response capabilities were fully tested as part of Defra's response to the Foot and Mouth Disease, Avian Influenza and Bluetongue outbreaks.

As part of the 2006 Single Payment Scheme Rural Payments Agency achieved the EU requirement of paying 96.154 per cent of total fund value by 30 June 2007.

A decision was taken to create a new Regulatory Science Agency (working title) from the Central Science Laboratory and Defra's Plant Health Division, Plant Health and Seeds Inspectorate and the Plant Variety Rights Office and Seeds Division.

Following a public consultation exercise Pesticides Safety Directorate will join the Health and Safety Executive from 1 April 2008.

The Veterinary Laboratories Agency's audit acknowledged the Agency as a 'recognised centre of excellence' and rated the science 'good' overall.

Centre for Environment Fisheries and Aquaculture Science has achieved an increase of 30 per cent of competitively-won non-Defra income and strengthened relationships across the wider Defra Network thus achieving a high degree of confidence in its business transformation plans. Significant progress has also been made in organisational change, laboratory closure and new premises projects that underpin the transformation.

Natural England made a significant contribution to the record annual improvement of 7.3 per cent in the condition of Sites of Special Scientific Interest (SSSIs) achieved in 2007-08. This brought the percentage of SSSI land in favourable or recovering condition to 82.7 per cent and helped to make up some of the shortfall from last year. Much of the improvement was achieved through Environmental Stewardship agreements, and was a key outcome from the 4.7 million hectares of land entered into the scheme during the year.

For British Waterways (BW), Telford's Pontcysyllte Aqueduct on the Llangollen Canal was selected as the UK candidate for UNESCO World Heritage Status. Also significant for BW was taking forward construction of a new lock and water control structures on waterways by the Olympic Park which will enable large river barges to access the Olympic Park and Legacy developments by water, helping to take up to 1,200 lorry journeys per week off local roads and save up to 4,000 tonnes of CO₂ in build up to the Olympics.

Overview

Providing services around customer needs is a key theme of Defra's Capability Review and this year has seen significant enhancements to the effectiveness of the relationship between the Department and its delivery bodies. Positive stakeholder feedback about the speed, professionalism and flexibility of Defra's response to the summer flooding and disease outbreaks has signalled an improvement in policy/delivery relationships, which have been strengthened by new governance structures for Executive Agencies and Non-Departmental Public Bodies (NDPBs).

Actions taken include:

- implementing our action plan for governance of delivery to improve and clarify Defra's relationships with its delivery bodies. Taking action to promote a partnership approach and to ensure that the right skills, structures and behaviours are embedded to promote good governance;
- appointing a Defra delivery body representative as a non-executive director on the Defra Management Board; and
- establishing a formal programme whereby Environment Agency, Natural England, Rural Payments Agency and Animal Health have active biannual engagement with Defra ministers and share performance information with Defra's Management Board.

In taking these actions forward the Department has:

- defined and clarified governance structures and accountabilities;
- held conferences for delivery body Chairs and Chief Executive Officers which have led to proposals for 'Deals' being developed between Defra and delivery bodies to set the context for their work that go beyond the formal arrangements already in place and encourage true partnership working; and
- ensured that the policy cycle developed to provide a common approach to policy development across the department embeds both a customer focus and involvement of delivery partners throughout.

Looking forward to 2008-2009

Defra will continue to take forward outstanding elements of the governance of delivery action plan such as enhancing interchange between core Defra and delivery partners and start implementing the new policy cycle.

The Defra Collaboration Group (DCG) secretariat undertook a review of the DCG at the start of 2007, in line with a recommendation by the Capability Review. Based on this review and discussions with members of the DCG, the Defra Network Delivery Group (DNDG) was created.

The DNDG will maintain a strategic focus on how Defra can best deliver services to customers and look for opportunities for working in partnership with the Defra Network to realise this ambition. At the start of 2008-09, the group was in the process of agreeing the way forward for the Whole Farm Approach (WFA) having, subject to

the business case and funding, endorsed the principle that for English farmers the e-channel services of the Rural Payments Agency, Animal Health and Natural England will be made available via the WFA. The benefits of the WFA for our customers include having one point of contact for on-line farm related government services, having fewer requests for information and being able to see what information is held about their farm and ensuring it is correct.

Defra has also taken forward work to act on the recommendations of the Capability Review to see ourselves as customers see us. This has included:

- appointing a Director of Customer Focus and Regulation with responsibility for improving understanding and engagement with customers;
- developing insight from existing research on key customer groups and carrying out new research where needed;
- developing a business engagement programme, to enable regular dialogue between Ministers and senior officials and business; and
- carrying out work across the Department to understand our customers better, for example the recently published Framework for pro- Environmental Behaviours.

Defra's delivery partners

Currently there are more than seventy diverse delivery partners that help Defra to deliver its strategic priorities. Some are Executive Agencies which report directly to Defra; others are Non-Departmental Public Bodies (NDPBs) which are accountable to their boards and to ministers. Together these organisations are part of Defra's 'delivery network'. They vary enormously in size, structure and influence – ranging from the Environment Agency an Executive NDPB with over 12,000 employees and a budget of £1 billion, the Sea Fish Industry Authority a levy board with 95 employees and a budget of over £11 million whose aim is to raise and maintain the standards of the fishing industry, nine National Park Authorities throughout England of varying sizes, conserving all aspects of the National Parks (heritage, wildlife etc) to the Advisory Committee on Organic Standards – an advisory NDPB – which is comparatively small. These are just a few examples. Defra also has a user friendly internet tool to illustrate and provide information relating to the partners that help Defra to deliver its strategic priorities¹¹².

This Report, will focus on the performance of the nine Defra Network executive agencies the performance of the Forestry Commission and some of Defra's other key public bodies such as the Environment Agency, Natural England and British Waterways.

Executive Agencies

Ministers and the Defra Management Board agreed this year on the future strategic direction of the Central Science Laboratory (CSL) and the Pesticides Safety Directorate (PSD) in the context of Defra's Laboratory Strategy Programme and implementation of the Hampton Review of inspections and enforcement. CSL will merge with Defra's Plant

¹¹² www.defra.gov.uk/corporate/delivery/landscape/index.htm <http://www.defra.gov.uk/corporate/delivery/landscape/priorities/index.htm>

Health Division Plant Health and Seeds Inspectorate and the Plant Variety Rights Office and Seeds Division to create a new Regulatory Science Agency (RSA). Following a public consultation exercise on the future of PSD, Ministers agreed that PSD would join the Health and Safety Executive from 1 April 2008.

Looking forward to 2008-09

In the coming year, Defra will continue to progress the implementation programme for the RSA, which will operate in shadow form during 2008-09 prior to vesting on 1 April 2009. It is also intended that a public consultation will be undertaken on the future of the Veterinary Medicines Directorate in the context of the recommendations on structural changes in the Hampton Review.

Rural Payments Agency¹¹³.

Issues

There is a significant risk of the EC imposing penalties in respect of implementation of the Single Payment Scheme in 2005 and 2006.

Rural Payments Agency (RPA) is Defra's largest executive agency, providing a range of services including; claim processing, making payments, carrying out inspections, recording animal movements and maintaining information on land, livestock and customers.

RPA contributes directly to Defra's Strategic objectives and intermediate outcomes particularly 'a thriving food and farming sector', 'strong rural communities' and 'a respected department'.

RPA's main priority during 2007-08 continued to be the Single Payment Scheme (SPS). For the 2006 Scheme year RPA successfully achieved the EU requirement of paying 96.154 per cent of total fund value by 30 June 2007. Further improvements in administering and managing the SPS have led to payments for the 2007 Scheme starting in December 2007, earlier than previously. By the end of February RPA had achieved its first formal target of making 75 per cent of full payments, by value, by the end of March. RPA is on track to meet its second formal target of making 90 per cent of full payments, by value, by the end of May 2008.

RPA has also made progress with other aspects of the Agency's recovery including IT enhancements to support the move to whole case working and to enable processing of transferred entitlements, reviewing around 30,000 claims and where necessary making adjustments to details within the claims, beginning a leadership training programme for senior staff and a SPS training programme for processors.

¹¹³ www.rpa.gov.uk

Figure 22: Funding in 2007-2008

Area	2007-08
RPA Running Costs	217.1
Running Cost Depreciation and Cost of capital	18.4
Running Cost Appropriations in Aid	-0.8
Capital	25.1
Net Scheme Costs (Exchequer Funded) – Other	11.0
Net Older Cattle Disposal Scheme (OCDS)	30.0
Other Paying Agencies cost of Capital	5.4
Notional charges	1.4
Total Del Budget	307.6

(all figures are reported in millions)

Key Developments during 2007-2008

RPA has:

- for SPS 2006, achieved the EU requirement of paying 96.154 per cent of total fund value by 30 June 2007;
- started and made more SPS 2007 payments earlier than in previous years and achieved its first formal target of making 75 per cent of full payments, by value, by the end of March;
- made progress towards an operation based around whole case working, automating data checks and bringing manual processes into the core IT system;
- improved management information and reporting;
- kept all RPA non SPS subsidy activities stable and on target;
- supported Defra initiatives to provide additional assistance to farmers affected by flooding and Foot and Mouth Disease;
- made governance and internal changes to become more efficient and customer focused;
- undertaken a significant recruitment campaign to stabilise the organisation moving from temporary and fixed term contracts to an 80 per cent permanent workforce; and
- initiated extensive programmes of leadership and scheme specific training.

Looking forward to 2008-2009

RPA plans to:

- further improve the payment profile for SPS payments;
- improve the accuracy of the payments made by the Agency;

- continue the improvements to the core IT system (RITA) to further enable whole case working and provide a flexible system which can easily accommodate changes;
- reduce administrative costs; and
- work closely with Defra to contribute to the Government's Service Transformation agenda

Veterinary Laboratories Agency¹¹⁴.

The Veterinary Laboratories Agency (VLA) provides Defra and other Government customers with specialist veterinary research, consultancy, surveillance and laboratory services; as well as an emergency response capability.

The Agency works closely with other delivery partners across the Defra network and beyond, to ensure that customers' needs are met.

Figure 23: Funding in 2007-2008

Customer	2007-08
Defra – surveillance & reference laboratories	77.2
Defra – research	21.0
Defra – other	0.4
Food Standards Agency	2.2
Other Government	0.5
Commercial	9.1
EU etc.	1.2
Total	111.6

(all figures are reported in millions)

Figures are estimates taken from the VLA Annual Plan 2007-08. Final figures will be available in May 2008 and published in VLA's Annual report and Accounts 2007-08.

Key Developments during 2007-2008

These include:

- during September 2007 VLA was subject to an independent science audit as part of Defra's Quinquennial Science Audit Programme. The audit team chaired by Professor Quintin McKellar, Principal of the Royal Veterinary College, examined the quality and value for money of the Agency's science as well as the scientific outputs over the last five years. In their report they acknowledged VLA as a 'recognised centre of excellence' and rated the science 'good' overall, with many areas of scientific excellence; and

¹¹⁴ Further information can be found on the Veterinary Laboratories Agency's website: www.defra.gov.uk/corporate/vla/

- the Agency's emergency response capability was fully tested as part of Defra's response to the Foot and Mouth Disease, avian influenza and bluetongue outbreaks. The contribution of the Emergency Serosurveillance Team, comprising VLA and Animal Health staff, was recognized via an 'Outstanding' Defra Team Award 2007.

VLA won two awards at the Animal Pharm Awards Ceremony held in London in September:

- the British Veterinary Association Best Veterinary Laboratory Award;
- the industry Excellence Award for the Outstanding Licensing Deal of the Year (a joint award between VLA and Qiagen); and
- the Agency's new Animal Services Headquarters – the Mills Building – won a prestigious Green Apple Award for the 'National Green Champion in Government'. Professor David Bellamy presented the award at the House of Commons.

Looking forward to 2008-2009

During 2008-09:

- a full strategic analysis of VLA's business will be conducted, which will be the foundation for the Agency's five year corporate strategy running from 2008-09. A key feature will be to address the recommendations made in the VLA science audit 2007;
- the new Weybourne Building will be completed during summer 2008. The building will house all VLA's administrative staff as well as a new office suite for the Centre of Epidemiology and Risk Analysis; and
- development work will continue on the new shared facility virology laboratory at the Institute of Animal Health Pirbright site

Central Science Laboratory¹¹⁵

The Central Science Laboratory (CSL) provides research and information services covering agriculture, food and the environment to Defra, other UK Government Departments and industry and to governments and industry around the world. It is located in a purpose built laboratory complex just outside York and employs nearly 700 staff, including over 500 scientists.

CSL's primary aim is to provide Defra with an efficient and competitive service in scientific support, research and advice to meet both statutory and policy objectives and Defra's Public Service Agreement targets. Its work programme is divided between four main areas:

- a healthy environment;
- sustainable land use;
- a safe food supply chain; and
- resilience against contingency events.

¹¹⁵ Further information about CSL, and the Agency's Annual Report and Accounts, can be found at: www.csl.gov.uk/

Figure 24: Funding in 2007-2008

Customer	2007-08
Defra – Research, Development and Support	31.2
Food Standards Agency	2.0
Other UK Government	2.1
EU	2.6
Overseas and commercial	10.1
Total	48.0

(all figures are reported in millions)

Key Developments during 2007-2008

Key achievements include:

- CSL has been successful in the Food Standards Agency tendering process for National Reference Laboratory (NRL) status in five areas – Veterinary Parasitology; Dioxins/PAHs; Metals; Mycotoxins and Food Packaging. When added to the existing NRL status of CSL for Veterinary Drugs (part) and Pesticides (3), this significantly strengthens CSL's position as a 'National Laboratory' in food chemistry and surveillance in particular;
- following a long running programme, CSL's work on badgers and bovine tuberculosis is having an influence on Government policy. Its work includes provision of scientific evidence based on long-term and detailed ecological studies of bovine tuberculosis in badgers to inform policy on the management of this disease. During the past year CSL published 11¹¹⁶ papers covering this area, one appearing in the journal *Proceedings of the Royal Society B – Biological Sciences*; and
- CSL was recently awarded several short contracts relating to the Defra Environmental Stewardship Scheme and the Agricultural Change & Environment Observatory.

Looking forward to 2008-2009

During 2007–08 the Defra Management Board and Ministers agreed that a new agency should be created out of CSL, Defra's Plant Health Division, Plant Health and Seeds Inspectorate, and the Plant Variety Rights Office and Seeds Division. A new Chief Executive Officer (CEO) – given the impending retirement of the current CEO in May 2008 – was appointed in February 2008.

The new agency will be established ready for vesting on 1 April 2009. This will involve completion of a number of areas of work including:

- development of a realistic business plan and strategy;
- agreeing governance arrangements;
- staff terms and conditions.

¹¹⁶ www.csl.gov.uk/newsAndResources/resourceLibrary/search.cfm

Centre for Environment, Fisheries and Aquaculture Science¹¹⁷

Centre for Environment, Fisheries and Aquaculture Science (Cefas) works alongside Government and other agencies, both in the UK and internationally, to play a vital role in securing healthy marine and freshwater environments for everyone's wellbeing, health and prosperity. This includes providing leadership in understanding the challenges presented by climate change on aquatic environments and ecosystems, and associated options for mitigation and adaptation.

This is achieved by providing evidence-based scientific advice, managing related data and information, conducting world-class scientific research, and facilitating collaborative action through our wide-ranging international relationships.

In 2007-08, about £35 million (74 per cent) of Cefas' £47 million income was derived from work on behalf of Defra. Other key customers include the Food Standards Agency (£5 million) and the EU (£2 million). All its work is delivered through contracts.

Cefas supports delivery of Defra's Public Service Agreement objectives and intermediate outcomes by applying its expertise and knowledge to:

- conserve and enhance marine and wider aquatic environments and ecosystems;
- ensure sustainable use of natural resources, in particular fish stocks;
- collect, interpret and manage data to underpin decisions and to support long term monitoring;
- protect society and the economy from the effects of aquatic contaminants and fish diseases;
- promote adaptation to the impacts of climate change on the aquatic environment and ecosystems; and
- enable Government and other customers' response to emergencies.

Figure 25: Funding in 2007-2008

Customer	2007-08
Defra – core delivery	30.1
Defra – other including programme management	4.8
Food Standards Agency	4.5
Other UK Government	2.8
Commercial & Overseas	3.1
EU	1.7
Total	47.0

(all figures are reported in millions)

¹¹⁷ Information about Cefas, including Annual Reports, is found at: www.Cefas.co.uk

Key Developments during 2007-2008

There were a number of key developments in 2007-08:

- Cefas has a new Chief Executive Officer who has led a refreshment of vision, purpose and values of the organisation and revised the delivery structure accordingly;
- implementation of a 10-year agreement between Defra and Cefas that covers the provision of a range of scientific services;
- Gershon efficiency savings exceeded, delivering 5.8 per cent savings in Corporate functions and greater than planned headcount reductions to support Defra;
- an increase of £2.8 million (30 per cent) in competitively-won non-Defra income, and strengthening of relationships across the wider Defra Network; and
- good progress on major projects that underpin long term objectives, in particular Waveney Campus and Burnham-on-Crouch relocation.

Looking forward to 2008-2009

Key developments will be to:

- relocate the Burnham-on-Crouch Laboratory staff and work to Lowestoft, the early delivery of a major milestone in Cefas Corporate Strategy;
- enhance project management processes and systems;
- reinforce university links through a joint funded post and strengthened interactions with the University of East Anglia;
- develop and deliver a Leadership Programme for senior managers; and
- continue to progress a range of other transformation projects, including working with local government partners on the Waveney Campus project.

Pesticides Safety Directorate¹¹⁸.

The Pesticide Safety Directorate (PSD) was an Executive Agency of Defra up until 31 March when it became an Agency within the Health and Safety Executive. During 2007-08 as part of Defra the PSD had the following aims:

- to ensure the safe use of pesticides and detergents for people and the environment;
- to harmonise pesticide regulation within the European Community and provide a level playing field for crop protection;
- as part of the strategy for sustainable food and farming, to reduce negative impacts of pesticides on the environment.

PSD's responsibilities link directly to Defra's Departmental Strategic Objectives and in particular; a healthy, resilient and productive natural environment; a thriving farming and food sector, with farming making a net positive contribution; and a respected department delivering efficient and high quality services and outcomes. PSD also contributes to a number of Defra's intermediate outcomes in other areas, primarily to

¹¹⁸Information about PSD, the Agency's Annual Report and Accounts can be found at www.pesticides.gov.uk

the 'protection of the economy, human health and ecosystems from environmental risks and emergencies' but also those relating to safeguarding biodiversity, water quality, profitable and competitive farming, and reducing the global impact of UK food production and consumption.

Funding in 2007-2008

In 2007-08, about 57 per cent of PSD's costs were met by industry with the remainder funded by Defra plus a small income stream for EU funded work and from contracts with Other Government Departments. This broad balance of funding is expected to largely continue in 2008-09. PSD has reviewed its current fees and a new charging structure will be in force from 2008-09.

Figure 26: Funding in 2007-2008

Activity	2007-08
Fees	3.983
Levy	3.654
Defra	5.167
European Union	0.333
Other Government Departments	0.185
Total	13.322

(all figures are reported in millions)

Performance during 2007-2008

These include:

- achieving re accreditation of our Investors in People status;
- achieving our Defra headcount reduction target for this year;
- successfully delivering applications for pesticide approvals to the required completion targets and maintaining appropriate high standards for protection of people and the environment;
- working with European counterparts on a Regulation which will introduce, from 2008, a fully harmonised EC Regime for setting and monitoring Maximum Residue Levels;
- working with European counterparts to develop a new Authorisation and Marketing Regulation which will deliver a more co-ordinated and transparent approach to pesticide approvals across the EC;
- ensuring that the proposed Sustainable Use Directive contains measures which are proportionate and take account of the contribution which collaborative and voluntary approaches can make to minimising any risks from pesticide use;
- consulting on extending the UK Pesticides Strategy to embrace activities related to human health as well as environmental risks;

- taking forward a number of actions in support of Defra's Better Regulation initiative including: developing work sharing of pesticide safety evaluations with other Member States; simplifying and consolidating legislation; ensuring that the EC Thematic Strategy for Pesticides is developed in a manner consistent with the Government's better regulation agenda; providing Small Business, Bio-pesticide and Grower champions, particularly to help companies developing 'alternative' pesticides;
- successfully completing a pilot study to assess the feasibility of disclosure to neighbours of farmers' records of pesticide treatment;
- successfully completing EC funded Twinning Projects in training regulatory authorities in Slovakia and Croatia. PSD won a new twinning project in Estonia and European Food Safety Authority (EFSA) contracts to develop guidance for operator and consumer risk assessment; and
- adopting a new Sustainable Development Action Plan for the agency

Looking forward to 2008-2009

Key challenges and the objectives they relate to are as follows:

- ensuring PSD's business operation maintains current high levels of service following the merger with Health Safety Executive. During the first 12 months PSD will be focused on bedding-in new arrangements and maintaining stability whilst a formal review is carried out to evaluate management and organisational structures and assess potential areas for closer working and rationalisation;
- ensuring that enforcement of rules on pesticide sale, supply and use continues in collaboration with range of delivery partners;
- achieving UK objectives for a proportionate, risk based, transparent and more co-ordinated pesticides regime in final negotiations on the new Authorisation and Marketing Regulation, and the Sustainable Use Directive;
- completing a consolidation and simplification of UK pesticides legislation;
- delivering an approvals service that is efficient and flexible, consistent with relevant legislation and with application processing targets that meet the requirements of applicants;
- working with the Commission and EFSA to complete the European review programme and develop more efficient peer review procedures;
- pursuing work sharing opportunities both globally and at an EC level;
- continuing to gain and deliver EC twinning contracts and other international projects through the provision of bespoke advice and training; and
- ensure the proposed refurbishment of PSD's offices in York is carried out with the minimum disruption to staff and our business.

Veterinary Medicines Directorate¹¹⁹

The vision of the Veterinary Medicines Directorate (VMD) is the responsible, safe and effective use of veterinary medicinal products. In working towards achieving this vision the VMD aims to protect public health, animal health, the environment and promote animal welfare by assuring the safety, quality and efficacy of veterinary medicines. The VMD is an outward facing organisation with a strong focus on the needs of its customers and stakeholders. Veterinary medicines also play a key role in delivering the aims of Defra's Animal Health and Welfare Strategy.

Funding in 2007-2008

In 2007-08, around 77 per cent of VMD's costs were met by industry with the remaining 23 per cent being funded by Defra. Defra expect this balance to continue to shift towards industry over the next 12 months. The VMD also received reimbursement for assessment work performed on behalf of the European Medicines Evaluation Agency. Overall cost recovery for 2007-08 is currently forecast to be 101.7 per cent.

Figure 27: Funding in 2007-2008

Area	2007-08
Fees from industry	11.1
Defra	3.3
Total	14.4

(all figures are reported in millions)

Performance during 2007–2008

Key developments included:

- the Veterinary Medicines Regulations 2007 came into force in October 2007 and introduced changes to clarify some of the provisions of the 2005 and 2006 Regulations following additional comments from stakeholders. They are the result of the anticipated annual update to the Regulations and provide a single set of current legislation on veterinary medicines;
- work continued with stakeholders on the Pollution Reduction Programme following the suspension of the Marketing Authorisations for Cypermethrin sheep dips because of environmental incidents from their use;
- the annual revision of the menu based fee system to bring the cost of applications for new Marketing Authorisations more in line with the volume of work required to consider them;
- negotiations began on proposals to revise the EU maximum residue limit regulations;
- the Commission announced proposals to amend the Variations regulations;

¹¹⁹ Further information can be found on the Veterinary Medicines Directorate's website at: www.vmd.gov.uk

- the ongoing implementation of the change programme aimed at ensuring the VMD is in a good position to deal with developments over the next five to ten years;
- following the coming into force of the Freedom of Information legislation in January 2005 Defra have dealt with 100 requests within existing resources; and
- accreditation under BS7799 Security Standard for the provision of IT systems and services was maintained.

Looking forward to 2008-2009

The VMD Business Plan available on the VMD's website sets out the strategy for the VMD over a three-year period, which is taken forward and delivered by a series of projects directed towards continuously improving the VMD's efficiency and effectiveness.

VMD's key drivers for the future will be:

- the economic state of the veterinary pharmaceutical industry and its affect on the volume of licensing work the VMD receives;
- continuing negotiations on changes to EU legislation on residues and variations;
- developing and implementing a UK policy on minor markets to help improve the availability of veterinary medicinal products;
- the outcome of the public consultation in 2008 on the future structure of the VMD following the recommendations contained in the Hampton Report 'Reducing Administrative Burdens: Effective Inspections and Enforcement'; and
- the continuing development of a European Network of medicine regulatory authorities, the European Technology Platform and the continuing expansion of the European Union.

Animal Health¹²⁰.

Animal Health (AH) works to minimise the risk and impact of notifiable animal diseases, for the protection of public health and the economy throughout Great Britain. Animal Health also regulates the trade in endangered species and in England and Wales works to protect public health by ensuring that dairy hygiene and egg production standards are met.

¹²⁰ <http://www.defra.gov.uk/animalhealth/>

Figure 28: Funding in 2007-2008

Area	2007-08
Staff costs	61.40
Local Veterinary Inspector costs	19.23
Other (excluding outbreaks)	8.70
Disease outbreak costs (year to December 07)	14.01
Operational Activity	103.34
Development Activity	
Business Reform Programme	9.93
Livestock Partnership Programme	1.60
Total Resource DEL	114.87
Capital	
Business Reform Programme	12.00
Estates	3.65
Total Capital	15.65
Overall Total Expenditure	130.52

(all figures are reported in millions)

Performance during 2007-2008

- rapid containment and eradication of incursions of Avian Influenza, Foot and Mouth Disease (FMD) and Bluetongue;
- for FMD, Animal Health met the intensive surveillance and sampling requirements, needed to facilitate opening up trade as soon as possible. 7,000 individual visits were made and 48,000 samples taken;
- at the end of 2007, a concerted effort on meeting welfare cross compliance inspection obligations, has resulted in completely clearing the backlog caused by the disease outbreaks; and
- Animal Health has continued to make progress with its Business Reform and Livestock Partnership programmes and has implemented a new operational structure.

Looking forward to 2008-2009

Animal Health will:

- continue to focus on meeting its operational targets;
- review the deployment of resources in disease emergencies and produce proposals for improvements;
- implement parts of its Business Reform Programme, focussing initially on customer contact;
- conduct work to improve its understanding of its customers and the requirements of the different sub-groups within them (including policy customers in each GB administration);
- continue to develop working relationships with industry, for example through the Livestock Partnership Programme. Animal Health will also be focussing on working relations with operational partners, such as Official Veterinarians and Local Authorities; and
- seek to achieve efficiencies through simplification of processes, improvements in systems and any necessary reorganisation.

Marine and Fisheries Agency¹²¹.

The Marine and Fisheries Agency's (MFA) undertakes a wide range of delivery functions and responsibilities for Defra in the marine environment and marine fisheries. These include:

- fishing vessel licensing;
- management of UK fleet capacity;
- enforcement of sea fisheries legislation and implementation of EU marketing regime;
- management of UK fisheries quotas;
- biological sampling of fish and shellfish;
- fishing industry grants and UK state aids;
- Data Collection Regulation (EC) 1543/2000 and the management, recording and provision of data on fishing activities and catches;
- licensing of marine consents for construction, dredging and disposal and monitoring, control and enforcement of marine construction sites;
- monitoring, control and enforcement of the Offshore Marine Conservation Regulations; and
- major oil spills and pollution incidents at sea – approval of treatment products and coordination of environmental aspects of emergency response.

¹²¹ Further details can be found on the Marine and Fisheries Agency's website at: www.mfa.gov.uk

Figure 29: Funding in 2007-2008

Area	2007-08
Running costs	8.8
Surface Surveillance	6.4
Aerial Surveillance	1.8
Satellite Monitoring	0.2
IT Project and system management	0.2
Structural grants under Financial Instrument for Fisheries Guidance	17.7
Total gross	35.1
Less Programme income	1.0
Less EU contribution	9.6
Total net	24.5

(all figures are reported in millions)

Performance during 2007-2008

Include:

- further implementation of UK-wide IT systems for cross-checking key management data;
- the creation of a National (England & Wales) Strategic Liaison Group comprising Marine and Fisheries Agency, Sea Fisheries Committees and the Environment Agency to increase inter-agency cooperation for more effective fisheries enforcement, a better service for the fishing industry and greater value for money;
- simplification to the arrangements for issue of fishing vessel licences;
- Integration into the Agency of new marine environment teams from core Defra and the Department for Communities and Local Government;
- management of new marine minerals regulations;
- management of new offshore marine regulations, enforcement and wildlife licensing; and
- launch of new redeveloped internet and intranet sites.

Looking forward to 2008-2009

Some key developments and challenges will be to:

- continue the programme of transition towards a possible Marine Management Organisation;
- launch the 2007-13 European Fisheries Fund;
- implement a revised management regime for English and Welsh inshore fishing vessels (10 metres and under);

- implement regulations and systems for electronic reporting of sales notes; and
- implement a system of administrative penalties for fisheries offences

Government Decontamination Service¹²².

The purpose of the Government Decontamination Service (GDS) is to increase the nation's resilience to the consequences of terrorist or major accidental incidents, involving the release of chemical, biological or radiological (CBR) materials. The GDS is to be the United Kingdom's national centre for providing access to expertise on dealing with the decontamination of built and open environment, and transport assets, following such incidents.

Figure 30: Funding in 2007-2008

Area	2007-08
Staff costs	1.3
Specialist suppliers costs	0.6
Other costs	0.8
Total	2.7

(all figures are reported in millions)

Performance during in 2007-2008

Include the following key developments:

- providing advice, guidance and access to the Specialist Supplier Framework to a number of responsible authorities including Westminster City Council and Haringey Council to facilitate recovery following Polonium -210 contamination;
- participating in multi-agency lessons learnt exercises and reviewing operational procedures having identified learning from a number of incidents;
- enhancing the capability and capacity of the Agency's Emergency Operations Centre;
- evaluating the capability of a number of the existing Specialist Framework Suppliers in order to contribute to the Central Government knowledge in this area; and
- assessing capability gaps and working with the Office of Government Commerce on the procurement exercise for the next Specialist Supplier Framework.

Looking forward to 2008-2009

Some key challenges will be:

- the launch of the new Specialist Supplier Framework;
- further evaluating and testing the capacity and capability of Specialist Suppliers; and
- contributing to developing guidance and other material on decontamination standards.

¹²² Further information can be found on the Government Decontamination Service's website at: www.gds.gsi.gov.uk

Non-Departmental Public Bodies

Defra sponsors over 50 executive and advisory Non-Departmental Public Bodies (NDPBs), tribunals and public corporations and is responsible for approximately 600 appointments to those bodies¹²³.

Forestry Commission¹²⁴

The Forestry Commission (FC) is the Government department that, throughout Great Britain, delivers sustainable development through woodlands and forestry. Across Great Britain it is responsible for international policy, research, plant health and forest reproductive material regulations and setting standards for and monitoring sustainable forestry. In England it leads the delivery of the Government's Strategy for England's Trees, Woods and Forests (ETWF) through the public forest estate, the private sector and partnership-based initiatives.

The Forestry Commission works with Defra at GB level on a range of subjects including international forestry policy and climate change. Within England, it works with Defra and the Defra Network to deliver the Aims of the ETWF and wider Defra objectives.

Figure 31: Funding in 2007-2008

Area	2007-08
Source of Funds	
Parliamentary funding	93.0
EU Co-financing of Woodland Grants	10.0
Forestry Commission receipts	1.8
Forest Enterprise receipts	39.6
Total income	144.4
Use of Funds	
England Activities:	
policy, regulation and grants	45.0
public forest estate	78.8
Expenditure – England activities	123.8
Expenditure – GB activities	20.6
Total Expenditure	144.4

(all figures are reported in millions)

¹²³ More information can be found at <http://www.defra.gov.uk/corporate/delivery/landscape/index.htm>

¹²⁴ Further reports and more information can be found at <http://www.forestry.gov.uk>

Performance in Great Britain during 2007-2008

- Organised and hosted a major conference in London on Forests and Climate Change;
- initiated a comprehensive revision of the UK Forestry Standard and Guidelines and held an initial consultation seminar with interested parties;
- published a Learning and Development Strategy and our first ever People Strategy; and
- was highly commended in the National Business Award's Better Regulation category for its Plant Health Service.

Looking forward to 2008-2009

The Forestry Commission aims to:

- set up a Centre for Forestry and Climate Change to disseminate clear and robust information on the role of forestry in tackling climate change;
- develop standards for the management of woodlands for carbon and for instruments designed to incentivise the sequestration of carbon in woodlands;
- carry out a public consultation on the UK Forestry Standard and Guidelines;
- continue to develop an Environmental Management Strategy for our departmental management and policy development activities, towards BS8555 accreditation;
- publish a FC Diversity Strategy;
- demonstrate the role of forests in sustainable development by providing input to the UK's Sustainable Development Dialogues with China, Brazil, India, Mexico and South Africa;
- publish a Plant Health Strategy; and
- as part of the objective of embedding diversity across the organisation: roll out diversity training to all staff by March 2011.

Performance in England during 2007-2008

The Forestry Commission:

- supported Defra in completing the Strategy for ETWF and the woodland aspects of the Rural Development Programme for England;
- absorbed management of Defra's Farm Woodlands legacy schemes in the Forestry Commission's grants e-business system, delivering efficiency savings for the Defra network;
- brought 87 per cent of Sites of Special Scientific Interest (SSSI) for which the Forestry Commission have statutory responsibility into favourable or recovering condition;
- with Defra and Natural England rolled out an implementation plan for woodland species under the Habitats Directive; and
- won the Prime Minister's Better Public Building Award with the new Dalby Visitor Centre as part of a major regeneration programme in the Yorkshire and The Humber region.

Looking forward to 2008-2009 (in England)

- publish a plan with Natural England for the delivery of 'A Strategy for England's Trees, Woods and Forests';
- on Climate Change, develop a delivery plan for the Woodfuel Strategy including working with Regional Development Agencies on Axes 1 and 3 of RDPE;
- produce a study on the role of the public forest estate for the 21st Century;
- bring 90 per cent of SSSIs for which FC has statutory responsibility into favourable or recovering condition;
- publish a policy on the restoration of open habitats from forestry; and
- work with Department for Communities & Local Government to reflect their objectives within the ETWF Delivery Plan and the Forestry Commission's work with urban communities areas.

Environment Agency¹²⁵.

The Environment Agency (EA) is Defra's largest delivery partner with an annual budget of over £1 billion and employing some 12,244 staff (full time equivalents). The EA aims to protect and enhance the environment in England and Wales and to achieve a better quality of life, now and for future generations.

EA work includes preventing flooding and pollution incidents, reducing industry's impacts on the environment, cleaning up rivers, ground and coastal waters and managing water resources. It also works to improve contaminated land, wildlife habitats, access to inland waters and sustainable fisheries.

EA works with Defra to agree priority environment outcomes and the resource needed to achieve them. It negotiates and implements new environmental regulations and seeks to improve existing regimes. It is also working with Defra and other government departments to help them meet key environmental public service agreements.

Figure 32: Funding in 2007-2008

Area	2007-08
Flood Defence	456.9
Environment Protection (including conservation, navigation & recreation)	132.6
Fisheries	5.9
Total	595.4

(all figures are reported in millions)

¹²⁵ Further information can be found on the EA's website: www.environment-agency.gov.uk

Performance during 2007-2008

As well as tackling the major flooding that occurred during 2007, EA delivered important benefits for the environment, including:

- **restored and protected land with healthier soils – more contaminated land is brought back into use:** it brought 567 hectares of contaminated land into use, against a year to date target of 370. This includes a number of large sites such as IMI and Fort Dunlop in Birmingham, delivering a total of 246 hectares;
- **managing flood risk – more houses are protected from flooding:** it has protected 26,818 houses over and above the Defra 2004 Spending Review (SR04) target of 85,000 houses. EA forecasts it will protect 32,275 houses by year end, making a total of 113,165 houses over the SR04 period;
- **managing flood risk – successfully influenced flood plain development planning decisions:** EA lodged objections against 2,030 planning applications. Of these, 1,852 (91 per cent) have been refused or amended in line with EA guidance, against a target of 90 per cent. For the second quarterly period running, 92 per cent of the objections it raised were taken into account by the planning authorities, the highest level of achievement since reporting began in 2003;
- **a better quality of life – delivering its navigation programme:** EA continues to make good progress and exceed its asset improvement target within agreed expenditure limits. By the end of September 2007, 591 out of 676 navigation assets were in 'improved or good' condition: 2 per cent above target. Work continued throughout the rest of the year to further improve upon this performance. The EA has now brought 90 assets out of 'critical baseline' as recorded during the 2004 Spending Review; and
- **an enhanced environment for wildlife – actions are completed to improve the status of principal salmon rivers:** 554 actions have been completed against 511 planned. EA continues to make progress by working closely with partners and third parties and is confident it will meet the end of year corporate target of completing 700 actions.

Looking forward to 2008-2009

The EA's priorities include:

- adapting to **climate change** – ensuring that policies, strategies and plans are climate change 'proof' as the impacts of climate change are felt more and more;
- completing new **flood and coastal erosion defence schemes** to reduce the probability of flooding to 112,200 households between April 2008 and March 2011. The remaining 34,000 houses are to be delivered by local authorities and Internal Drainage Boards;
- improving its **flood warning** service to customers living in the floodplain, and increasing the number of people taking up the flood warning service;

- regulating and influencing businesses to help reduce emissions of **greenhouse gases**, including CO₂. This includes phase II of the EU emissions trading scheme;
- implementing the new **integrated permitting** regime in April 2008. This streamlines over 40 pieces of legislation into one regime making it quicker, more effective and simpler;
- cracking down on **environmental crime** – closing down cheap alternatives for disposal; using enforcement and surveillance to catch criminals; stopping illegal activities; and communicating with businesses to ensure they know the right thing to do with their waste;
- responding to new development challenges of **Eco Towns** and new **Growth points** – ensuring new homes aren't at risk from flooding, have adequate water supply and waste infrastructure;
- targeting damaging and unsustainable **water abstractions** to reduce them and ensure there is enough water for people and the environment. This includes pushing for compulsory water metering in water scarce areas by 2015;
- delivering the **Water Framework Directive** – publishing the draft **River Basin Management Plans** in 2008-09, showing how to manage water in a more integrated way;
- acting as **nuclear regulator** – assessing the environmental implications of new nuclear power designs to ensure the environmental impact is minimised throughout their construction, operation and decommissioning;
- working with farmers to promote sustainable land use and reduce nutrient impacts from **agriculture**. Currently about a third of phosphate, 70 per cent of nitrate and most of the silt entering rivers in England comes from agricultural diffuse pollution;
- **reducing waste production** – seeking an annual reduction of 3 per cent reduction in waste disposal and 3 per cent increase in waste recovery or reuse from industries it regulates; and
- improving **navigation assets** so waterways can be safely enjoyed by people on and off the water. Halting the decline in **biodiversity** loss by protecting and improving conservation sites. By the end of 2008-09 the EA will have improved around 35,000 hectares of Sites of Special Scientific Interest.

Natural England¹²⁶

Natural England works to conserve and enhance the natural environment for the benefit of current and future generations. Natural England has four strategic outcomes:

- a healthy natural environment ;
- enjoyment of the natural environment;
- sustainable use of the natural environment; and
- a secure environmental future.

¹²⁶ Further information can be found on Natural England's website: www.naturalengland.org.uk

Natural England works with Defra on a broad range of environmental issues including:

- working to draw up and help implement a climate change adaptation plan;
- providing statutory advice on landscape and nature conservation issues;
- delivering Environmental Stewardship, 'classic' agri-environment schemes and the Catchment Sensitive Farming schemes;
- providing advice to Defra on increasing access to the natural environment including delivery of open access and access to the English coast;
- overseeing the delivery of Biodiversity Action Plan targets; and
- helping to deliver the Public Service Agreement (PSA) targets on SSSI condition and farmland birds.

Funding in 2007-2008

Natural England's Grant-in-Aid (GIA) for 2007-08 is £181 million. It is also in receipt of £24.5 million for a range of other Defra funded initiatives. In addition, it will deliver £321 million of funding for agri-environment schemes through the Rural Development Programme for England (RDPE) during 2007-08.

Key Developments during 2007-2008

A healthy natural environment:

- worked closely with Defra to put in place a greatly expanded list of Biodiversity Action Plan (BAP) priority species to conserve those habitats most at threat;
- initiated programmes to create or restore 32,400 hectares of BAP priority habitat; and
- hosted an international conference of marine experts to develop thinking about the best way to protect the marine environment. Natural England presented positive results from Lundy – England's first ever 'No Take' Marine Protected Area.

Enjoyment of the natural environment:

- provided advice to the Government on how to improve access to the English coastline, which was subsequently endorsed by the Secretary of State together with a commitment to legislate to turn its vision into reality; and
- expanded its Walking the Way to Health Initiative to 450 health walk groups across the country, helping to improve people's health while they enjoy the natural environment. 31,500 walk leaders have now been trained to help encourage people to get active and stay active in the outdoors through this initiative.

Sustainable use of the natural environment:

- worked closely with Defra to secure £2.9 billion worth of funding for England's farmed environment, through the RDPE 2007-13;

- launched an online map showing all the land that is currently in one of its agri-environment schemes, so that for the first time the public can see where their money is being spent and understand the many benefits this provides to the natural environment;
- worked closely with Defra on the Review of Environmental Stewardship and have engaged stakeholders in the development of a new targeting approach aimed at securing its highest priority natural environment assets;
- launched its Future of Farming Awards to recognise and reward farmers and land managers who are putting the natural environment at the heart of their management and exemplify an integrated approach; and
- implemented a fundamental review and reorganisation of how it manages its incentive schemes to increase efficiency and improve customer service.

A secure environmental future

- successfully made the case for an action plan to be included in the Climate Change Bill that would create a cross-government framework for our natural environment to adapt to climate change;
- led the Modelling Natural Resource Responses to Climate Change (MONARCH) programme with partners to highlight the impact of a changing climate on 120 rare or threatened species, such as the Barbastelle bat, the stag beetle and the cornflower;
- worked in partnership to improve the condition of upland peatlands, not only to maintain unique wildlife habitats, but also to prevent the release of carbon dioxide. It is estimated that improving management of these peatlands could reduce greenhouse gas pollution by up to 400,000 tonnes of carbon dioxide per year;
- in October, initiated a national debate on how it can best plan for and accommodate healthy green spaces alongside the government's targets for new housing growth; and
- provided oral evidence to the House of Lords Committee on the Future of the CAP and continued to work closely with Defra and other UK agencies in assessing the impact of proposed changes through the CAP Health Check. Natural England is helping to develop ways of safeguarding the natural environment in the face of these changes, for example the setting of a 0 per cent set-aside rate and possible abolition of set-aside in future.

Looking forward to 2008-2009

A healthy natural environment:

- will work with government to bring forward a Marine Bill to deliver a coherent network of Marine Protected Areas, providing much-needed better protection for our marine environment for the benefit of wildlife and the communities whose livelihoods depend upon it.

Enjoyment of the natural environment:

- is forging a new partnership with the Department of Health, Primary Care Trusts and Local Authorities to promote the preventative health benefits of the natural environment to health professionals; and
- will publish 'Key Principles' showing how its vision of opening up the English coast can be turned into reality on the ground. When a draft Marine Bill is published, it will publish a draft Methodology for increasing access to the English coast.

Sustainable use of the natural environment:

- will launch the new approach to targeting Environmental Stewardship to secure its highest priority natural environment assets; and
- will increase public recognition and support for the use of public money to secure public benefits through its land management campaign.

A secure environmental future:

- will continue to work closely with Defra and others to secure a favourable outcome for the natural environment from the CAP Health Check;
- will work with Defra to develop an innovative climate change adaptation plan, helping to prepare people and wildlife alike for 50 years of unavoidable climate change; and
- will undertake a major staff engagement exercise to help identify ways to help to cut its carbon footprint by 50 per cent by the year 2010.

British Waterways

British Waterways (BW) is the UK's largest navigation authority. It is a public corporation, accountable to Defra in England and Wales and to the Scottish Government.

BW cares for around 3,540 kilometres of historic canals and navigable rivers in England, Scotland and Wales. Its aim is for a sustainable and integrated network of waterways throughout Britain, providing maximum benefit and enjoyment to society. It works with a broad range of public, private and voluntary sector partners to unlock the potential of the inland waterways and generate income for investment. BW contributes to Defra's Intermediate Outcomes relating to sustainable living landscapes and public enjoyment of the environment and to a wide range of Government objectives, particularly regeneration.

Funding in 2007-2008

Defra contributed £55.3 million towards BW's total expenditure for England and Wales the total of which was in the order of £211 million.

Key Developments during 2007-2008

- commencing construction of new lock and water control structure – the Prescott Lock – in east London which will facilitate the supply of construction material to the Olympic site and contribute to a 'green' and sustainable Olympics;
- Telford's Pontcysyllte Aqueduct on Llangollen Canal selected as UK candidate for UNESCO World Heritage Status;
- progressing a project to re-connect Liverpool's waterfront with the Leeds & Liverpool Canal in time for Summer 2008 events marking European Capital of Culture celebrations;
- progressing the first phase of the restoration of the Manchester, Bolton & Bury Canal which will act as a catalyst for major regeneration in Manchester;
- as the third largest owner of listed structures in the UK, continuing to work in consultation with English Heritage on programme of repair, notably Navigation Warehouse, Wakefield and Foxton Inclined Plane, Leicestershire;
- taking forward plans for the redevelopment of Wood Wharf, a large regeneration site in London's Docklands in readiness for planning submission in Spring 2008;
- making construction start on £400 million development at Gloucester Quays, a joint venture with Peel Holdings to create retail, leisure and business facilities while conserving Gloucester's historic waterside frontage;
- increasing visitor numbers to its waterways through a 'Yours to enjoy' marketing campaign and achieving record boat numbers;
- fourth National Waterways Wildlife Survey revealed over 300 sightings of kingfishers – generally accepted as a key indicator of good water quality and a healthy ecosystem; and
- producing a saving of £250,000 per annum in running costs following sale of Watford HQ and move to new offices.

Looking forward to 2008-2009

- Complete Prescott Lock and Liverpool Link and commence work on the restoration of the Droitwich Canals;
- further progress towards attracting private investment in new marina berths that will double the number of new berths created to 5,000 since the launch of the Marina Investment Guide in 2006;
- continue to promote increased use and public enjoyment of waterways;
- progress Wood Wharf and Gloucester Quays;
- continue to reduce number of restructures on local authority Buildings at Risk registers;
- complete its review of status and proposals to provide it with greater commercial income; and
- agree with Defra a sustainable and affordable strategy for its waterways management so as to maximise public benefits from resources available.