Questions 1-62

Panel Members: Mike Barry, Director of Sustainable Business, Marks & Spencer, Sir Amyas Morse, Comptroller and Auditor General, National Audit Office, Lord Krebs, Chair, Adaptation Sub-Committee, Committee on Climate Change, Stephanie Hilborne OBE, Chief Executive, The Wildlife Trusts, and Matthew Spencer, Director, Green Alliance.

Q1 Chair: Ladies and gentlemen, thank you very much for attending today. We will still have people coming in over the next few minutes. It is fantastic to see such a huge turnout in response to this conference this morning, which builds on the work we carried out as the Environmental Audit Committee over the summer into the Government’s approach to sustainable development. It is great to see all of you here today. Our Committee members are here with us today as well and will be helping to chair the proceedings and to move it along very speedily.

This conference is a first for the Environmental Audit Committee. I hope you, as we, will find it a very interesting and stimulating experience. It is unusual in that it is not a traditional Committee hearing or inquiry, as you can see from today. I had better flag up for you that the event is being video-recorded and we intend to publish a transcript of the event on a website. If you particularly do not want yourselves appearing on the transcript or on the video recording, will you please have a word with us at the end of this event? I am sure most of you are not shy at all, but if there is anybody who is shy, please do let us know. If you miss this opportunity you will find yourself broadcast around the world, okay? Just warning you. In addition, some housekeeping things: we are not expecting a fire alarm today, so if we do have it, it is real, and please make your way to the marked exits.

Thank you all, the over 100 of you, who took the time to submit written evidence to our inquiry. We are delighted by the level of responses, but also the level of enthusiasm in responding to that inquiry on sustainable development. The good work of the Select Committee is underpinned by your contributions, so your engagement in written submissions, but also
today, is absolutely invaluable to us, and I look forward to working with all of you, as do my Committee members, throughout the course of this Parliament.

Let me put a few opening remarks then in terms of sustainable development, natural capital and some other issues. In September 2015, the UN General Assembly formally adopted new Sustainable Development Goals designed to replace the MDGs, the Millennium Development Goals. Those Millennium Development Goals, established in the year 2000, included eight anti-poverty targets to be accomplished by 2015. As a result of the MDGs and tremendous work, global poverty is in decline. Responsibility for achieving the majority of these targets lay with developing countries. But this time around the post-2015 sustainable development agenda has broadened in scope, and it has emphasised the concept of universality, that the goals are global in nature and are universally applicable. While this concept, like all good UN agreements, is open to interpretation, it emphasises the point that even developed countries, particularly developed countries, have work to do on sustainable development. Clearly this is only the start for SDGs, and there is still a significant amount of work to do to fully develop and implement them. The incentive to act will also be strengthened by the climate agreement that will hopefully come out of COP 21 in Paris in December. It is precisely now, at the beginning of that process, that we should be looking at the Government and asking what they are already doing and what they can do more to promote sustainable development.

When we asked you, wide civil society, the widest group of possible organisations and stakeholders within this agenda, how the Government were doing on sustainable development, your response was, let us say, mixed. Yes, you said the Government had set out some encouraging ideas in some areas, for example, agreeing to extend the life of the Natural Capital Committee, integrating natural capital accounting into national accounts and committing to a 25-year plan for nature. But it was also clear from many of the responses we received that in other areas, for example, on renewable energy and on energy efficiency, the Government were sending out mixed or even perverse signals, by either closing down or watering down policies, what has been referred to by one Secretary of State at the moment as a policy vacuum that needs to be filled.

As part of our inquiry we also asked you what could the Government do to improve; where the overall responsibility for sustainable development should lie in Government; and importantly, how do we, as the Committee, monitor the Government’s performance over the course of this Parliament? Today we want to explore those questions in more detail. To kick things off, we have five fantastic speakers who will spend five minutes setting out their thoughts on these and related issues. After that, we are going to open things up for you and for colleagues on the floor, and Committee colleagues as well perhaps, to make their contributions. We would encourage you to ask questions, but some of you may also want to put together your own thoughts in a short statement. If you keep it short and concise, we get more people in.

Bear in mind we are damn good as chairpeople: we will put a limit, after the initial speakers, of two minutes. I am a politician; I can make speeches in one minute. You are going to marshal your thoughts and put them across very short and very succinct, please. We will be looking to use the points made during this conference to hold the Government to account on this important issue in the coming weeks and months and years, but because of that, I want to make sure that as many people as possible get to ask those questions. Strict two-minute limit: please introduce yourself when you stand and say who you are. We are timed to finish at 11.00 am. However, if we sense that there is still an appetite to go on a little longer—a little longer—we might just do that as well. Let us see how it goes. If you need to leave at 11 am, do not worry,
we will carry on without you. Without further ado, I would like to invite Matthew Spencer, the Director of Green Alliance, up to the platform to start things up.

Q2 Matthew Spencer: Thank you very much, Huw. Thank you to the Committee for the invitation. I guess the first question we have to ask ourselves in a conference like this is, why should any Government care about sustainable development? I hope I am speaking for the Committee when I say that politicians go into politics to create better lives for their constituents and for their citizens, and indeed that has been the case. The vision of a better Britain has been at the heart of the UK’s approach to sustainable development for over 40 years. It has been Conservatives, Liberals, and Social Democrats who have ensured that we no longer swim in sewage, that we have cleaner air, that we have less gas-guzzling cars, equipment and buildings in the UK. We are no longer the dirty man of Europe.

But we are a long way from being sustainable, which is to say that we cannot guarantee that we can give future generations or younger generations the same quality of environment that we have enjoyed. Despite the progress that we have made, the UK’s carbon dioxide footprint has gone up 10% over the last 20 years, even as our production emissions have gone down. 80% of the products that go into the UK’s economy are still only there for a very short amount of time; they are not used for a second time. The majority of the UK’s wildlife is in decline, probably the biggest challenge that we face as a country. The underlying health of the environment is worsening in the UK because there is more unsustainable development.

So what is going on? I would observe that in the last few years the urgent has trumped the important. The urgent need to reduce expenditure on public goods has crowded out the important task of enhancing the quality of our environment, which is, after all, the biggest public good that we have. The Government’s approach to the environment has narrowed, and I think it is in danger of losing sight of the principles of sustainable development in its focus on the quantity of short-term economic growth rather than our ability to maintain it over many years. This is puzzling, because during the downturn we experienced after 2008, the Government maintained our approach and many important policies in the construction sector, the transport sector and the energy sector, which led to very significant investment and very significant innovation. We saw £40 billion invested in renewable electricity alone in the years between 2010 and 2014. That was the high top of the economic downturn, and it was because of good stable policy in the UK, overseen by Conservatives and Liberal Democrats.

I think the only explanation is that there is a lag effect in politics, which is that politics tends to respond to the last problem and not to the current opportunity. I think the new Government appears to have a compliance approach to the environment of the sort that we might have seen in business 20 years ago, which is not to say it will always comply, because as we know, a narrow approach to getting over the line, say the 50% recycling target in the UK, does not mean you get there. It means that you find out very late in the day that you might miss it or you end up having to change the rules in order to be seen to be almost there, which is currently what is being debated around the UK’s renewable energy target.

The trouble with a compliance approach, as many businesses found out, is that it does not allow you to capture the full value of that activity. If you are not incorporating environmental sustainability policy into your economic policy, you will miss many opportunities. To go back to the recycling example, there are businesses out there crying out for better quality recyclate. They are saying they would use secondary plastics in their goods and in their services if they could get a better supply of those things. But we have a system in which there are many
hundreds of different types of collection systems in the UK, which do not create good quality recyclates, and indeed, it results in many of those recycled plastics being contaminated and unusable, so it is difficult for those new markets for recyclate to take off.

The Government continues to advocate ambitious ends on both climate change and nature, and deserves credit for the role it has played internationally on those issues, but it has removed some of the means of achieving them, and we have not yet seen new policies to replace the old ones that have been lost. It deserves credit for the humongous effort that it put in to get the rest of Europe to match the UK’s carbon emissions target, so 27 other member states are now doing much the same as we set out to do by 2030 in terms of carbon emissions reduction targets. But during the same period we have lost some innovative and fantastic policies, like the zero carbon homes policy, which had a very big-tent approach, carried many businesses, and had led to much innovation in the construction sector. It means it is much, much harder for British businesses to win in a growing international market for clean energy if the UK market is in decline, which is what it looks like it will be for energy efficiency, goods, services and construction materials.

Chair: Last few comments, if you could.

Matthew Spencer: Yes. We observe good international leadership from the Government, but weak domestic leadership. The Prime Minister has been a very effective leader internationally, both in championing Sustainable Development Goals and climate targets, but some of the strong goals in the Conservative manifesto do not have strong internal champions. To give you an example, we have 14 Cabinet committees, none of which have environmental sustainability in their brief; we have 10 ministerial implementation taskforces, none of which have environmental sustainability in their brief. There are many opportunities to use sustainability to drive a better quality and quantity of growth in the UK. I will reserve my comments on where I think those lie to the discussion afterwards, but I think you will share with me the sense that you can only achieve those if you have a vision for a greener Britain. They do not happen with a compliance approach to environmental standards. Thank you.

Chair: Matthew, thank you very much for kicking this off. Could I now invite Stephanie Hilborne, the Chief Executive of The Wildlife Trusts, up to make an opening contribution? I spent one of the best days of my ministerial career with Stephanie on the hills of Wales. It was absolutely lovely. Over to you, your thoughts.

Q3 Stephanie Hilborne: It is a bit distracting to mention our outing. It was a ministerial picnic in the centre of Wales where the Severn, Usk and the Wye rise. This is the upland where they rise, and if you manage that habitat right, you seriously prevent flooding downstream. Thank you for inviting me. It is good to see you all. It is hard to limit this to five minutes. I think the critical introductory point is looking at the Sustainable Development Goals, at our own indicators. The strength of connection between the societal goals, the health and well-being goals and the environmental goals is ever more obvious and critical to how we take this forward.

I tried to be a bit of girly swot and look at what you said you wanted in the Committee: what are the fiscal and legislative decisions that the Government are making and how are they impacting on the natural environment? I will say something very positive to start with, which is in the first 25 years we had any legislation at all to protect our marine environment, we designated three minute marine protected areas. In 2009, with full cross-party support, we passed
the Marine and Coastal Access Act. That was under the Labour Government. The last Government has kicked off protection of the marine environment, and we now virtually have 50 marine conservation zones declared off England; serious progress in Scotland with 30 declared; real protection for the European marine sites creeping in, having previously been designated and not protected; a bit of slow progress in Wales and Northern Ireland on that front. But this concept of a blue belt is very powerful and we have really made progress. There has been international leadership from us in the common fisheries policy. That is the real win, I think. We have seen some genuine investment in catchment management as well, largely as a result of the pressure from the Water Framework Directive.

I will raise the European issue in that context, because there is no doubt, as one of the kids who did swim in sewage off Spain when I was little, which was not a pleasant experience, that European legislation on the environment has been critical to many of the improvements that we have seen in this country and in other countries in Europe. I personally find the referendum terrifying from the environmental perspective because long term—not immediately, but long term—if we were not part of Europe, the possibility of weak legislation is very strong.

It is quite a list of not very positive things, like the UK’s position on neonicotinoids, but I think the behaviour at the moment that worries perhaps those of us who have been involved for a long time working domestically in the natural environment—I have lost track of that sentence. The behaviour that is most worrying is almost the bypassing of what had become a quite world-leading and sophisticated regime for assessing impacts of development by pushing through big new Bills, like the Housing and Planning Bill, which is currently being discussed, which would effectively bypass all that intelligent, clever assessment of the impacts of development on the natural world.

Similarly, although we are making some progress now with high-speed tube, the initial assessments of the impact of the first high-speed tube link were far more primitive than would normally happen under our normal planning system. They did not look at, for instance, local wildlife sites at all in the first instance. That for us, with the vast sudden increase in expenditure on roads and new roads, like the Bexhill Hastings bypass, which almost everyone knew was not needed, did not genuinely contribute to economic growth and went across SSSI. Those are steps backwards.

It is very important for somebody like me who has been involved in this world for 25 years not to hold on to the past and to be clear about the outcomes, not the names of agencies, and change that may well need to happen. DEFRA, for instance, faces potentially—a 30% cut to its budget and is looking at these critical agencies that are necessary to take forward, for instance, management of our marine sites, commentary and advice on major new developments on land. We do not really care what the names of the agencies are, how many there are or what form they take. What we care about is having the capacity on the ground.

In terms of positive constructive ways we could take this forward, I think we need to make sure the Infrastructure Commission has somebody on it who understands the complexity of the natural world. Trying to simplify it is like trying to simplify laws and other things; it does not work. Establishing a Nature and Health Commission based on some of the principles William Bird has talked about, that we are basically part of the natural world and a lot of our health issues are non-infectious diseases or non-communicable diseases related to our increasing distance from the natural world. Only one in ten kids regularly play in the natural world now, which is a fifth of how many of us—half of us—used to even just one generation ago.
Chair: Stephanie, I am going to push you for your final comments.

Stephanie Hilborne: Yes. With that, we need a major campaign to revive the language of nature. There is a list of words that have been dropped from the “Oxford Junior Dictionary” that is the whole length of this page. Seriously, they have been dropped. They are, “Acorn, adder, ash, beech, bluebell” and that is just the As and Bs. That is profoundly worrying, in fact. It seems quite amusing, but it is profoundly worrying that half our kids know the difference between a bee and a wasp, although 90% of them can recognise a Dalek. So I would say let us look at those mental health, happiness, healthy life expectancy and obesity relationship goals and see them in the context of the natural world and rebuild and build new ways to restore our natural environment.

Chair: Stephanie, thank you very much. As you know, some of the most significant interventions in this context that we are discussing today have been from industry and the corporate sector as well, so I am very delighted to welcome here today to the rostra Mike Barry, the Director of Sustainable Business at Marks & Spencer.

Q4 Mike Barry: Thank you. Let me offer five brief minutes of intervention from a business perspective, and these words are offered very humbly. Marks & Spencer faces as many changes as any Government in terms of the times now. The market place is tough; people do not have enough money to spend on all the things we want to spend it on. So we face all the challenges that Government do, so these words are shared constructively. Let me be very clear: business cannot carry on as it is today. We are shifting from a world of 7 billion consumers or 7 billion people to a world of 9 billion. Crucially, we are moving from a world of 1 billion middle-class consumers—us, the Americans, the Australians, the Japanese—to a world of 4 billion middle-class consumers, the Chinese and Indians rightly have access to the things that we take for granted now. There literally are not enough fish in the sea to service everybody’s needs, given the current way of consuming. We have to find a different way.

That means not just being 1% or 2% or 3% less bad each year. We need a fundamentally different approach to business models, business models that are circular, that are low carbon, that only use sustainable raw materials and improve human life wherever they touch them. That cannot be done by anybody alone, not by civil society, not by an individual business, not by Government. We need coalitions and we need partnerships. Those are starting to form, and around the world we see things like the Consumer Goods Forum, which brings together the world’s biggest food companies, Coca-Cola and Pepsi, Walmart and Tesco, Nestle and Unilever, businesses that find it hard to collaborate in some ways, as political parties do, but they have recognised the need to come together to drive a significant agenda on things like zero deforestation, driving down food waste and shifting to low-carbon refrigeration.

We are doing the same with consumers. We are starting to engage consumers in a different way of thinking and living. We know there is no green premium out there in the market place. People are very smart and very clear with us, “Why should I pay more for a product that has not exploited people and the planet? That should be a given”. Whether you are a business leader or whether you are in the Government, people expect it to be done.

Then partnership with the Government. Again, this will be the main thing I will say over the next couple of minutes. Those partnerships have started to form. People like the Kyoto commitment have started to bring business and Government together to drive some significant improvements in the environmental footprint of British business. But it is not enough and we all
need to be clear about that. That is not a lecture to Government, that is as much a lecture to us, as business, that we need to up our game. Let me offer five brief observations about how Government and business can work together better. Long-term stability: the single most important thing that Government needs to do is set a long-term stable framework in which we can shift our business models from the old approach to the new one. That is not necessarily about spending huge chunks of money; that is just being stable. That is not to say that things do not evolve, do not shift; they always will with time. But that is to say that we have a general direction of travel. In some ways, we almost need to take the work of “An Economy That Works” done by Aldersgate Group, or the Cambridge Institute for Sustainability Leadership, “Rewiring the Economy”, that starts to find a common endpoint that we are all trying to get to. But give us that stability and we will invest into the future.

The second thing is broad interventions rather than micro-management. Of course we need micro-regulations, but the single most important thing Government could do at the moment is bring the price of carbon in. Leave it to business, to different sectors, to innovate and find the best ways forward, but bring in that simple, stable price, ratcheted up with time, that business can respond to.

The third thing is to change the narrative. Green growth: what drives Marks & Spencer as a business case? We do it because morally it is the right thing to do, but we also do it because we are a better business for it: £160 million saved last year from being a leaner business, a motivated workforce, a trusted consumer base, a resilient supply chain. It absolutely makes business sense and societal sense for a Government to invest into the environment and people.

The fourth thing is very much about holistic landscape management, ensuring that we start to look at the totality of our biggest factory, the planet. We have referenced the very good and positive things Government have done around the blue belt; we need to do something very, very similar on land as well.

The final thing is just the same challenges business has, which is joined-up Government, joined-up business. We spent 30 years turning our economy into a set of silos, specialisms. We have done it in business; Government have done it as well. We need to think horizontally if we are going to deliver something like a circular economy that is good for all, that grows into the future. I report into our Chief Exec: consider him for me our Prime Minister. I have a small team whose job is to integrate sustainability into every department of Marks & Spencer—every Government Department—and that is the approach we need, something that allows the sustainability to be built into every Government policy and system. That requires literacy, and if you have a literate organisation, a literate Government or literate business, you do not have to spend huge sums of money. You see the connections and the opportunities of working together. So those are five observations about how business and Government can work together. It is not a lecture. It is tough being a Government at this moment in time, but there is something more that we can do to drive green growth, better for people, better for the well-being of the nation, and driving the jobs that we all need for the future. Thank you very much.

Chair: Thank you, Mike. For our next speaker, could I invite up Lord Krebs, who is the Chair of the Committee on Climate Change Adaptation Sub-Committee? Lord Krebs, it is all yours.

Q5 Lord Krebs: Thanks very much, Huw, and thank you for inviting me. It is clear that no consideration of sustainable development can ignore climate change, arguably the biggest
threat for future generations. Of course, tackling climate change, both the cause and the impacts, is one of the 17 UN Sustainable Development Goals that Huw referred to.

I want to just very briefly summarise the work of the Climate Change Committee, of which I am a member, and the Adaptation Sub-Committee, which I chair. We advise the Government on how to tackle both reducing greenhouse gas emissions and tackling the inevitable consequences of climate change to which we are committed. We also hold the Government to account by reporting to Parliament. In July this year we reported to Parliament both on the Government’s progress in mitigation, reducing our carbon footprint, and on adaptation, preparing for a more resilient society in a different climate in the decades and centuries ahead.

Our analysis is based on measurement, and Huw mentioned at the very beginning the importance of measurement. We look for quantitative indicators both of mitigation and adaptation. We are also obliged by the Climate Change Act to look at cost-effective measures, so there is a lot of economic analysis that goes into our work. Our work is looking at the whole of the UK, although we provide separate reports to the devolved administrations.

One thing that will be clear as I talk through very, very briefly our 2015 Parliament report is that the responsibility in Government, and this reflects what we have just heard from Mike, does not just lie with the two lead departments, DECC and DEFRA, but also cuts right across Government, so the Department of Health, as Stephanie has emphasised, DCLG and Planning and Buildings, Department for Transport and BIS in relation to green growth. Let me just very briefly highlight three or four comments on mitigation and adaptation from our July report. Mitigation: the headline is that the UK is on track towards its 2050 target of reducing greenhouse gas emissions to at least 80% below 1990 levels. In 2014, we were 36% below the 1990 level of greenhouse gas emissions. But if you dig underneath the headline, the picture is mixed. Some of this reduction is due to policies, but a lot of it is due to luck. The 2008 recession, which we still have only just begun to recover from, reduced economic growth and therefore our greenhouse gas emissions. We had a warm winter last year, which helped us to reduce our winter greenhouse gas emissions.

The good progress areas are in the implementation of renewable electricity, although it has already been said the policy framework for that is still uncertain in the future. But poor progress has been made on, for example, low-carbon heat, energy saving in buildings and transport. As has been said earlier on, the future policy landscape is, to say the least, uncertain. In relation to buildings, for example, as Matthew said, the Green Deal, the Energy Companies Obligations, zero carbon homes and Renewable Heat Incentive have all been ditched or are about to be ditched by the Government, and there is a complete policy vacuum as to what is going to replace them.

On adaptation, again a mixed picture. Flood defence spending: flood risk is the biggest single risk from future changes in our climate. Flood defence spending has increased, but not enough to keep pace with the projected increase in risk. Furthermore, our current planning regime is working against the grain, rather than with the grain. We are building 4,500 new properties a year that are currently in high flood-risk areas or are going to be in high flood-risk areas in the next few decades. Is the build and defend policy sustainable in the long-term future? Back in 2007, after the July 2007 floods, Sir Michael Pitt made recommendations about how to reduce the risk of surface water flooding. His recommendations have not been implemented. Sustainable urban drainage systems are not fully implemented in the way they should be. They
carry multiple benefits: reducing flood risk, reducing the heat island effect and providing green space for biodiversity.

What about agriculture and food production? We are treating our soils as a mineable resource rather than a sustainable resource. 84% of the fertile carbon-rich topsoil in East Anglia has already disappeared, and much of the rest will disappear if we do not do something about it within a generation. We simply will not be able to grow food in the way we have done in the most fertile parts of Britain. Climate change will exacerbate that because of wind erosion and heavy rainfall event water erosion. Again, the Government has a policy, a long-term ambition, to manage our soil sustainably, but it is not clear that they are acting sufficiently fast to implement that policy.

So my conclusion is there are policy vacuums the Government need to announce very soon. It is not a matter of waiting until the end of this Parliament. They need to announce very soon what their policies are to tackle these issues, and they have to be very clear about how they are going to measure progress. In relation to the impacts of climate change and mitigation, of course the Climate Change Committee will continue to monitor and report to Parliament on the Government’s progress. Finally, just a very last point, we have heard reference from Matthew to the DEFRA 25-year environment strategy. I would like to ask, if there is anybody from DEFRA here, whether that strategy has clearly embedded in it the impacts of climate change. Thank you very much.

Chair: Lord Krebs, thank you very much. Come and join us here on the panel. Our final speaker this morning, to round off this opening session, I am delighted to have Sir Amyas Morse, the Comptroller and Auditor General of the National Audit Office. Please join us at the rostrum, thank you.

Q6 Sir Amyas Morse: Thank you very much. We are in the business of looking at effectiveness and efficiency, whether things are happening as they are meant to happen, and using resources properly in order for them to happen. I think therefore it is an interesting contribution for me to make to your discussions. What I want to emphasise to you is that in order to get that to happen, in order to drive things through and have them happen as you intended, it is all right having a policy, but you have to have ownership of responsibility for action, you have to measure clearly and consistently whether the action is taking place or not. You have to understand the context—I will say a little bit more about that—and you have to be able to hold people consistently and doggedly to account for not performing. I thought I would bring a different slant to this discussion, because I think without those things you can say all you like; it will not happen.

The first one on ownership, there is a lot of broad ownership. I think it is too diverse over Government to be pulled together effectively. Secondly, I think mainstreaming of sustainability, laudable at one way, can easily slip into sidelining. I have seen the same thing: we did a report recently on diversity. It is quite easy to find that the thing just slips out of focus, you have fitful implementation and every now and again somebody remembers it and a bit more is done. That is not, I assume, what we are looking for here. This is too important for that.

Performance measurement: there are lots of very good measures, but the key thing is are they in the single departmental plans? It is important to campaign and push to make sure that they are if this is going to be effective. Again, that is what you should be going after.
I mentioned long-term implications of decisions. I think it is important to understand this. Very often decisions, as Matthew Spencer said, can be made in a reactive way in the Government. That is not evil, but it can mean that the long-term implications are not thought through sufficiently clearly. It is really important to bring those to the front. If you are going to cut back on clean air measures, you should expect that there will be costs in public health and in healthcare. I am not saying there are not a lot of other very distressing features for the people concerned, but there are direct costs into other parts of the public system. The more clearly we can evidence things like that, the more impact you will have on Government decision-making, so I would urge that.

Similarly, I was very pleased to hear Lord Krebs talking about flood defences. We published a report on flood defences. What the agency decided to do was to focus maintenance spend on the highest priority defences. That is fine, but what it means is deprioritising spending on a lot of other areas, and that means, over time, decay of those defences and then a choice: do we have those defences at all or do we quietly get rid of them? I will leave you to guess which one might be the most likely result.

I think if you do not see the strategic picture and force it into the thinking when decision-making, you will not get where you need to get. I think a very diverse approach will not work in this case. You need to bring it together and apply pressure consistently. I will repeat myself: establish clear responsibility and ownership, get the measures not too diverse and built into the plans so people can be held to account for them, make sure that you draw attention and evaluate the strategic context, and finally, establish and insist on accountability for those who are responsible. Thank you.

Chair: Thank you very much. I think you will agree we have had a cracking opening. The context of this is immense, of course, but one of the common themes here is how we tie this together across Government and how we then monitor and drive it home, as we heard from our last speaker. What we are going to do now is put it open to you. We are going to try to get as many speakers and contributors in as possible. We would like you, please, just to remind you, to say who you are at the outset, and limit your contributions to two minutes. If you have a question for members of the panel directly, it would be helpful if you said to whom you are addressing that question. If it is not a question, but a statement, that is fine. We expect that some individuals and organisations will do it, but you only have two minutes. We are going to rotate the chair in this: you will see some more of our excellent Committee members here now. I believe we are going to start with Luke, if you would like to come up and chair this first session. I am going to leave you in good hands.

Luke Hall: Okay. Thank you, Huw. All right, so I think we will just jump straight into it. Again, we are going to have two minutes maximum, please. We will have to cut you off after that. Again, if there is a question, please just make sure you direct it to an individual member on the panel. We will start at the back there, in the back left corner.

Q7 Duncan Law: Good morning, Duncan Law. On the day after a 1% temperature rise has been announced, I think we have to concentrate on carbon and energy as being central both to well-being and to climate change. I think the recent Government policies are going diametrically in the wrong direction, and they are investing our bill payers’ money in bad renewables, which have a worse effect than any benefit they might yield. I am speaking specifically of biomass electricity, which nobody ever speaks of, despite the fact that 70% of our renewables are
bioenergy, most of it burnt with carbon emissions. This is not at the expense of burning fossil energy, but at the expense of genuine low-carbon, low-cost renewables, which have been shredded.

If the onshore wind that was cancelled by the recent ROCs removals had been allowed to go ahead, we would have had up to 16 million megawatt hours of power, and that would have cost about £600 million. Every year from next year, the Government will be spending £637 million on subsidising Drax Power Station to produce less power than that, burning imported forests, 15 million tonnes of them, creating more carbon emissions than the coal that it is replacing, according to the Department of Energy and Climate Change’s own science. So the answer is to invest in demand reduction first—that £600 million would remove the need for Drax over very few years—and then in genuine low-carbon and low-cost domestic renewables that do not have a feedstock cost in the markets.

We need, as people have mentioned, independent monitoring of genuine sustainability, perhaps an Office of Sustainability Responsibility—

Luke Hall: Just a closing comment there, please.

Duncan Law: Thank you. We need to look clearly at genuine impacts, put the science into policy, and make sure that lobbying does not win the day, as it very often does at the moment. Thank you.

Luke Hall: Thank you. We are going to take a contribution from the front here.

Q8 Farooq Ullah: Thank you very much, and thank you to the Committee for bringing us together. My name Farooq Ullah. I am the Executive Director of Stakeholder Forum, and also a recently reappointed specialist adviser to the Committee. I suppose the point is these are all about many of the problems that we face, the challenges and so on and so forth. I would love to hear from all of the panel members what the solutions are. 2015, of course, is a massive milestone in humanity’s history: we have the new Sustainable Development Goals, we also are going to hopefully get a climate deal; I feel very certain about that. However, its ambition is maybe questionable.

Of course, this concept of universality that Huw mentioned cannot be stated loud enough or often enough. This is everyone’s responsibility, and including through domestic policy, not just through international development policies and overseas development aid. So my question to the panel is what are your solutions, your suggestions, for the UK’s approach to these things? Without getting into too many criticisms of the current approach, there are many good things going on around the world. Germany has a sustainability code; Finland has taken a bottom-up approach to produce Finnish society’s commitment to sustainable development; in Wales we have just seen the recent legislation of the Well-being of Future Generations (Wales) Act, which of course is around sustainable development for future generations. These are all things that exist elsewhere. At the moment, we do not even have a national sustainable development strategy in the UK. We have a sustainable development plan, which was apparently written by an intern at DEFRA a few years ago, because that is about the level of quality it currently exists at. So what are the specific initiatives that we can now adopt to do this, including around impact assessments? Because I completely agree with you, Stephanie, they have used this very sporadically as and when they have chosen to do so, rather than comprehensively.
Luke Hall: We have just one minute left. Do you want to pick one member of the panel to answer that question, because literally there is a very short time?

Farooq Ullah: I think maybe Sir Morse from the NAO might be the best one on these things.

Sir Amyas Morse: Thank you very much. Now I have half a minute to answer it. You have to pull your act together, to be blunt. If you want to be effective, you are going to have to decide what your priorities are, and you are going to have to campaign very consistently using this Committee. That is what you are going to have to do. I am not going to pick a winner; it is not my job to do that. But is your voice being heard effectively enough in the Government? The answer to that is clearly no. So you need to find more some coherent strategy for getting influence in the Government. That is the bit I know about, and I can see that there is space for you to move forward in that area.

Luke Hall: Thank you. We will take the gentleman in the blue shirt in the third row back here.

Q9 Moshe Kinn: Thank you. I am an electrical engineer, and my name is Moshe Kinn. I represent myself under dcisthefuture.org. Recently, Professor Jørgen Randers, who co-authored “The Limits to Growth”, lamented that after 40 years of bringing to the world’s attention the problems of climate change, he feared that a tipping point had already been reached. Many of the globe’s sustainability issues stem from how engineered machinery and gadgletry are made and how they consume energy. Therefore, engineering should be a major part in any solution. I asked Jørgen and many sustainability experts the question I now ask you: where are the electrical and mechanical engineers in the sustainability debate? Why are they not at the cutting edge of sustainability and environmental policy? The type of disciplines that make up the policy teams may include social scientists, economists, political scientists, ecologists, environmentalists and psychologists et cetera. As far as I am aware DECC, BIS and Ofgem, as well as many of the London-centric energy policy think tanks, have access to electrical engineers, but only use them in a consultative way. They are not on the teams that formulate policy.

I have done extensive research in the academic fields of disaster risk reduction, urban sustainability, city resilience, future fuel poverty and food and water scarcity. I have done this to see how electricity can be used in order to help change things. Unfortunately, the voice of electrical engineers is quite inaudible in these disciplines. Hundreds of millions of pounds have gone into the many problems associated with sustainability and the environment. I ask the Environmental Audit Committee to commission research to establish what the academic disciplines are of the principal lead people who are receiving this money and are guiding environmental and sustainable research with their think tanks, institutes, research groups and so on, including Government Departments, and if engineering is found to be under-represented, to recommend engineers are included in all policy-forming teams where public funds are used.

Most energy policy is directed at the electricity supply side of the system. There is a need to put much more emphasis on sustainability of the electricity consumption side of the equation. I therefore ask the Government, regardless of the Haldane principle, to produce policy that will direct research funding for the following: interdisciplinary sustainable research that includes the fields of engineering, like electrical and mechanical, in order to bridge the gap between the social science community, the theorists and the engineers, the implementers; promote and fund research into the field of fully distributed low-powered direct voltage autonomous—
Luke Hall: Just your final comment there, please.

Moshe Kinn: Yes, two more lines: distributed electrical systems should be included in any city resilience plan, and promote a solar-hydrogen economy. Thank you.

Luke Hall: Thank you so much, very interesting points there. Can we take a question from the far left, the lady with the pink jacket over there, please?

Q10 Female Speaker: Thanks very much. Friends of the Earth air pollution campaign; I also cover aviation. I want to ask about the failure to find solutions that are win, win, win, which is what I understand sustainable development should be doing. I am thinking about Heathrow and I am thinking about the fact that, in theory, the CCC has indicated that expansion could be possible, and the Davies Commission did show that only in a sensitivity test did they look at the carbon cap, and even then the economic implications of that carbon cap were not the ones used in the headline. I am also thinking about air pollution in relation to Heathrow: unfortunately, a wrong interpretation of the law on that, which means that environmental limits are not being looked at. I am also thinking about road building. Highways England is supposedly taking it into account and a little bit of thinking about reducing speeds once they have a plan in mind.

But what is not happening is a look at how you can have win, win, win solutions. I am thinking about a big NSIP in London that TFL are working on, Silvertown Tunnel: an absolute failure to look at a package of alternatives, what else could be done to solve the problem. I am really worried that when it comes to development control we are not looking at sustainable development, however much I am pleased to have the environmental limits as one of those five guiding principles. Thank you.

Luke Hall: Thank you. Can we take a comment from the front row here? Thank you.

Q11 Sam Longman: Mine is a question. I am going to turn around, because I have split my trousers and I do not want people to see. Do not minute that. Sam Longman from Transport for London, Policy Manager for Environment. I realise we need to be pragmatic and sell people a future that they want, but I worry that there is a big mismatch between what the public think they need to do in terms of being sustainable and what needs to happen. So the Government and businesses need to take action, but also individuals need to take action, and I think we would do well to set out clearly what is a sustainable life in the UK. I realise that that will evolve over time, but I think people just do not understand. They think, “I just change my lightbulbs and do not eat meat on Mondays” but I think the gap is much bigger and I think we need to be open and honest with people.

Luke Hall: Thank you. Yes, a member of the Committee.

Q12 Geraint Davies: Geraint Davies, MP. I am a member of the Committee. I used to head up Flood Risk Management Wales, which is about adaptation in Wales to climate change. I just want to ask a couple of very quick questions: first, whether sustainable development should be built into TTIP, the Transatlantic Trade and Investment Partnership, namely the EU-US free trade deal and its precursor, CETA. It is all about increasing growth in trade and what about sustainability. I wanted a couple of comments on how people thought fracking would go down
in terms of environmental impact, and finally whether there was a case for carbon tariffs on Chinese steel. Three simple questions.

**Matthew Spencer:** Thank you. I think many of those questions deserve an inquiry by the Committee and I cannot really do justice to them. I would just like to pick up on one point or two of the questions asked about a more optimistic vision and a concrete way of achieving it. There is one very obvious way that we could reduce UK energy bills and increase UK business productivity, which is to remove the distortions between the supply side, either provision of energy, and the demand side, the use of energy. This is an idea that we have nicked from the United States, where both in Texas and New England there is a market for what we call megawatts, for the electricity demand reduction, which means that businesses can make money from reducing your electricity consumption, whether it is changing lighting in homes or motors in business.

We have identified about £2 billion worth of saving for the UK economy from following a similar approach, which would be the equivalent of about eight power stations not having to be built in the UK. This is an idea that DECC have shown some interest in. They have run a pilot, but we have no guarantee yet that there is going to be a market for megawatts in the UK. I cannot see anyone losing from that, except a few people building power stations, but there are plenty more to be built.

**Luke Hall:** Okay, thank you very much. Can we take another question from the floor, please? Just in the second row here.

**Fred Steward:** Fred Steward, Policy Studies Institute. I find it interesting that the one person outside the sustainability field, Sir Amyas Morse, has presented things most starkly in the discussion, the risk of mainstream sustainability turning into sidelining and marginalisation. It seems to me this is the core issue the Committee has to grab hold of, because the evidence I think does suggest that this is the principal risk at the present time. The role of an independent agency, a Sustainable Development Commission, that was abandoned. DEFRA has chosen not to lead on green growth and the wider issues of sustainability. The Cabinet Office does not have the capability and specialist expertise. There is a core vacuum in policy terms.

It stands in contrast the diversity of the take-up in sustainable development, which now goes through multiple levels of Government: cities are very active, it crosses different departmental boundaries—DECC of course is very active in this area and so are others—so we have a more diverse engagement with sustainability coupled with a core vacuum in terms of strategic guidance and facilitation. I feel the Committee has to make this conclusion quite clear and offer some path out of it.

**Luke Hall:** Okay. I will just take one more before we change chair. Can we hear from the second row there, please?

**Professor Frances Bowen:** Hello, I am Professor Frances Bowen from Queen Mary University of London, the Business School. I would like to pick up on Mike Barry’s point about changing the narrative and the role of business in driving conversations about green growth and carbon neutrality. Even the word “sustainability” is in the eye of the beholder, as I am sure you are aware in business conversations.
One of the lessons, of course, from the Volkswagen scandal is the narrative, and the powerful voices behind the narrative, so who decided that clean diesel was clean? Is it the fuel; is it the engine; is it the emissions control system? We know how the Volkswagen story is unfolding. My point is we need to be a little bit careful about corporate narratives. They are valuable, they raise the quality of the conversation, they mainstream a conversation—echoing the previous comment—but we also need to bear in mind some stories, that Microsoft moved from a carbon reduction target to being “certified carbon neutral” and the certification they chose involved having a carbon plan and being allowed to offset, but increasing their carbon emissions over time because of the servers and the electricity they were using. My point here is that the corporate narratives are very, very useful, but can have an edge. The role of Government in that is to remember, as Sir Amyas Morse was mentioning, it is not just quantitative indicators, but also a role of Government in monitoring the narrative, the certifications, the labels, the schemes and so on. This is an important role for Government, so I would echo calls that some others have already mentioned today for some kind of independent office adjudicating those types of calls.

I commend DECC, for example, on their carbon neutrality standard. They did come through with a carbon neutrality standard, so that the Microsoft story I just told could not happen here under DECC’s guidance. I would echo the calls of others for an office of sustainability information or some such similar thing that I have just invented as I speak here. The label is not catchy, but I think you understand my intention, to encourage the conversation, to encourage the narrative, but also to keep an eye on the power behind the narrative.

Luke Hall: Thank you. Some very interesting points there from Queen Mary Business School. Just before I hand over to the next member of the Environmental Audit Committee to chair, I just wonder if I could invite some general comments from the members of the panel about the points we have heard so far, perhaps going in the order that we spoke. Matthew, have you had any general thoughts about what we have heard so far, any points you want to come back on at all?

Q15 Matthew Spencer: I will use the prerogative of being up here to answer another question that was not asked, which is where are the opportunities? Clearly the last area of state activism in the UK is infrastructure, capital investment in infrastructure, and we are going to see a huge amount of activity over the next five years. As Steph pointed out, there are both some risks and some real opportunities there. The Committee on Climate Change expects that the majority of new vehicles purchased in 2030 will be electric vehicles. I expect the majority of the UK power generation in 2030 to be renewable energy power generation. We are going to change the way we use energy in the UK, both in transport, power and heat, quite dramatically over the next 15 years, and this Parliament will largely set the infrastructure through which that occurs.

I think the National Infrastructure Commission has to be at the heart of our vision for sustainable development or our challenge for sustainable development. It has to be as much about smart systems on the demand side as the supply side, as I have already mentioned. It also has to find new ways of getting a public mandate for infrastructure, because most of the politics of infrastructure take place outside Parliament. They happen through rows on the ground, and unless there are means of bringing the public into the conversation about what Greater Manchester’s infrastructure needs are or London’s infrastructure needs are, then that infrastructure will not be built, whatever the National Infrastructure Commission says.
Finally, it needs to incorporate a vision for what I think Stephanie called natural infrastructure, the corridors of green spaces and wildlife places that we all value, whether it is for our amenity or for just knowing that they are there. We have largely lost spatial planning in the UK, which means there are no longer maps that show where development might be good or where it might be harmful. I think the National Infrastructure Commission has the opportunity to try to bring that alive again, and ensure that we have some corridors to breathe in, as well as some appropriate and smart manmade development.

Luke Hall: Thank you, Matthew. Stephanie, any comments on what we have heard so far?

Q16 Stephanie Hilborne: Quickly, that is a good point, Matthew, on the positive planning. What we lost when we stripped out the regional planning guidance was the first positive planning we had for nature, which was not just, “Do not do it here” but, “Look, let us restore here and do it alongside with progressive development”. My key points were that we have to get into the psyche that something like a mass retrofit of domestic housing stock is a major infrastructure project. It does not have to be a new build, a massive sexy project, to be one.

There is a question coming out of all of this from the Audit Office about how we can devolve decision-making to places where the knowledge is present and is relevant, because the more centralised we become, often the less intelligent we become in joining things up and integrating with the natural environment.

Finally, the Future Generations Act in Wales was raised. That is extremely progressive and although we have stripped out the Sustainable Development Commission, having a Future Generations Commissioner with a small team and apparently access to their Audit Office and its staff would be one very practical, feasible way to start to regain ground on this.

Luke Hall: Thank you. Mike, any comments from a business perspective?

Q17 Mike Barry: Just a quick observation on talent. You mentioned engineers. I think it is just as important to engage more business students. We do a lot of work with business universities around the world, getting business leaders of the future thinking around the definition of business value, beyond just the shareholder, which is very important, to social and environmental value as well.

On the question of how we engage ordinary people in the street, the first thing that people ask us for is, “Show us that you are serious, Marks & Spencer, Government. You have to walk the walk first before you ask me to move”. The second thing then is start to choose that, start to take away the things that you can easily. Marks & Spencer will only sell Fairtrade coffee and tea. “There is none, no Fairtrade coffee and tea.” So just make it simple for people. The third thing then is start thinking of small things they can do: wash at a lower temperature; eat a different diet because it is a good diet; do not take a carry bag; recycle your clothing; use public transport, simple things that you can do that build confidence.

The next thing is locality. People care passionately about where they live, so before we start worrying about saving the whole big wide world, for most people, “What are you doing for me?” We need much more about volunteering and localism in people’s lives, and only then once
we have built people’s confidence can we introduce the new business models, the truly circular approach. For example, clothing, where you rent it rather than buy it, you return it for reuse, reuse and reuse. But you have to walk people to that point, you cannot just land that immediately on them.

The very good question about the global trade, that is why we need a global price in carbon. I know it is fraught with difficulties, why it would be difficult, but the UK cannot impose unilateral systems. It needs to work within the framework of global systems. COP 21 in two weeks’ time is not the be all and end all. It is very important, but there will be discussion through 2016, “Can we have a global price in carbon?” It is the single most important thing we can do.

Then you asked about solutions: what is the most important solution? For me, an environmental circular economy. That changes the narrative. It is about resource efficiencies, it is about creating jobs, it is about creating opportunity in positive ways for people, not just talking about compliance.

**Luke Hall:** Thank you, Mike. I am conscious we have to get some more questions, so we are going to have some very quick comments from Lord Krebs and Sir Amyas Morse about what you have heard so far.

**Q18 Lord Krebs:** Two very quick comments. First, a point that has not been mentioned so far but I think is crucial is the importance of innovation. Many of the technologies that we will rely on to have a more sustainable future we do not know about yet. We do not know what they are, but innovation will bring them to the fore.

The second point is just to answer two specific questions about electricity generation. One was on biofuels, and I agree with the comment that was made, that biofuels are an illusion. The notion is that plants suck carbon dioxide out of the atmosphere and then when you burn the plant material you pump it back out and it is circular. That is wrong for two reasons. First, it costs a lot of energy in addition to the carbon dioxide that the plant is sucking out of the atmosphere to grow plants. You have to add fertiliser and you have the whole harvest costs, transport costs and so on, so it is not neutral. The second thing is that if you grow plants for burning as biofuel, you are displacing plants that were growing there anyway, so there is some carbon saving, carbon that was being captured and you are displacing it.

On fracking, the Committee on Climate Change’s view would be that we do not rule fracking out as a modest contribution, but it is still producing gas, which when you burn it produces greenhouse gases. In the longer run, we have to have no greenhouse gases and the only way we can burn fossil fuel is if we can get carbon capture from storage, otherwise everything has to be either renewable or nuclear.

**Q19 Sir Amyas Morse:** Just a couple then. I think it is important to couch the way you run the debate about sustainability in language that does not sound vaguer than that in which the debate, for example, about infrastructure is being run. Infrastructure is also aspirational, it is also based on quite highly-aspirational thoughts, not all as strongly practical as that. I think you can bring your evidence forward in the same way.
The other comment I will make very quickly is remember that an awful lot of sustainability, the agenda sounds like it is all based on things the taxpayer is going to pay for. When you are in an austerity era, that puts you under pressure all the time. Again, you need to try to have a debate that makes it look like it makes sense in terms of cost that we do it this way, rather than we are just relying on the taxpayer to provide. I think that is quite a dangerous position to be in. It would be better to be in a position that says, “This makes sense. This is value for money”. Arguing it that way around is more powerful. Those are my only comments.

Luke Hall: Thank you. Thank you for that first set of questions and comments from the panellists. I am going to invite John McNally up to chair, another member of the Environmental Audit Committee.

John McNally: Thank you, Chair, for the opportunity to help chair this meeting today. For those of you who are tweeting, can I remind you that the hashtag is eacconference, on the screens for either side? If I could take the first question from the lady just here on the right-hand side, please.

Q20 Ann Finlayson: My name is Ann Finlayson. I run a charity called SEEd. I used to be the Education Commissioner on the SDC. The question really is why are we not talking about the legacy of the work that we need to do, for example, education? If I was applying for a grant from a major funder or a trust, I would be asked to look at the sustainability of my project. That means long-term sustainability. It is not an expensive thing to do. You can change the Education Act to make sustainability every child’s entitlement and lots of things will follow. There is lots of good practice. We are known around the world for some of the innovations that we had up to 2010, which we no longer have.

It is not going to be a difficult thing to do, and in addition to that, we know young people need this. The NUS and the Co-op have done amazing surveys that show 80% to 85% of young people want these competencies. We also know business wants it. We have now had evidence that businesses are not asking for your degree level as an indicator that you are talent for their business. What do they want? They want resilience, collaboration and team working; they want innovation, they want creativity. You do not get it with the current education system, but it would not take a lot to shift it to an ESD approach. Thank you.

John McNally: Could I take the lady in the doorway at the back and then the lady holding up the pen, and then we will take these questions and move to the panel for some answers?

Q21 Wendy Purcell: Hello, I am Professor Wendy Purcell. I am here representing the Environmental Association for Universities and Colleges. I just wanted to first thank the EAC for reaching out to the community to say how we might help frame your agenda, but secondly, just to call upon you to turn your beady eye on the university and college sector. Given the challenges around low productivity, around skills, around social inclusion, research and innovation, it is staggering that the education system is not held accountable for its delivery around sustainability and goals. I endorse the previous speaker, but just to call upon you to use and exercise your influence to ask the university and college sector what it is doing in this space and to hold us accountable. EAUC are here to help you do that.
John McNally: We will take this lady, then we will get the panel to give you some answers and then we will move on to some questions thereafter.

Q22 Beverley Hall: My name is Beverley Hall and I am from a trade union called Prospect, the union for engineers and specialists in Government and in the private sector. A couple of colleagues have mentioned TTIP, the worry about coming out of the EU and about CETA affects skills as well. Mine is a question: in terms of sustainability in Wales and Scotland, there is a very holistic approach, so an acknowledgement of people, skills and communities, as well as the environment, because the environment needs people to protect it or to change behaviour, whereas we have seen within the UK and within England that there is this policy vacuum. Also in Scotland and Wales, there is an international view of sustainability, about doing good outside of borders. Going forward, I am wondering about the holistic approach and that harmonisation of what Wales and Scotland are doing and what England will do, because obviously fish swim past borders, wind will blow across borders. Are we going to go with that very holistic approach or will it be purely environmental?

John McNally: Lord Krebs, can you come in on some of the questions, and then Stephanie after that?

Q23 Lord Krebs: Thanks very much. If I just pick up on the education point that has been raised by a couple of people, I think that is very important. It links into my comment about innovation, because obviously part of the innovation agenda is to educate people with the right skills and talents. It also links to the point that was made earlier on the panel about what it really means for an individual—sorry, it was made by the chap with the split trousers—to live in a sustainable lifestyle. Is it a heat-free Monday; is it riding your bike to work or what? I think education has a role to play in embedding in everybody’s mind what sustainability means, so I support those comments.

Q24 Stephanie Hilborne: The point about Scotland and Wales, I know our colleagues there would not say things are perfect, but I think that the level of dialogue between Departments is more practical when you are basically representing 3 million or 5 million people than it is when you are representing 60 million. The sheer scale of Government Departments in Whitehall does counter the pragmatic discovery of win, win, wins. That is where—although I am not sure if there has been a release on the word “regional” and whether anyone is allowed to say it now—sub-national collaborations are absolutely critical. You can see that some of the brightest hopes on sustainability are in the core cities and London where that is happening. TfL’s split trouser man, the number of miles people walk in London because of the public transport is phenomenally higher than the average outside London, and funny enough, obesity is much lower. I want to thank your organisation for the transport provision here.

Male Speaker: My question, is it enough?

Stephanie Hilborne: It is fundamentally different from everywhere else.

Male Speaker: It is a beginning, not an end.
John McNally: Mike, do you want to come in there? In terms of gender balance, we have had a few ladies, so we will have this gentleman and the gentleman with the goatee beard and the other one with the full beard behind him.

Q25 Mike Barry: A very quick point on education. My three kids are going through the education system at the moment and on the science of sustainability, they get a lot, they are being taught a lot. The two things that are probably missing are the leadership skills you reference. They are not getting the basic leadership skills to deal with a very complex world, whether it be business, civil society or Government, the world is just more fluid. The second thing they do not get is entrepreneurial skills. We talked about technology, the ability to imagine a very different future, a very different way of selling things—electric vehicles, circular clothing, whatever it is—and we are not teaching them the skills to do that.

University is very important as well. Increasingly, cities and businesses are individually taking leads, because it is just probably an easier scale than the whole economy. We need universities to do the same. I would challenge and ask any university to show leadership to its students by going, for example, 100% renewables as a starting point, not an endpoint.

Then just on the point about holistic thinking, absolutely. We as businesses are struggling out of this silo structure, Governments are struggling out of it. The quicker we get to a more holistic understanding and the talents to run a holistic system the better.

John McNally: Sir Amyas would like to come in quickly.

Q26 Sir Amyas Morse: Just very quickly, one thing I wanted to pick up on was what Lord Krebs said about disruptive technologies. It is extraordinary that if we find ourselves with really efficient power storage it is going to change the whole game, it will just change it a heck of a lot as to what generation sets you need and how that works.

I wanted to talk about holistic assessment. The problem is people talk about central government, but it is a highly departmentalised system we have. It finds holistic difficult and therefore unless you have outside agencies bringing and pushing Government to come together, it really finds that a hard job. When it tries to do so, it rarely lasts for very long, so I think one of the big things for this Committee to do is to push for a more holistic approach within Government and then more holistic looking outside.

John McNally: Thank you. This gentleman here.

Q27 Mark Howitt: Mark Howitt from Storelectric. Thank you very much for that introduction. We do massive scale cost-effective energy storage, so my focus is on energy. We have gone an awful long way down the route towards renewable energy, but unfortunately we have gone part of the way and not the whole way, and if we stop now we have the worst of both worlds. We have all the intermittency and its costs without the benefits, while we are bringing on diesel-fired generation to back up the grid. For last Wednesday’s problems, one of our plants would have solved the whole of that. We are spending £1 billion on carbon capture and storage when on DECC’s own most optimistic figures of capturing 80% of the carbon in coal-fired power stations, if we managed to do that across all 8 gigawatts of our current capacity, that is
going to cost us £27.4 billion a year into the future, as well as reducing the efficiency and increasing the costs of coal-fired power. For £27 billion we could build 50 gigawatts of energy storage for a duration of a day or two uninterrupted. We are putting in all the wrong incentives financially. We are spending £1 billion on keeping coal-fired power stations, gas-fired power stations open in the capacity market and we are not putting it into the innovation that we need to put it into.

We are also creating perverse regulations, preventing investment in new technology and in old technology. For example, with all our energy contracts being let on competitions and on short terms, two to three years, that means that we have never had a power station invested in by the City since deregulation.

John McNally: Okay, thank you. Could you just finish off the question there?

Mark Howitt: With the right regulation changes, long-term contracts offered pre-construction, we can get the City to invest in it all, rather than Government. We can also redirect a lot of Government funding from the wrong technologies to the right ones.

John McNally: Okay, thank you. Would you like to hand the microphone to the gentleman behind you? Sorry, I did not catch your name.

Jürgen Huber: Jürgen Huber. Just maybe a question to Lord Krebs, how anyone could claim that nuclear power is a low-carbon technology or carbon neutral. Most of the carbon capture technology was (inaudible 01:15:40) and in contrast somebody mentioned the figures from Germany. The figure that has just been released is 32% of German electricity has been produced with renewables this year, that is the first six months, and that was (inaudible 01:16:00) in the last 10 years. It just underlines that the phasing out of nuclear and the phasing out (inaudible 01:16:09) all fossil fuels by 2019. I just wondered about your take on that.

John McNally: One more, the gentleman behind you with the glasses and beard. Thank you.

Matthew Spencer: Yes, so a cluster of energy questions that I will try and answer together. Clearly, nuclear is low carbon, but I do not think it meets the usual criteria for sustainable development, because it is creating waste for future generations that we do not yet know how to deal with. So that is the dilemma with nuclear. It clearly is low carbon.
On CCS, I think the UK view of CCS has changed quite significantly over the last five years, because it now looks very clear that we are going to phase out the use of coal in the power sector in the UK by 2025 at the latest, hopefully earlier than that, because we are more than halfway there already, and to create some clarity about a coal phase-out in the UK would be very beneficial for other parts of the power sector in terms of their investment plans.

Where CCS will be important is on gas, where we will continue to be dependent on gas for some time to come, and particularly on industrial CCS, where industrial users in the aluminium industry and the steel industry and so forth will need to find ways of decarbonising their production. Industrial CCS is probably the most neglected and most important area for policy-makers, because it is so vital for so many industries and we want to be able to maintain their sustainability, financial as well as environmental, over a long time. I think those are the two main parts.

Q31 Stephanie Hilborne: I am not an expert at all in some of these areas around the technology. I saw you flinch about the low carbon, and of course nuclear initial construction is very intense carbon use. But the Drax point and the biomass, just to flag up, I completely agree that highly-intensive arable production of biomass burning does two things. You said, Lord Krebs, obviously burning wood from a forest that will stay a forest and be well-managed may be ultimately more sustainable than one of the trawlers that comes right across the Atlantic, but so is the coal. The coal that stations like Drax are burning is coming from the other side of the world, so there is a whole load of completely crazy uses of energy to go through. I would just point out that this is not unrelated, that the carbon cycle is part of a natural one. Eroded peat bogs just in the UK are contributing the same carbon emissions as Leeds, Cardiff and Glasgow cities put together, and they can be stopped from eroding by careful management, which just bangs that straight on the head, but we are not thinking of those natural solutions at the moment.

Q32 Lord Krebs: I agree with what Matthew said about nuclear and CCS. The Committee on Climate Change’s approach is not to specify to the Government exactly the mix of low-carbon technologies that should be used to decarbonise the energy sector, but just to say that the energy sector needs to be decarbonised ideally by the early 2030s in order for the rest of the trajectory towards 2050 to be achievable, because the aim is to decarbonise electricity and then to run as much as possible off electricity, for example, electric vehicles and other sectors of the economy.

I agree with what Matthew said about CCS in industry as well as in gas power stations. On the fifth Carbon Budget, there is a meeting of the Committee on Climate Change on Friday at which we will be putting the finishing touches to the fifth Carbon Budget, so I will be able to answer your question after that.

John McNally: Thank you. I will now hand you over to my fellow Environmental Audit Committee member, Rebecca Pow. Thank you.

Rebecca Pow: Hello. Thank you so much. I am in the hot seat now, although I am delighted, I just have to say quickly, to be a part of the Environmental Audit Select Committee. Highly honoured, but I am rather feeling the weight that has been put upon our shoulders with all the things that are coming out today. I hope we are going to live up to it, Huw, with you
guiding us. I want to thank the Chairman, Huw, for organising today because I think this is a tremendous turnout.

Very quickly, although it is all slightly negative, I want to put a very little positive spin on things because, Stephanie, I hope you will be very pleased that the word “nature capital” is being talked about within Government and especially in DEFRA, so I do not know whether anyone in the audience might pick up on that point, but we have not mentioned it yet, have we, so perhaps we could get it in. So let us ask some more questions. Let us do three in a row: three from this side, three from that side. The lady in the glasses and the gentleman in the pink shirt who is waving. Would you like to start? Tell us who you are first, please.

Q33 Michelle Goldberg: I do not want to have my back to everybody. Good morning. My name is Michelle Goldberg and I have a community organisation called EcoVillage Urban Initiative, which was set up to help move forward and develop inner city communities, housing estates, into sustainable urban eco-villages and eco-communities. I am also part of the Women in Governance parliamentary outreach programme.

I had a meeting with Meg Hillier, MP for South Hackney, yesterday and gave her some documents and she said she was going to get in touch with somebody on the Committee to let you know that I would be here. I do not know if that has happened, because I would like to give the same document to whoever is the most appropriate person. My contribution, there may be a couple of questions at the end—

Rebecca Pow: You have one minute to go.

Michelle Goldberg: —is about the world eco-city development. There are fantastic projects that are already going on around the world—I have not heard anything in that direction—and there is GEN, which is the Global Ecovillage Network. There are already eco-cities: we have Tianjin in China, there is Auroville, which was built on the east coast of India and Findhorn. Within that network is an enormous resource of information. Lord Krebs was talking about innovation. I would request that the Committee link with—a department at the University of Westminster that is looking into the eco-city development, to please look into the models that are already there, how they have done it, and apply the information. There is also a gentleman called Keshe—

Rebecca Pow: Would you like to pass those details on to our Committee afterwards? We have the point, thank you very much, eco-cities, eco-communities, but we are going to move on to the next—

Michelle Goldberg: One very important point, please: the Keshe Foundation, he has developed a free energy system. Please everybody take this down, K-E-S-H-E. I believe it is a plasma technology. He has offered it to every Government in the world for free. He says it belongs to the world. He is offering it in exchange for world peace, so could you please look into that?

Rebecca Pow: Okay, thank you. We have to move on. Lovely, thank you so much. That is eco-communities, eco-cities and I am sure you will give people those details again afterwards if they want them. The lady back there with the glasses, please.
Q34 Grace Richardson: Hi, I am Grace Richardson and I am an intern at Christian Aid. My question to the panel is you were earlier talking about how sustainable development is not just the Environmental Department’s responsibility, but I was just wondering how you would implement sustainable development policies across the board in different Government Departments and who will initiate that? Who will hold people to account for that?

Rebecca Pow: A very good question and it was raised here, I think, by Sir Amyas Morse. Perhaps he is going to tell us who will do it. Thank you very much, and there was a gentleman in the pink shirt there.

Q35 Mayer Hillman: I am Mayer Hillman from the Policy Studies Institute. I have some critical questions to raise, or a statement to make, and I will do it very quickly. The first is that the concept of sustainable development implies that it can be maintained in perpetuity. That is so obviously a nonsense, particularly bearing in mind that all we have heard about today really has been on ways of promoting low-carbon growth, no reference at all to high-carbon growth, and it seems to me that in both instances low carbon and high carbon are adding to the concentration of CO₂ in the atmosphere, so that matters can only get worse. They are already past the critical point, because we can no longer go on believing that there is a means of reversing the process that is, for instance, melting the Arctic ice cap. So to go on talking about any activity that relies on carbon fossil fuels is just adding to the problem and making it even less likely that we can deliver and meet the challenge and ensure that future generations are going to be able to go on enjoying life as we have done. My question is do any of the panel agree with the concept that Government should be not only promoting low-carbon growth, but also preventing or certainly highly limiting high-carbon growth? Here of course I am talking about flying, for instance.

Rebecca Pow: Okay. I hope you do not ever fly anywhere, sir.

Mayer Hillman: I just did.

Rebecca Pow: Oh, you just did? You flew here? Okay, thank you very much. Shall we quickly pick up those points, but not everyone to answer every question? Stephanie, would you like to kick us off?

Stephanie Hilborne: I will do the last one.

Rebecca Pow: Would you like to do the last one? Yes, high-carbon growth.

Q36 Stephanie Hilborne: Yes, then I can swap because you can talk about natural capital. I did go on more than my five minutes, but the definition of course is key. To translate the original definition into one that starts with, “This is about our vision of stimulating economic growth and tackling the deficit” is an immediate challenge. If you follow through the theory, very well-articulated by Dieter Helm, which is that really the traditional model of economic growth is depleting our natural assets and that is what we are just constantly doing. We are not measuring that depletion and we are not investing in restoring the natural asset. I think that the natural capital concept is incredibly powerful if put through that lens. It is something that if we can get on to the front foot with and start to embed in the psyche across Government, it would be transformative.
Rebecca Pow: Thank you. Lord Krebs, I think in your earlier speech you mentioned that all energy should be renewable, so perhaps that deals with this gentleman’s point about high carbon.

Q37 Lord Krebs: Yes, very quickly in response to your question, which I think raises an interesting point, I divide it into two parts: is economic growth as a goal sustainable in the long run? I think that is an open question. Tim Jackson from the University of Surrey has argued that we cannot aim forever 2% growth ad infinitum. On the other hand, Nick Stern has argued that with innovation we can have growth in not a low-carbon, but a zero-carbon world.

Maisie Hillman: They cannot both be right.

Lord Krebs: Yes, they cannot both be right. I am not an economist, but it would be interesting for the EAC to find out from Nick Stern and Tim Jackson what their arguments are.

Your point about low carbon versus zero carbon, one calculation that has been done is if we were to stabilise carbon emissions to limit climate change to an average global temperature rise of about 2 degrees, which is what people refer to as the limit to dangerous climate change, then the permissible allowance per individual on the planet with a population of 9 billion in 2050 would be about 2 tonnes of carbon per person. So we can never get to absolute zero, but we can get to a very low level. I think the important question is whether economic growth is compatible with that.

Rebecca Pow: Thank you very much. Sir Amyas Morse, could you address the point made by our Christian Aid lady about who in each department is responsible?

Q38 Sir Amyas Morse: I am not so sure. Who is responsible in each department, clearly always has to be the accounting officer, and if not the accounting officer someone rather senior reporting directly to them. I think it was an even more difficult question: which department should have the lead in Government. I suppose if you spin the Coke bottle or whatever you might do on this, you will probably find yourself pointing at only a limited number, most likely I think DEFRA.

Rebecca Pow: Thank you. No question. I am on that Select Committee as well. Mike Barry.

Q39 Mike Barry: Just leading off the point from Grace, it was an excellent question. I think you as a Committee can start by considering renaming yourselves the Sustainable Audit Committee, it gets it away from thinking about the environment over here, social over there and economic. That is one for you to think about, no more than that.

To the really important point about growth, I think pragmatism here says we have to find a way of helping the poorer parts of the planet to develop, so they feel that they can access the benefits that we have seen and we take for granted. We cannot just draw the drawbridge up on development. Does that form of development have to be radically different from what we have today? Yes, it does, and that is the challenge, the homework question we all have, how do we allow the developing world to access what we have in a totally different way? The businesses and the Governments that can find a way of squaring that circle, and it is a tough one, will win in the
wider sense of the word. That for me is a great opportunity for UK plc, and I will speak as a businessman, knowing that is just one aspect here. There are huge potential export opportunities in terms of solutions and technologies for this nation to grow, but grow in a different way than we have in the past.

**Rebecca Pow:** Thank you. Matthew, would you like to add anything to any of these questions?

**Q40 Matthew Spencer:** Thank you, Rebecca. Yes, I wanted to also come to Grace’s question. The normal formula in any business or any organisation is that it requires a combination of leadership, structure, and delivery capability. Duncan Brack, who is in the audience, wrote a report on green machinery of Government for WWF a year or so ago, which describes both the various attempts there have been to do that and posit some ideas about how it could be improved. For my money, it is about laying out a view of what the future of a greener Britain can look like by the Prime Minister and other senior Ministers; it is about having a Cabinet structure that monitors and oversees the process and then it is about the individual departments like DEFRA and DECC brokering across different vested interests new agreements. In the absence of lots of money and lots of new law, brokering is the key new role for Government on the sustainability issue.

The final point, and I must apologise, Rebecca, but I have to go in a minute to catch the Eurostar in less than an hour—

**Rebecca Pow:** Not a plane, I hope.

**Matthew Spencer:** —but the conversation has highlighted and Sir Amyas has particularly highlighted the tension between a holistic vision for sustainable development and a very focused view of where change will come. I think that illustrates the difference between an educational process, which is about increasing one’s understanding of complexity, which has to happen in all institutions, and the process of Government in change and decision-making, which is reductionist, where we have to focus on a very small number of big things to have any impact. I would suggest that the new housing programme encapsulates many of the issues that people have talked about today, infrastructure, the quality of green spaces, the quality of the lived environment. Given it is one of the main drivers for this Parliament, to develop new housing, I suspect that will be a very useful focus for the Committee and for many of the people in the room.

**Q41 Rebecca Pow:** Thank you so much, and thank you to everyone. I am going to swap in a moment to my colleague. I just want to finalise by saying we have a big new road being built in my constituency, the A358, that I have campaigned tirelessly for, but I am speaking to the Minister about whether we can have a green road, and there are such things,

Finally, I just want to throw in, before I swap, do we have to go for it all to go bad before we address it, like the VW pollution scandal? As awful as that was, it does seem to be getting people moving. I am not suggesting we go down that route, but it seems awful that we have to wait that long before we address these things. On that note, I am going to hand over to my colleague, who is going to take over chairing.
Margaret Greenwood: Thank you very much, Rebecca, and I would just like to say thank you very much to Matthew Spencer, who is leaving the room as we speak. Can we have the lady on the end? I have invited the lady on the end first, so I will ask the lady on the end here first.

Q42 Mary Newton: My name is Mary Newton. I am speaking on behalf of the Dean Natural Alliance. My question was for Matthew Spencer and it is, the devil is in the detail. In our national public forest of Dean there is a site called Cinderford Northern Quarter, which has a variety of habitats supporting over 1,300 recorded species, which includes 60 protected species, 18 of which are of European importance. It also supports a maternity roost for lesser horseshoe bats, vital to a special area of conservation. A major urban development is proposed for this site. Instead of using derelict brownfield sites in the local Cinderford area and using a larger site—the proposal is to also build a college on this site. By May 2015, £14 million of public money had been spent with the sole result of moving 20,000 newts, amphibians and reptiles from just one part of this site.

Margaret Greenwood: Just 30 seconds.

Mary Newton: This site should never have come forward for development as there are alternative sites and alternative solutions. In view of this unsustainable development involving statutory authorities will the Environmental Audit Committee take oral evidence on this development from local community groups to establish at a strategic level the principle that the feeding or breeding grounds of protected species will not be used for major urban development and that alternative sites and solutions be looked at based on detailed robust evidence?

Margaret Greenwood: Thank you very much for the question and if we could take this young man sitting on the second row here.

Q43 Mike Blakeney: Thank you very much. Mike Blakeney from Interel. My question is hopefully a very simple one, which is the Infrastructure Commission has recently been announced, which most people will consider to be a good development, but my question to the panel—and specifically to Amyas Morse—is what is being done to make sure that the Infrastructure Commission has a focus on sustainability and on taking some of the tough decisions on the future energy needs of the country?

Margaret Greenwood: Thank you. Then the lady in the grey jacket.

Q44 Anna Stanford: My name is Anna Stanford. I am from Renewable Energy Systems. We are an independent UK renewable energy developer. I just wanted to pick up on a couple of points made earlier by Sir Amyas and Mike Barry to give a bit of a business perspective. That was around the points around the need for accountability, for measurement, for transparency, to make sure that we are using the limited resources, financial resources we have in the most efficient way. In particular, I wanted to pick up if we are confident that that is happening, then business has the confidence to invest. I also wanted to pick up on the very specific point on the Levy Control Framework where, in principle, it is a good mechanism, it has become the key investment signal for businesses like ourselves, but unfortunately there is a lack
of transparency in how calculations are made, the assumptions around it and how the budget is managed. That could help with the cost-effective allocation of resources that Sir Amyas mentioned.

My question is how do we get that transparency from Treasury, from within Government? Is it something that the Committee could look at and how do we therefore ensure that business has the confidence that the correct decisions are being made, the most cost-effective low-carbon technologies are being chosen—like onshore wind and solar—and that there is value for money for consumers?

Margaret Greenwood: Thank you very much. We will take responses to their questions, but just before we do, obviously we have just gone past 11 am, so if people need to leave, please feel comfortable doing that. We are going to keep going for about another 10 minutes. The last question was to Sir Amyas and Mike Barry, so perhaps you could respond on that.

Q45 Mike Barry: On that Government-offered policy response, I will just make the general point again in terms of mandatory carbon reporting as an example. It is not the specific question you asked, but the point about transparency. There have been some discussions in Government about removing mandatory carbon reporting, having just introduced it. We are a big supporter of it. We think the more transparent business is about the footprint it has and how it is reducing it the better. It enables investors to take better decisions about risk they are investing into, so the more transparent information, more transparent reporting system we have out there, the better. You cannot report on everything. You could easily come up with a set of 170 metrics, you look at the external roles and everything that lies beneath them, but in terms of ensuring that the UK and economy report on one thing and one thing well and consistently openly, carbon is that thing. I cannot answer the specific question you have asked, other than to say transparency absolutely has to be the heart of what we do.

Q46 Sir Amyas Morse: I have a business background as well as my life at the National Audit Office. It is quite clear that if you want people to invest in anything, whether it is sustainable or not, you have to have a degree of confidence that your investment decision will have a reasonable chance of producing a flow of income. If you think there might be some arbitrary change that means you cannot be sure of that, you are less likely to invest. It follows from that more clarity and transparency in this area will only help to encourage investment, and therefore I would commend it to the Audit Committee as a subject they should consider, and these are fair points.

As far as the Infrastructure Commission is concerned, I too think it is a welcome development. I was a bit concerned by the fact it did not appear to be intending to meet as often as it probably will need to do or be as set up with quite as much capacity as it probably will need to do the job of co-ordinating that it may have to do. I think it initially only proposed to meet a few times a year. There will be a lot more than that needed to be effective, so to be quite clear on that, I am not aware of whether it has sustainability within its charge, but I do not think there is any reason why it should not and it would be a perfectly appropriate thing to be recommended to it. It is an important committee. I am a little concerned that it not be underpowered.

Margaret Greenwood: Perhaps, Stephanie, would you like to comment on the issue of the habitats in the forest of Dean?
Q47 Stephanie Hilborne: Yes, I might have had a briefing on the issue of the Infrastructure Commission, which definitely does not have anyone on it who understands the interplays between the natural environment and planning, and that is a massive issue we need to address.

The situation of the forest of Dean, the reality is that we are not mapping and planning ecological networks out and valuing our natural environment correctly in the first place, so we are getting to the point where developments are about to happen that probably should never have been where they have been agreed to be in the first place. Then you have the process of how do you deal with the destruction of natural habitats. We know that how we dealt with them has not been progressive enough so if something is going to happen, even if we fought it, it is about creating expansive new habitats rather than spending millions of pounds on moving individuals of species, and that is what we need to come towards. But we are undervaluing those natural habitats.

I sat on a forestry panel that was convened and there was a big Treasury priority to stop wasting money on the Forestry Commission, which cost the nation about £12 million, or if interpreted differently £20 million a year, and delivered a minimum of £400 million of almost direct economic benefit from that. So we have to start looking properly at value and thinking how you can even be looking at that, but spending £130 million on an unnecessary road in Sussex is something that we, as a society, are watching happen, and we have to change that. We have to start looking differently.

Margaret Greenwood: Lord Krebs, would you like to add anything to this?

Q48 Lord Krebs: Just very briefly in response to the question about the Levy Control Framework. In our July Parliament report we did ask the Government to be clear about the future of the Levy Control Framework in order to match that with project timelines, so that there is certainty for the industry to invest. In their response the Government said, “We have announced our intention to set our approach to the LCF beyond 2020”. So that is where we have got to, but we will press on that. I agree with you.

Margaret Greenwood: Thank you very much. The man in the pink jumper on the right here.

Q49 Stephen Martin: Stephen Martin, University of West of England and University of Worcester. I would like to touch on ethics, because we have heard a few commentators talk about Volkswagen. Currently we have the international athletics community and football in the frame. Ethics provide a very important framework for sustainability and I am afraid that universality will not count very much with the man and woman in the street unless we deal with some of the unethical practices that we are currently seeing across many organisations, indeed within Government itself. I would echo some of the issues around transparency that several have made. We do need the Committee to look at ethics with teeth in various parameters of the decision-making process, because without ethics with teeth we are lost in terms of the sustainability agenda.

Margaret Greenwood: Okay, thank you. The lady on the second row here.
Q50 Maggie Bevan: Hello, I am Maggie Bevan from Waltham St Lawrence Parish Council. I would just like to ask how we can address the scepticism that continues about climate change and therefore the urgency of the need for sustainability. I would draw on last week’s “This Week” where Michael Portillo mentioned that the ice caps were growing. That is just riding roughshod over the whole message that we are all trying to get across, that this is an urgent problem.

Margaret Greenwood: Thank you very much for your contribution. The gentleman immediately in front here.

Q51 Richard Barnes: Richard Barnes from the Woodland Trust. Just echoing some of the comments, as well as peat bogs and other habitats there are over 600 ancient woodlands under threat, so nature’s capital does seem to be eroded. Why is that when they provide so many public benefits, whether it is woodlands, wetlands, grasslands, meadows—this is obviously perhaps aimed at Stephanie—yet the perception we get from Government is that the natural environment is an obstacle or a barrier to development when it should be celebrated and incorporated and used for all the public benefits it provides? Why is that switch not happening?

Margaret Greenwood: Thank you very much. The man at the back there.

Q52 Fraser Wallace: Hello, Fraser Wallace, Sustainable Energy Association, and I have a question for Mr Mike Barry. I understand that Marks & Spencer this year has shown quite a lot of leadership with regard to rolling out the largest rooftop solar installation in the country in March. Recently we have had some of this policy instability that you described as a problem. What is Marks & Spencer’s reaction to that?

Margaret Greenwood: Just take a couple more, so the lady in the striped top here.

Q53 Clementine Cowton: Thank you. I am Clementine Cowton, Bellenden Public Affairs.

Margaret Greenwood: Could you stand up, please, so we could hear you?

Clementine Cowton: There has been a lot of talk about accountability from the audience, but of course there are three members of the panel who have a statutory role in calling the Government to account on various aspects of this. Specifically, there is a lot of concern at the moment from low-carbon generators of the increasing role that the Treasury is playing in energy policy. Can I ask Sir Amyas, Ms Greenwood and Lord Krebs, what are your plans for calling the Treasury to account on this matter?

Margaret Greenwood: One last question: this lady here.

Q54 Rachel Webb: Thank you very much. My name is Rachel Webb. I was a parish councillor for 12 years with a particular interest in strategic development and also flight paths and aircraft noise in rural areas. Nobody on the panel, and in fact anybody in this room, has so far mentioned noise. Noise is a sustainability issue. It affects our well-being and my written evidence to this inquiry—which I will not repeat, so do not worry—was all about aircraft noise particularly in rural areas, and I was very critical of the sustainability indicator and the policy
solution that came therefrom. What I would like to ask the panel is what are your own views on noise as a sustainability issue?

Margaret Greenwood: Thank you very much. Perhaps we could take the questions in reverse order. Who would like to respond on the noise?

Q55 Stephanie Hilborne: I will do one on noise. I will just say I am with you and I grew up under the flight paths of Heathrow and Gatwick, where lessons had to stop when a plane went over, so almost every lesson stopped two or three times when a plane went over. It is innately stressful. It is also innately stressful to human beings to not be in contact with the natural world. It is as stressful as isolation from other human beings. There are two innate stresses that are built into our DNA, and that causes cellular reactions, which lead to stress-related illnesses like arthritis and depression and everything else. They are costing this country billions of pounds but we are not addressing it at root. So that is my noise one. I will have to do the woodland one later.

Margaret Greenwood: Okay. Anybody else want comment on noise? The next question was about holding Treasury to account. It is to myself and to Sir Amyas.

Q56 Sir Amyas Morse: It may sound like an extraordinary thing, but we regularly do hold the Treasury to account. Just recently we published a report on the sale of Eurostar. The Treasury was one of the bodies involved in deciding to do that, so we do do it.

Treasury is perfectly entitled to have a view on the balance of effort, sustainability, affordability and so forth. That is their job. The question is that they should be balancing the evidence properly. They should be able to show how they are doing that. Policy levels—it is not my job to challenge them, if I am honest—but on the implementation level and having the right evidence, yes, we are perfectly capable of looking at that. If we see an occasion to do that we will do it, so it is not a difficult concept for me to hold the Treasury to account. I am quite willing to do it if the evidence is there.

Margaret Greenwood: I would just add to that, on behalf of the Committee as Chairman—I am not supposed to respond—but the Environmental Audit Committee is one of the two committees in Parliament that is allowed to cut across all departments, so we may have the opportunity to hold the Treasury to account and if that arises we would take that path. Rooftop solar, that was a question to—

Q57 Mike Barry: I will take that and I will answer the question about climate scepticism as well. Increasingly as we move around the world, the talk is about what we do with the world food system: the Nestlés, the Kraft, the Mona Lisas, the Mars and so on. There is an acceptance that climate science is happening; very clear it is happening. We are seeing it in the global food system now. This is not a theory for 2030 that is out. The ability to get the coffee that you want, the apples, the fruit, the veg, the water, the soil that you need, has been directly impacted across the 50 to 70 countries I talked about in the global supply chains. That is why all these ferocious competitors have come together to say, “We need to put all our competition to a side and tackle this together”.

Just like Government, we have to make a decision based upon the resources, the solutions. Could we go faster? Yes, we would, but we would be out of business. So we have
absolutely bought into the fact that climate change is happening, absolutely bought into the fact that we will act collaboratively, and I said very clearly at the beginning, we need a stable policy system to invest against. Now, at the moment I am not going to throw bricks into Government’s wall. Government needs to find a way of recalibrating the policy system. All I can say is to business leaders, “Let us make it happen very quickly”. We need to shift our business models, not a little bit—2% per year—we need radically different business models. We are willing to invest into that and do that against the right policy framework. Again, that is not a lecture at Government, it is putting it 100% we have to be part of that solution as well.

Margaret Greenwood: The response to the question on ancient woodlands? Stephanie, you indicated that you wanted to say something.

Q58 Stephanie Hilborne: I just wanted to wrap the psychological reasons why, and you could almost turn to when I was a kid I was trained on repeating the creed that it is through ignorance, through weakness or through your own deliberate fault. There are elements of that in the reason why we deny climate change or we say that the natural environment is a barrier to progress. It is to do with resisting change and it is to do with not wanting to believe things that are fundamentally terrifying, in my view. But that is a very personal take on it.

Margaret Greenwood: Thank you very much. Can I just ask members of the panel to respond on anything they would like to have commented on and have not so far, and also to perhaps comment on how we tackle the scepticism about climate change in the public and also the issue of the ethics that was raised by the gentleman over there?

Q59 Mike Barry: Just a quick word on the consumer. We listen to consumers as much as Government listen to the electorate: 35 million people in our shops every year, we listen, and 80% of them are telling us they are concerned about the future. They want a better future, they want more from central government to take a lead on solving it. When we start to develop solutions that they can participate in, we have shown evidence that we have done the heavy lifting; we will join the journey. But be very clear, 80% of British society say, “We want a better future”. They have seen the linkages of what is happening in their locality, they have seen the issues to do with noise, to do with transport, to do with air quality all the time. That again, giving just a world view—just to wrap things up—we are seeing exactly the same in our global operations. The Marks & Spencer’s stores in Shanghai, Mumbai, Delhi are seeing all the air pollution problems that we read about on the internet. We have to find a better way of helping this planet grow and the economy grow within it, and unless we do something very different in the future—both as government and businesses—we will not have an economy and a society to prosper, and that is a huge challenge for all of us.

Margaret Greenwood: Thanks very much.

Q60 Sir Amyas Morse: It is worrying that the base case on global warming gets blurred as much as it does and having one version of the truth would be a big help. It is probably impossible, but I do not think we should sit back from the Government point of view—not that I speak for the Government—but I do not think it is enough to say the case is made. There is a constant debate going on and it is very important that people know what is regarded as provable and they have a clear understanding of what is believed to be the case at this time. I just think it
is concerning. Just how clear, just how desperate, just how urgent, just how fast are things moving? I know that is constantly changing, but it has a very big effect on the rate of action that most people are going to buy into and therefore it is quite an important subject and needs to be brought front and centre a bit more.

**Q61 Lord Krebs:** On that question of climate change denials, opinion polls show that the significant majority of the UK population accepts the reality of climate change and the importance of action. Those who lead the campaign to deny the reality of climate change are simply blind to the facts. The facts are irrefutable. The temperature record, as has been measured, the increase in greenhouse gases in the atmosphere to be measured, but they are a result of burning fossil fuels and the greenhouse effect. It is like gravity. We do not expect suddenly, if I pick this up and drop it, it will float away up into the atmosphere. We know gravity works and gravity is real and climate change is like that. We have to stick to the facts and say this is what is ineluctable and acknowledge, as Amyas has said, there are certain uncertainties about the speed of change and the magnitude of change but nevertheless it is real and it is a real problem.

**Stephanie Hilborne:** It is interesting because it brings it back to the ethics point in a way, and what leadership is, which someone else mentioned earlier, and leadership is about doing what is right, not what is easy. Almost always doing what is right is harder than not doing what is wrong. To question it, what harm is there by believing it is happening and what damage can you do by acting more quickly? None. It is the core of risk management, whereas arguing that it is not, we are wasting time arguing. I love your gravity comparison.

**Margaret Greenwood:** Thank you very much, fantastic contributions. I am going to hand the chair the back to Huw, who is going to bring the session to a close.

**Q62 Chair:** Thank you very much, Margaret. I thank all of you as well. I only have a few brief comments here. Just in light of the last contribution, I remember being called into No. 10 when I was a Minister to explain the right decision that I had made in a particular environmental matter, and it was the right decision. I stood by it. I went through with the then Prime Minister’s special advisers why I had arrived at that particular conclusion and how robust my decision-making was. I said, “There was a right decision and there was an easy decision. I went for the right decision”. They listened and they said, “Okay, we will go with you on this one, but next time can you take the easy decision?”

A lot of this is to do with long-term thinking. Some of the things we have taken away, we have ranged from the very particular and the very local to the global and the strategic. Some of the things that we have heard here today are quite clear across a range of sectors that are co-joined. What we do in terms of natural capital is linked to what happens on climate change, is linked to what we do on energy generation or demand management and energy efficiency. There is a lot of common stance here, but it seems that there are strong issues of accountability and monitoring and measurement—which is music to our ears as the Environmental Audit Committee—and this Committee has a role to play in that. We want to set that out at the start of Government and we will have some willing partners to help us set those metrics as well, what should be measured and how we measure it week in, week out. Secondly, it is the long-term direction, the rigour and robust monitoring of what is going on and challenging. We see the Committee very much as something that not only does that monitoring role, but promotes leadership, encourages leadership, spurs the Government to do more.
That takes us on to that thing of ambition. There is a role, a good role, for the UK in terms of not only leading here within the UK but helping to set the global agenda as well, because fundamentally many of these things are to do with intrinsic aspects of nature, strategic issues of how we tackle things like climate change. But it is to do with social justice as well. It is how we improve the lives and the well-being and the health and well-being of this generation but of generations to come. That is a hell of a burden for all of us to carry and for the Environmental Audit Committee to carry as well, as well as our panellists, but we have to do it, we know that.

Just for your interest, some of the areas we have already covered as a Committee have included airport capacity issues and Lord Howard Davies’ report to the Airports Commission. VW and diesel and air quality, the Green Investment Bank we are turning our attention to very shortly as well. We will obviously be looking at post-COP 21. We will be looking at issues around the European Union and environment and sustainable development, what needs to be done where, what needs collaborative approaches on a pan-European basis, what can be done better at a national or other levels. We will be turning our attention to things like soil quality. It is a great overlooked area, which members of my Committee are very concerned with. There might well be a mood on the Committee, based on some of the things we have heard, to specifically look at the role of Treasury in terms of some of this decision-making, how we balance, how we make sure that there is a streamline in between fiscal measure and regulatory measures and others.

It is a huge area for this Environmental Audit Committee, but we are determined to give it a very good attempt to bolt this down. But the first thing to bolt down at the start of the Government, at the earliest possible moment, is what we measure, how we should measure it, and then keep them coming back and saying how they are doing on a range of things. So can I thank my speakers? A tremendous panel here have responded with great insight and intelligence to a wide variety of contributions from the floor: to my Committee members, who have been scattered through the audience here, as well as those who have come up and chaired sessions, thank you very much; to Hansard, who are recording this for posterity; also Bow Tie TV, the gentleman with the TV cameras and other audio-visual equipment scattered around us; the Parliamentary Outreach team as well. This has been a bit of an innovation today. I think we are only the second Committee to have taken this approach; it has been very worthwhile. We need to do more of this to extend it out beyond the standard inquiries, which have their place as well, but to reach out and get wider collaborative input to some of our areas of investigation.

Could I ask you please just to show in the normal way your appreciation of our panellists, please? With that, head for your planes, trains and eco-efficient vehicles while we wait for the bell to start Parliament. Thank you all very much.