

**The Rt Hon Chris Huhne MP**  
**Secretary of State**

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Thank you for your email dated 7 May, and the attached report you prepared for Friends of the Earth. I sincerely apologise for the lengthy delay in replying; as I am sure you are aware, my Department has been exceptionally busy over the last few months.

In principle I very much welcome reports of this kind; it is absolutely right that the Government should be held to account over its commitment to be the 'greenest government ever'. I think that the criteria you have chosen against which to assess our performance are a good set (with one exception, which I will come back to below). As you note, they go well beyond a narrow definition of environmental policy, but we are committed to the wider definition of sustainable development, as you have articulated.

I am afraid, though, that I did not find your assessment itself nearly as robust as the selection of criteria. It is too easy, when reading the report, to gather the impression that you prejudged its outcomes and simply wrote the assessment to fit the conclusion that the Government is performing poorly. To pick a few examples:

- On page 9, you give the government the lowest possible score for failing to increase the proportion of revenue from environmental taxes; yet even after the reduction in fuel duty announced in the Budget, in fact the proportion is set to increase over the Parliament. Also, on page 8 and page 17 you give us the second lowest score for introducing a Carbon Floor Price, and, in effect, converting the CRC into a tax – even though both of these help to achieve the environmental tax commitment which you have just accused us of missing.
- On page 10, your first criterion is a rise in VAT to 20 per cent. Despite the fact that the Government has done exactly this, you still give us the lowest possible score. You make comments about a crackdown on tax evasion, but completely ignore the Government's actions in this respect. You also mention a financial transactions tax, with which I have considerable sympathy – but in the end it is impossible to work out what this particular criterion is about. I could make a similar comment on your criterion on page 33 about raising the income tax threshold – where although we are doing exactly what the criterion says, you give us the lowest possible rating.

- On page 14, you give us the lowest possible score for failing to set the Fourth Carbon Budget in line with the Committee on Climate Change's recommendations. I know that you produced your report just before we announced the decision on the Fourth Carbon Budget – but you simply assumed that we would fail and rated us down accordingly. I would have thought that a more reasonable way to proceed would have been not to rate performance against this criterion until the decision had been taken.
- Similarly, on page 9, you reach conclusions about the content of the Electricity Market Reform White Paper even though we had not finalised it, let alone published it, at the time you were writing the report.

There are other examples I could have used. I should say that in many other areas I think your assessments are entirely reasonable. Overall, however, there are so many instances of what look like personal bias that the impact of the report will be much less than it could have been; too many people will not treat it as the objective analysis which I think it should be.

In addition, although you – in my view, rightly – take a broad assessment of the environmental and social elements of the Government's performance on sustainable development objectives, there is one glaring omission among the economic elements: that of the Government's overall fiscal situation. You cannot simply ignore the constraints we are operating under in trying to reduce the public sector deficit – which, if left untackled, would severely constrain the economy's ability to develop in a sustainable manner in the future. Yet in your assessment, you criticise almost every spending cut the Government has made, and even most of the tax rises too. I entirely accept that there is room for discussion about the speed and manner of the deficit reduction programme, but to pretend that there is no need for it at all downgrades the credibility of the report.

You may be aware that Green Alliance is working with other NGOs to produce an analysis of performance against the Coalition commitments on environmental policy. This is, clearly, a narrower focus than was adopted by your report, but I believe they are proceeding in a reasonably robust way and I look forward to engaging with them over their conclusions. Perhaps you might like to consider collaborating with them in the future to carry out a similar exercise but with a rather broader focus?

I am sorry not to be able to be more welcoming, but I do think this was a missed opportunity to produce something that would have a real impact on Government and the public debate. Of course I would be happy to have the chance of discussing this with you in person.



CHRIS HUHNE