

LEGISLATED POLICY TARGETS

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Introduction

Under the last government there was a focus on outcomes which were reflected in public service agreements agreed between departments and the Treasury underpinned by delivery plans.¹ But in a number of areas the government went further and enshrined those targets in law. In July the Institute for Government held a private roundtable to look at the implications of this practice for policy making.

This briefing paper records the main points of that discussion. The attached annex summarises the main examples in the UK and compares them with legislated targets elsewhere. The principal UK examples currently in force are:

- A target to eliminate fuel poverty by 2016, set in 2000
- Targets to reduce greenhouse gas emissions by 26% by 2020 and by 80% by 2050 compared to 1990 levels, set in 2008
- A target to reduce significantly a number of measures of child poverty by 2020, set in 2010. The headline measure – the relative income measure – aims for no more than 10% of children to live in households which have an income of below 60% of median household income.

The previous administration also legislated a target to reduce the budget deficit by half by 2014; these fiscal policy targets were repealed by the coalition shortly after taking office when it set up the Office for Budget Responsibility. It also introduced a bill to commit to spend 0.7% of gross national income on overseas development assistance from 2013. This fell at the end of the session. Though the Programme for Government commits the Coalition to enshrine that 0.7% target into law at some point, so far no legislation has been introduced.

¹ Tom Gash et al, *Performance Art*, Institute for Government, November 2008. Appendix 3a (p 102) sets out the last set of public service agreements.

The focus at the roundtable was on domestic UK legislation, where we have an option on whether to put a target into law or not. But many of the targets which bite on UK policy come from the European Union, and come with the potential for formal infraction proceedings and heavy fines for non-compliance. It was noted that the most effective way for a government to bind its successor was to see a policy enshrined in European law – though that of course depends on getting legislation proposed and agreed in Europe.

The starting point of the discussion was that the move to put targets (as opposed to specific measures) into law was relatively new and raised important issues about the relations between executive and the legislature and the executive and the judiciary. But it was a development which had not been subjected to much scrutiny and discussion either within government or more widely. The aim of this paper is to provoke further consideration both on whether and when legislated targets make sense but also on what makes a good legislated target – and what does not.

Why put targets in legislation?

The move to put targets explicitly into law followed a recent trend of putting principles into legislation as a way of guiding implementation and also helping the courts to interpret what government intended from legislation. Indeed in New Zealand judges explicitly ask for the principles behind a law to be stated in legislation. In the UK there are a number of good examples of principles in legislation including the Children Act (1989) and the Mental Health Act (1983).

All governments legislate – and bind successor governments until that legislation is repealed. Parliamentary supremacy means that no government can completely bind its successors. But there is a category of legislation that attempts to “entrench” a change – a deliberate move to make is harder for subsequent governments to amend or remove the law. That can be due to specific provisions in the legislation for example by including onerous processes of change (affirmative regulations or extra consultation or voting requirements), or more simply, through creating a political commitment (e.g. to reduce child poverty). It was noted that there is an “asymmetry” in legislation; it is easier to legislate than to repeal legislation. The most obvious and best known example of legislation designed to entrench law is the European Communities Act (1972) which provides for the incorporation of European Community law into UK domestic law.

The growth of legislated targets in recent years could be seen as part of a more general interest under New Labour in constitutional issues and as part of a wider move to entrench elements of the welfare state and the post-war settlement including creating individual rights to services. But most constitutional law is about institutions and rights – not outcomes. The other end of the spectrum of legislation is the sort of highly detailed legislation found in tax law – though the government is now thinking of resorting to a general anti-avoidance provision.

Such targets can also be seen as a way of making government more strategic, focusing on long-term goals; what behavioural economics calls a “commitment device”. Governments often find it hard to achieve strategic alignment across departments and more widely; they also find it difficult to commit to long-term goals. Incorporating targets into legislation can support more strategic government in different ways:

- As an **internal signal** to the rest of government (and to subsidiary jurisdictions) about the priority the government attaches to an issue: the climate change legislation gave momentum to the climate change issue and helped DEFRA and DECC get buy-in from other departments for their policies; the child and fuel poverty targets generated action by local authorities which might otherwise have not happened.
- As an **external signal** of the seriousness of government intent: the climate change legislation was intended to give greater certainty to businesses considering long-term investments that the government would take action to achieve the targets, as well as playing a role in influencing the international debate in the run-up to the 2009 Copenhagen negotiations.
- As a way of **influencing decision-making on a continuing basis**: other pieces of law have this effect as well as targets, for example the Rooker-Wise provision in the late 1970s which made statutory indexation of income tax the default, and thus forced governments to make clear when they were increasing the real tax burden.

But some of the uneasiness about legislated targets could be attributed to the more negative constructions of their use. Legislated targets could be seen as:

- a **low-cost way for the government to give the appearance of vigorous action** without actually having to commit to take measures in the short term. Governments could thus take political credit for their boldness without having to engage in proper policy discussion of the measures needed to achieve it. It is much harder to challenge a legislative target on a widely acknowledged important issue (e.g. poverty) than to challenge specific measures.
- a way for an outgoing administration to **limit the discretion of a future administration**; this could be interpreted as setting a trap for the opposition ahead of an election, landing them with political time bomb primed to detonate sometime in the future, “a political act of war.”

Whatever their underlying rationale, the effect of legislated targets is to try to bind the hand of successor governments. This is particularly true of targets introduced toward the end of an administration’s life, when the existing administration does not bear the brunt of introducing measures to meet the target. The “asymmetry” of legislation (and

politics) means that a successor government may find it much harder to repeal a legislated target once in place than to decide not to introduce one.

The pros and cons of targets

In the discussion people saw the following arguments in favour of putting targets into legislation:

- Legislating for a target can make government action more resilient and less sensitive to tides of popular opinion. This is important for issues with serious long-run implications such as climate change, which require certainty for businesses that the long-term investment framework won't be up-ended by politicians with a different set of priorities, or areas where committed effort is required over a long period.
- Legislating targets affects civil service (and ministerial) behaviour given their legal force in a way which more weakly articulated priorities or statements of principles may not. Legislated targets could incentivise action on issues which had previously been given less attention.

However there were also some real concerns about how legislated targets could work in practice:

- A legislative target failing to 'bite' had the potential to devalue the legislative process and dilute the force of law, with unpredictable consequences
- Too often targets were set without clarity on the measures that would be required to meet it and therefore without an analysis of the costs and benefits of trying to meet the target
- Badly specified targets can drive the wrong policy and produce perverse outcomes and distort spending priorities
- Targets always had the potential to produce perverse effects and similar results could be achieved through legislating through principles designed to influence the courts.

There were also some more political concerns about the development of legislated targets. They could be seen as an alternative to trying to entrench policies through winning the political argument and establishing a new political consensus through actions rather than legislation. They could also be interpreted as an attempt to pre-empt manifestos and narrow the area of debate at election time. They also placed a particular burden on oppositions in the run-up to elections, who needed to have the courage to oppose when they realised that a trap was being set for them, rather than take the path of less resistance.

As well as political issues, some felt that targets raised “constitutional” issues on the relationship between the executive and the judiciary and also between parliament and the executive. However, none of these constitutional issues had been raised during the parliamentary passage of any of the legislation, nor had Parliament done proper scrutiny on the measures required deliver the target. There was a general view that Parliament should take entrenching legislation designed to bind successor governments much more seriously, particularly at the end of a parliament. Some participants thought that target legislation that gives specific priorities to future government could be seen as a part of constitutional law and so should be treated with the requisite caution.

Forms of targets, legal status and sanctions

Form matters. Once a decision has been taken to put a target into law, the formulation becomes very important. Different formulations of targets have been used in legislation – with potential for very different effects.

- The fuel poverty target is couched in terms of “make efforts”. The genesis of the target was in a private member’s bill which the government decided not to oppose. The target was not set in the legislation itself but set out in a separate strategy which the original legislation required the government to produce within a year; a later judicial review has confirmed that so long as such efforts are made there is no binding obligation to meet the target.
- The climate change act sets specific long-term targets for 2020 and 2050 but also requires compliance with interim 5 year budget period targets designed to put the government on the right trajectory.
- More prescriptively, the Child Poverty Act specifies that the government “will ensure” the target is met by a specific date (and the Leader of the House resisted an amendment which would have allowed the date to be changed).

Putting a target into law makes it “justiciable”, introducing a role for the judiciary. Governments are institutionally disposed to obey the law, so one would expect targets to be cautious in order to diminish the possibility of non-compliance. But the ambition of many targets suggests that compliance is not necessarily uppermost in politicians’ minds and that they do not expect the courts to hold them responsible for failure to meet the targets. Part of this could be attributed to the fact that it will be their successors (or their successors’ successors) who ultimately have to answer for the failure to meet a distant target.

But putting a target into law introduces an element of legal uncertainty. For example, there are three possible sanctions for missing the 2020 child poverty target:

- A mandatory order

- A prohibition order
- A declaration of unlawfulness.

A mandatory court order or a prohibition order from a judge in the event of the government failing to meet the 2020 child poverty target and requiring that the government take or not take specified action was thought unlikely. A judge might issue a declaration of unlawfulness – politically embarrassing, but not a sanction with clear legal consequences. The courts do have the power to mandate action to reach a legislative target, but this would arguably “undermine the constitutional settlement” between the executive and the judiciary.

Judges have traditionally been reluctant to involve themselves in the allocation of public money. In the decision in the judicial review of the fuel poverty target in 2008, the judge did not consider that the “efforts” required by the legislation meant the government had to change its spending priorities to meet the fuel poverty target. The effect of a “declaration of unlawfulness” in the event of a failure to meet the child poverty target would be a degree of political embarrassment for the government of the day – but it was unclear how much ministers would then be held responsible for failing to reach a target set over a decade earlier

The climate change legislation set up an oversight committee to report on the government’s efforts to comply with the targets. Those reports also rely on potential for political embarrassment to give credibility to the targets. But the act also makes provision for the government to meet targets through buying emissions credits from abroad. However, the consequences for government of missing the target and not buying credits are unclear.

Government can take measures to try to limit the potential role of the courts. The draft (never enacted) Official Development Assistance Bill of 2010 included an “ouster clause” which stated that there would be no legal consequences for missing the target.² This makes it clear that the target is an aspiration rather than a mandated goal, but at the same time undermines the power of the legislated commitments and brings into question the point of putting a target into law in the first place.

Target definition and design

Alongside the form of the target, the way in which the target is measured is important. Participants highlighted specific characteristics of targets, based in turn on their very different origins:

² The bill states that “the fact that the duty in section 1 [the 0.7% target] has not been, or will or may not be complied with does not affect the lawfulness of anything done, or omitted to be done, by any person”. Draft Official Development Bill, Section 3(2) (January 2010)

- **The fuel poverty act** required the secretary of state to bring forward a strategy to “ensure no one was in fuel poverty by 2016”. The target has a number of problems. First the goal of “elimination” was impossible to achieve. The origins of the legislation was in a private member’s bill which the government accepted without much apparent deliberation, not least because with falling fuel prices the target looked easy to achieve. The measure has been very sensitive to the volatile price of fuel, with the number of people regarded as fuel-poor under the target falling by four-fifths between 1998 and 2003 but tripling in the following years. That volatility itself was felt to show the inadequacy of the measure; social problems do not show that degree of instability. The measure itself tried to capture a reasonable definition of what it was to be fuel poor. But the concept that people were “fuel-poor” if they needed to spend over 10% of their income on fuel to heat their home to an adequate temperature produced some very perverse results (e.g. “Queen is fuel poor” headlines), and was based on a Family Expenditure Survey figure from 1978 for median fuel spend (which in 1978 was 5%; this was then doubled to come up with the 10% figure for fuel poverty).
- **The child poverty act** committed the government to reduce significantly child poverty by 2020 as measured by four precise income-inequality targets. The act also committed the government to halve the number of children living in relative poverty by 2010 from 1999 levels, which had been an aspirational target for child poverty set by Tony Blair early in his premiership (alongside a pledge to “eradicate” child poverty by 2020). The formulation was felt to restrict government’s discretion to adopt more flexible alternate policies and take a different approach to poverty reduction.. Even when the bill was introduced policy makers knew the interim target would be missed in 2010. The present government is now seeking to move away from a targets-based approach in this area.
- **The climate change act** sets an overall target for reductions in greenhouse gas emissions by 2050, but did not specify how government was to reach that target. Its origins were in a campaign run by Friends of the Earth which envisaged targets for year on year reductions in carbon emissions, but against a backdrop of the IPCC and Stern reports on the nature and scale of the emerging problem.³ The government opted instead for carbon budgets which would run for five years and be set up fifteen years in advance on a “rolling trajectory” while the

³ See the 2012 Institute for Government report, *The ‘S’ Factors: lessons from IfG policy reunions*, for a detailed case-study of the genesis and development of the climate change legislation (p.111 – 124) www.instituteforgovernment.org.uk/sites/default/files/publications/The%20S%20Factors.pdf

independent Committee on Climate Change was established to ensure that government had measures in place to meet the targets. The original bill contained a target of 60% reductions by 2050; following scientific advice about what it would take to keep temperature rises below two degrees this was changed to 80% by the government during the passage of the bill (a halving of the emissions allowed in 2050) without significant scrutiny or analysis of the implications.

Discussants agreed that target design mattered. It could be argued that targets would inevitably constrain discretion in an unhelpful way and that they should always be avoided in favour of more flexible ways of setting policy objectives – by, for example, publishing “principles” legislation. But it was also clear that, if governments wanted to put targets into legislation, care needed to be taken. Bad target design has the potential to produce perverse results by, for example, focusing government efforts on the wrong issue if the measure is poorly specified, or inducing perverse behaviours – for example meeting a target by moving the easy cases across a line while ignoring those cases which may be harder to tackle.

With those risks in mind, participants identified the following characteristics of better target design:

- **Focus on the desired high level outcome** - the best laws were those that enunciated general principles or broad goals and focussed on the real problem - such as reducing greenhouse gas emissions by 80% by 2050 - without being overly prescriptive as to how government is to reach those goals. However, governments should also consider the alternative of focussing on **outputs** which were in the government’s power to deliver; or on an **instrument** – for example, in the case of climate change, legislating for a rising carbon price which would have a similar signalling effect but take immediate effect.
- **Realism** - having a realistic target is a *sine qua non* of good target-based policy. Seeking to “eliminate” a problem, as the fuel poverty strategy intended, is unrealistic. A better target would aim to reduce the scale of the problem – and focus resources on the worst affected. Part of that realism should be an assessment of the measures needed to achieve compliance with the target.
- **Sensible measures**. This implies that it is important to get the measures right. Too narrow measures can focus policy on meeting the measure rather than dealing with the underlying problem. The child poverty measures for instance implied an income transfer approach, arguably not dealing directly with the root causes of poverty.
- **Flexibility** – there must be some room to flex targets in the light of big changes in circumstance but without undermining the purpose or credibility of the target.

- **Matched to government capabilities** – targets should focus on what government can actually do, rather than focus on ideal outcomes. A good target will reflect awareness of the policy tools government has at its disposal. This requires that targets not be over-optimistic. This also suggests that targets are more relevant to some policy areas than others.
- **Independent oversight institutions** - it was suggested that the buffering institutions set up around a targeted strategy could actually be more effective at ensuring achievement of the policy than the targets themselves. The Committee on Climate Change was suggested as a good example. Avoiding a pre-commitment broadens options later, while buffering institutions can ensure that the target is resilient to changes in popular opinion. Institutional change could substitute for a legislated target – for example the establishment of the OBR by the coalition was designed to give credibility to the government’s fiscal targets rather than the legislated fiscal targets the Brown government had enacted.

There were alternative ways of achieving similar effects to legislated targets. The NHS “declaratory” constitution was suggested as an interesting alternative to entrenching targets in legislation. This sets priorities and guides political commitment and expenditure. Failing to reach the targets that it contains, such as waiting times, could be politically embarrassing but since there is no clarity over what the sanction would be for non-compliance it is not truly binding. The targets can be changed by the secretary of state, but only following statutorily required consultations. Another model discussed was the Bank of England’s Monetary Policy Committee: the bank had been given independent control over a policy instrument and set a target by the government. If inflation is more than 1% point away from the 2% target the Governor has to write an open letter to the Chancellor explaining why the target has been missed.

Final reflections

The aim of the session was not to come to firm conclusions, but rather to open up the issue to debate. Participants thought that, as a general conclusion, the climate change targets fell at the well conceived and designed end of the spectrum; the child poverty targets lay at the other end. The fuel poverty approach was legislatively in the middle of the spectrum but the poor target specification undermined effective policy.

The following points are designed to stimulate further thinking on the use of legislated targets:

- There is value in legislating to oblige governments to produce a strategy to meet a declared policy objective and where they would face criticism if they failed to follow through.
- Targets should be used sparingly and constructed carefully; they should have some built-in capacity for adaptation in the light of new circumstances.

- The precise measures chosen for the target matter, and should be properly scrutinised with the implications – whether legal or financial – properly understood; governments should be clear when putting a target into legislation what sort of measures might be needed to meet the target to enable that proper scrutiny to take place.
- Too much ill-thought out use of targets risked devaluing the legislative process. If targets proliferate and there are few penalties for missing them, they cease to be useful and will be viewed with greater cynicism by the public, the opposition and the government itself.
- Any use of targets therefore needs to be clear about the consequences of failing to meet them.
- The institutional approach should be considered either as an alternative to targets or as a “buffering” institution to oversee both compliance but also as a means for allowing more flexibility as circumstances change to meet a strategic objective.

In the light of these concerns, there was a feeling that proposals to place targets on a legal basis required more, not less scrutiny than specific policy measures – particularly in the run up to an election when much of the burden of implementation would fall on a successor government.

- Parliament should recognise the constitutional implications of one government seeking to bind its successors and making policy more justiciable, and therefore should subject such bills to (even) more rigorous scrutiny than normal legislation. Not just the formulation of the target but also the measures that might be required to deliver it should be subject to scrutiny as well as the compliance regime.
- Parliament (and the media) should treat proposals to enshrine policy targets in legislation with suspicion in the run-up to an election
- There was a case for considering whether additional parliamentary safeguards were needed, such as supermajorities to make it harder to enact targets. The role of the Civil Service in protecting the interests of future governments also needed to be considered.

Although European targets were not the subject of discussion at the roundtable, participants agreed that the need to take care before signing up to targets was particularly true for European targets, where big commitments could be entered into in a very casual way (such as the 2009 Renewables Directive). European targets are extremely difficult to amend subsequently, requiring both a Commission proposal to change the law and a qualified majority to agree. While UK courts are generally

reluctant to be drawn into ruling on the allocation of public expenditure, and have not imposed penalties on governments, no such reticence applies to the European Court of Justice or the European Commission: they have a range of very powerful sanctions available to them which they are prepared to use to ensure member state compliance.

A final thought from the discussion. In Institute for Government work on policy making we set out a set of policy fundamentals which we argue are crucial to good policy. The first of these was “clarity on objectives” and well specified legislated policy targets can help give that clarity. But a target should be seen as a means, not an end, for policy and setting a target is not a substitute for putting in place the measures needed to achieve the objective. It is too easy to applaud the government’s willingness to set a heroic goal – without testing the feasibility and desirability of doing what it takes to meet that objective. The uses – and abuses – of legislated policy targets and their place in the policy armoury need to be debated. We hope this paper will spark further thought and discussion.

Institute for Government

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Issue	Legislative form	Declared rationale	Implementation mechanisms	Measurement	Penalties for non-compliance	Legal challenge	Latest status	Other views
<p>The Monetary Policy Committee (MPC)</p> <p>April 1998</p>	<p>Bank of England Act 1998</p> <p>The MPC has responsibility for setting monetary policy, and sets interest rates independent from the government (the Bank was granted operational responsibility for this in May 1997)</p>	<p>“The Bill underpins our economic approach, which is to secure long-term stability and the promotion of high and stable levels of growth and employment. It enshrines our commitment to increased openness and accountability, which, in turn, will lead to the enhanced credibility in monetary policy that the world now demands”</p> <p>- Chief Secretary of the Treasury, Alastair Darling (Lab), at the 2nd reading of the Bill, November 1997</p>	<p>- The Monetary Policy Committee is chaired by the Governor of the Bank of England. It is made up of two deputy governors, two executive directors from the bank, and four external members appointed by the chancellor for a renewable period of five years. The MPC meets monthly. Members are held to account for their votes, with all minutes from discussions on the MPC entering the public domain.</p>	<p>- The Bank’s objectives are to ensure price stability and, “subject to that”, support the Government’s objectives for growth and employment.</p> <p>- The Treasury defines what the price-stability measure should be and what the economic policy of the Government is taken to be.</p> <p>- Initially the inflation target was within one percentage point of 2.5% on the RPIX measure. This was changed in December 2003 to within one percentage point of 2% on the CPI measure.</p>	<p>Should inflation fall below or above the target rate the governor must write a public letter to the Chancellor explaining why this has happened. The first such letter was written in April, 2007. Since then, the Governor has written more than a dozen of these letters.</p>		<p>The Bank of England’s interest rate is currently at its lowest level in history, at 0.5%. Prior to the crisis, it was around 5%. Inflation has been volatile since the crisis, but is currently within the target zone at 2.4%, down from a peak of 5.2% in September 2011. The Bank of England has also pumped hundreds of billions of pounds into the economy to support the banking industry and the expansion of credit.</p>	<p>“There were three words in that Bill which should not have been there. The words were “subject to that”. They meant that the Monetary Policy Committee must look at the problem of inflation and only then – I repeat, only then – look at the major economic and financial problems that the country faced [during the crisis]”</p> <p>- Lord Barnett (Lab), during the second reading of the Financial Services Bill, June 2012</p> <p>“There is a great deal of uncertainty about the medium-term outlook for inflation. And I do not wish to conceal that there are real differences of view within the Committee, reflecting different judgements about the risks to that outlook... The best contribution monetary policy can make to high and stable levels of growth and employment is to ensure price stability in the medium term. The Committee will set policy, in the light of the economic outlook, in order to return inflation to the target in the medium term.”</p> <p>- Mervyn King in his open letter to the Chancellor,</p>

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								February 2011
Fuel Poverty November 2000	2000 Warm Homes and Energy Conservation Act Imposed duty for the government to develop a strategy setting out its policies for ensuring that households to which the law applied (to be specified in the strategy) escaped fuel poverty (to be defined in the strategy) by the target date (to be specified by the strategy). The government is obliged to do all that is "reasonably practicable" to eliminate fuel poverty	The Warm Homes and Energy Conservation Act started as a private members' bill, moved by David Amess MP (Con): "What is the good of being a Member of Parliament unless we can encourage Governments to take these matters forward? There is no point being here. What is the point of legislating? We can all find people who would not obey the laws, but we have been sent here to legislate. I hope that, with the wisdom of women and men, we can arrive at good legislation"	- Fuel Poverty Strategy to "end the blight of fuel poverty by 2010 for vulnerable households". - Range of measures – Efficiency, fuel prices, poverty etc - Annual reports published by the Fuel Poverty Advisory Group, an advisory Non-Departmental Public Body. The 18 members of the group are organisations rather than individuals. British Gas, E.ON UK, Age UK, the Child Poverty Action Group and others are represented	A household is in fuel poverty if they would have to spend more than 10% of their income on keeping their house at a satisfactory temperature. The measure is therefore of what a home's heating costs 'should' be, not what has actually been spent on heating a home. The three key factors affecting whether a house is in fuel poverty or not are household income, the cost of fuel, and the energy efficiency of the property	None. Annual progress reports are published by the Fuel Poverty Advisory Group, an NDPB. The most recent report was published in November 2011	An application for judicial review in 2008 was rejected: "Ministers have legal obligations to do all they can to end fuel poverty - Friends of the Earth (FoE) and Help the Aged are taking the Government to court next week to ensure that they do." – Andy Atkins, FoE director shortly before the 2008 judgment "[The government] imported a statutory duty to make those efforts. It did not assume a statutory duty to achieve the desired results, whatever the cost" – Mr Justice McCombe making his judgment	- The Hills Report was published in March 2012 and made a series of recommendations, among which was a call to drop the 10% indicator and instead adopt a new indicator to better catch the link between low incomes and high energy costs, under which people would be fuel poor if they had higher than median energy costs and if their residual income after heating their home would leave them below the poverty line - A pilot study is being conducted into developing a new method matching actual energy consumption with fuel poverty data, in partnership with DCLG and English Housing Survey data - The 2010 target to eradicate fuel poverty in vulnerable households (the old, those with young children and the disabled) as set out in the 2004 Fuel Poverty in England White Paper was missed	"One of the reasons tackling fuel poverty is so difficult, is that the Government does not have a clear idea about who the fuel poor are. Because it does not have that information, it has to use age and receipt of benefits as proxies for fuel poverty, and that means that some people who are fuel poor do not get help, while others who are not in fuel poverty receive assistance" – Paddy Tipping MP, Chair of Energy and Climate Change committee March 2010
Climate Change November 2008	Climate Change Act 2008 Staggered targets for 2020	"Every Member of this House knows of the urgent need to prevent dangerous climate change. The science is clear and is now widely accepted and understood...The Bill	- Five-year Carbon Budgets set up 15 years in advance - The Committee on Climate Change advises government on how to reach the	- Reductions in emissions of greenhouse gases from 1990 base line - Emissions to be cut by 26% by 2020 and cut by 80% by 2050.	A statement must be made to the House if the five-yearly Carbon Budget target is not met, explaining why this has been the case.	The secretary of state has a duty to ensure that the UK's net carbon account does not exceed the level set in the carbon	- The Carbon Plan published in December 2011 set Carbon Budgets up to 2027. By 2027 emissions will be 50% lower than the base year (1990)	"It is the first Bill of its kind. At the meeting of G8 environment ministers in Japan last month, someone gave me a copy that has been translated into Japanese—I do not suppose that that often

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	and 2050 to ensure that emissions of Co2 equivalents (CO2 and/or any greenhouse gas with an equivalent global warming potential, such as methane) are on a downward path The secretary of state sets net carbon budgets which each run for five years.	establishes legally binding long-term targets and medium-term budgets to provide greater clarity for UK industry, and that will enable businesses to plan effectively and invest in the technology that is required to move towards a low-carbon economy and to reap the potential economic benefits that are on offer. It will ensure that we adapt to unavoidable climate change as well" - Phil Woolas (Lab) Minister for the Environment	targets. It also conducts independent research and analysis into climate change, and engages with experts from across the UK - The EU Emissions Trading Scheme was launched in 2005. The third trading period starts in 2013 and runs until 2020.	The secretary of state has a duty to ensure that the UK's net carbon account is 80% lower in 2050 than 1990.	Exceeding the level of emissions permitted in the carbon budget necessitates the purchase of carbon credits, or offsets	budget	- Emissions fell by a quarter between 1990 and 2010 - The Committee on Climate Committee has recommended that the government include aviation and shipping emissions in the carbon budgets. A decision on this is due before the end of the year	happens with our Bills. " – Phil Woolas (Lab) The Opposition supported the Bill, though their own proposal called for annual carbon budgets and for a stronger role for the CCC, in particular for the CCC to have the power to set binding targets
Official Development Assistance January 2010 draft bill	A draft bill introduced in January 2010 (this was not passed before 2010 election) The Bill legislated the target of 0.7% of GNI (gross national income) to be spent on Official Development Assistance (ODA) by 2013 and thereafter, a level of aid that is widely seen as crucial for reaching the Millennium	"If the UK is to maintain its leading role on this issue on a global stage it is vital that the UK continues to demonstrate its commitment to invest in international development, despite difficult economic circumstances. Putting the 0.7% target into law will underline the importance attached by this Government and by Parliament to the achievement of this goal...It will put beyond doubt the UK's determination to deliver on our long held international development commitments. This in turn will help the UK to influence other major donors to increase their	Annual report to Parliament on progress	0.7% of UK's GNI to be spent on overseas development assistance from 2013. The UN General Assembly called for the 0.7% aid target in 1970 (Resolution 2626), and this number was repeatedly reiterated at many subsequent donor conferences. Only five countries currently spend 0.7% (DK, SE, NL, LU and NO). Currently the UK spends around 0.5% of GNI on ODA (around £7.5 billion per annum)	Statement to the House if 0.7% target missed. The Statement would include measures the Secretary of State took or is taking to reach the target the next year. Clause 2(3) stated that economic, fiscal or international circumstances are legitimate reasons for the target not being reached.	- Clause 2(3) would have prevented any legal challenge in the event of failure to reach the target due to economic, fiscal, or international circumstances had the bill been passed - "It is the constitutional convention that it is Parliament's responsibility [and not the judiciary's] to hold the Executive to account in [spending commitments]" – Gareth Thomas MP, minister of	The 2010 draft bill never enacted. The Coalition's Programme for Government included a pledge to bring the 0.7% target into law before 2015. This remains government policy, though there will not be a bill in the 2012-13 session	"I believe that creating a statutory requirement to spend 0.7% ODA carries more risk in terms of potential future legal challenges than, as we have for the [military] covenant, putting into statute recognition of the target and a commitment to an annual report against it." – Liam Fox (Con), May 2011 "The secretary of state has not put forward any case for legislation other than the government's political commitment to it" – House of Lords economic affairs committee, March 2012

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	Development Goals	aid levels and achieve the 0.7% target" - Draft Bill presented to Parliament January 2010 by Douglas Alexander (Lab), secretary of state for international development				state for international development, February 2010		
Fiscal Targets February 2010	Fiscal Responsibility Act February 2010 Aimed to reduce public sector borrowing by imposing duties on HM Treasury to ensure a reduction in the deficit every year until 2016, that the deficit in 2014 would be half of 2010 deficit and that net debt in 2016 would be lower than 2015	"The Bill will set out obligations to cut the deficit at an appropriate and sensible pace, and it will allow us to protect the economy and maintain public services, upon which growth and members of the public depend. That is an important part of what we are trying to do. Whatever the economic circumstances under whatever Government, we need rules and objectives to govern fiscal policy...Between 1980 and 1997, monetary policy targets changed 14 times and there were at least five different fiscal policy objectives. In fact, I believe that there was no clear and consistent objective of fiscal policy. The result was the lack of a clear objective and overall coherence" - Alastair Darling (Lab), Chancellor of the Exchequer at the 2 nd reading of the Bill, January 2010	HMT to make a report on progress whenever an Economic and Fiscal Strategy Report or a Pre-Budget Report were laid before the House	The deficit would be halved from 2010 levels by 2014, with net debt on a downward path after 2015	If the 2014 deficit target was missed, HMT would have to explain in a report to the House the reason why this was the case		Repealed by the Coalition government when it enacted the Budget Responsibility and National Audit Act 2011	"Fiscal responsibility acts are the instruments of the fiscally irresponsible to con the public" – MPC member (quoted by Osborne in debate on the Fiscal Responsibility Act, January 2010
NHS	- The Health	"This is a momentous	- The Act imposed	The NHS constitution	"The pledges	In August 2010	The NHS Future Forum,	"We take heart from the

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Constitution March 2010	<p>Act 2009 places a duty on NHS bodies, primary care services, and other organisations providing NHS care in England to “have regard to the NHS constitution”.</p> <p>- The Secretary of State must review and republish the Constitution at least once every ten years</p>	<p>point in the history of the NHS. The content of the Constitution is based on discussions with thousands of NHS staff and patients across the country and will form the basis of a new relationship between staff and patients - a relationship based on partnership, respect and share commitment where everyone knows what they can expect from the NHS and what is expected of them”</p> <p>- Health Secretary Alan Johnson at the launch of the NHS Constitution, January 2009</p>	<p>duties on bodies delivering NHS services to “have regard to the NHS constitution”.</p> <p>- The right to access services within maximum waiting times (or for the NHS to “take all reasonable steps to offer you a range of suitable alternate providers”) were issued as Directions by the Secretary of State under the NHS Act 2006. This is a legal right.</p>	<p>includes a large number of ‘pledges’ (targets).</p> <p>- The maximum wait is 31-days for surgery, 31-days for anti-cancer drugs, 62-days from referral for suspected cancer to first treatment.</p> <p>- Ambulance trusts have a target of responding to 75% of Category A calls within 8 minutes and 95% of a Category A call within 19 minutes of a request for an ambulance being made.</p> <p>- There is a four hour maximum wait in A&E from arrival to admission, transfer and discharge</p> <p>- There is a pledge to provide access to a genito-urinary medicine clinic within 48 hours of contacting a service</p> <p>- In addition to these there are a large number of other pledges</p>	<p>[targets] are not legally binding and cannot be guaranteed for everyone all of the time, because they express an ambition to improve, going above and beyond legal rights” – NHS Constitution</p>	<p>UNISON announced that it had started legal action to halt the government’s NHS reforms. UNISON claimed that the government had failed to consult on the reforms, even though the NHS Constitution gives the public a right to be consulted. This bid was rejected in October 2010.</p>	<p>led by Professor Steve Field, is currently considering whether the Constitution can be strengthened and reinforced in future, in terms of both content and awareness. The Future Forum’s advice will be presented to the Government in the Autumn.</p>	<p>fact that staff who are most informed about the NHS Constitution are also the most likely to value and champion it; and from the extent to which people in the East of England have become aware of the Constitution, showing the effectiveness of efforts made there. It is also clear that, when shared with different groups, the Constitution has the power to enthuse and galvanise people”</p> <p>- The NHS Future Forum’s report of July 2012</p> <p>“Labour transferred power from Parliament (where it was about to lose power” to the courts (where the left judiciary reign supreme”. Their calculation was that if the did this quietly enough, and in technicalities, the Cameroons would not wise up to it because of their aversion to detail”</p> <p>- Fraser Nelson writing in the Spectator, August 2010</p>
Child Poverty March 2010	<p>Child Poverty Act 2010</p> <p>The Act imposed a duty on the secretary of</p>	<p>“[The Bill] sets out a vision of a fairer society that is bold and ambitious - a vision of equality and opportunity for our children that goes further than any other European country currently achieves. It</p>	<p>- Child Poverty strategies to set out additional measures in a wide range of areas (e.g. health, employment, skills, housing etc), revised every three years</p>	<p>- Relative measure (target: less than 10% of children to live on less than 60% of median income in 2020)</p> <p>- Absolute measure (target: less than 5%</p>	<p>Report to the House explaining why targets were not met and an account of the measures being taken in the new strategy to improve child poverty</p>		<p>Labour aimed to halve poverty from 2000 levels in 2010 – the number of children in poverty did fall from 3.4 million to 2.3 million, but this was 35% higher than the 2010 target of 1.7 million</p>	<p>“Our main child poverty target has always been a relative poverty target and it must stay so. It means that as society becomes more prosperous, all our children must share in that prosperity. As the</p>

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	state to lay a strategy on reducing child poverty before the House within one year of the act being passed. This strategy must be updated every three years, and include the measures taken under the previous strategy and an account of progress made towards the targets	entrenches that vision in our legislation for the long term. We know that no law alone can end child poverty, but the Bill will help to hold the Government's feet to the flames in pursuit of a fairer Britain. It will demand of Governments, now and in the future, determined action to cut child poverty and to stop children being left behind. Those are bold ambitions, but they are the right ambitions. The Bill does more than simply set out targets; it embeds a set of values in our primary legislation" - Yvette Cooper (Lab), Secretary of State for Work and Pensions at the 2 nd reading of the bill	- Duties imposed on local authorities, devolved administrations and other delivery partners to develop their own strategies and to cooperate to reduce child poverty in their areas - The Child Poverty commission was set up to give advice to the government on how to reach its targets	of children to live on less than 60% median income of the base year 2010 in 2020) - Combined relative low income and material deprivation measure (target: less than 5% of children to live on less than the 60% median income in addition to suffering "material deprivation" according to a wider range of indicators e.g. frequency of holidays, living in fuel poverty etc in 2020) - Persistent poverty measure (three consecutive years below 60% median income – the target was to be specified in the strategy) The 60% of median income figure excludes housing costs.			The government will consult on a new strategy in the Autumn, to include a wider set of issues beyond income and income inequality In April 2011 Nick Clegg announced the creation of the Child Poverty and Social Mobility Commission under the chairmanship of Alan Millburn (Lab) to strengthen the Child Poverty Commission. This new Commission will take a "life-cycle approach" to social mobility	incomes of better-off families grow, the poorest families must not get left further behind, because if they do their children will fall further behind, and not just today, but potentially for decades to come" – Yvette Cooper at the 2 nd reading of the bill "The Government are going to miss not only [the 2010] target but their 2020 target, which illustrates the fact that setting targets is not what makes a difference...The Bill ties a future Government to the targets that the current Government have failed to achieve...All the evidence has shown that, instead of a target approach, we need a targeted approach that commits to addressing the root causes of poverty. The Bill does not do that nearly as robustly or comprehensively as it could have done." – Theresa May (Con), shadow Work and Pensions Secretary at the 2 nd reading of the bill. The Conservative party did support the Bill
Overseas								
Greenhouse gas emissions in California	Global Warming Solutions Act 2006 (AB 32)	"This is only the beginning. By 2050 we will reduce emissions by 80%. We must do everything in our power to slow down global	- The Act empowered the California Air Resources Board (CARB) to prepare and approve scoping	- The scoping plan developed by CARB targets a reduction in emissions from 1990 levels of 80% by 2050	Reductions in emissions of greenhouse gases under cap-and-trade scheme are legally enforceable on	- Proposition 23, a 2010 ballot initiative (a referendum), sought to suspend the Act	- The greenhouse gas rules and market mechanisms adopted by CARB came into effect in January 2012, and the enforceable	"There will be job gains – and there will also probably be job losses. It's not a black and white picture. Those who don't want to do something will

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[On emissions, 30 states in the US have set mandatory goals for the use of renewable in energy generation]	California's emissions of greenhouse gases to be the same in 2020 as in 1990 (a drop of 15% after accounting for population growth). The Bill called for deep reductions in emissions by 2050, and has led to changed zoning laws, tightened fuel efficiency for cars, new public transport strategies and a range of other measures	warming...we are leading the way for other states and other nations. Other countries like India, Brazil, China, and Mexico will join us when they see all the great work we are doing. And so will, finally, the federal government. Trust me...I hope all of you are as proud as I am that California is leading the way" – Governor Schwarzenegger speaking after signing the Global Warming Solutions Act, 2006	plan for reducing emissions - Market mechanisms (overseen and regulated by CARB) were introduced; in total approximately 85% of CA emissions will be covered by the cap-and-trade scheme	- AB32's cap-and-trade programme covers 85% of emissions - There is a goal for generating 33% of energy from renewable sources by 2020 - CARB oversees a range of emissions reductions schemes, including in forestry, agriculture, industry, waste and recycling and fuel efficiency in cars and household appliances - AB32 made the reporting of greenhouse gases by large private firms to CARB mandatory	participating private and public entities; over-polluters will be punished by having to purchase carbon credits	until unemployment stayed below 5.5% for a year – this was voted down 61%-39% - The case <i>Citizens Climate Lobby and Our Children's Future v. CARB</i> will settle whether companies can use additional measures – like planting a forest of trees – to "reduce" their emissions. - Additional legal challenges are almost certain prior to November's introduction of the first trading credits	compliance obligation will begin in 2013 - Law-makers in Sacramento are currently deciding how to spend the billions of dollars that the emissions reduction regime will generate	focus on the negatives and those who do will focus on the positives" – Eileen Claussen, president of the Pew Centre on Global Climate Change "While Proposition 23 does address the job killing aspects of AB 32, it does not offer a sensible balance between our vital need for good jobs and the desire of all Californians to protect our precious environment. It is too simple of a solution for a complex problem" – 2010 Republican Gubernatorial candidate Meg Whitman
Australian climate change and clean energy legislation	Clean Energy Legislative Package 2011; this included the Clean Energy Act, the Climate Energy Regulator Act, the Climate Change Authority Act and others Together, these set out how Australia will introduce a Carbon Price,	"So this is the plan for Australia's carbon price: a modern policy approach, with efficient allocation and incentive to innovate, linked to global markets. A fixed price for the first years – a well designed market from 2015. Assistance for emissions-intensive trade-exposed industries. Evidence based emissions targets. Abatement at the lowest economic cost. All adding up to a new bottom line: where polluters pay".	- The Clean Energy Act was associated with 18 other pieces of legislation in the clean energy package. - The carbon tax will transition into an emissions trading scheme from 2015 - An independent regulator has been created to administer the carbon pricing mechanism, the renewable energy target and other	- The carbon price was initially set at A\$23/tonne. After three years (i.e. in 2015) this will transition into a cap-and-trade scheme which will result in the carbon price being set by the market. There will be a price floor and a price ceiling for the first phase of emissions trading - The long term target is an 80% reduction in emissions in 2050 from 2000 levels	- Carbon pricing, cap-and-trade and a carbon tax on the 500 or so biggest polluters	In March 2012 coal mining magnate Clive Palmer vowed to launch a High Court action to have the carbon tax struck down as unconstitutional, arguing that it goes beyond the Commonwealth (federal) government's powers to levy taxation. The bid is unlikely to succeed	- The act passed 74-72, and the various parts of the package are now in the process of being implemented. - The cap-and-trade scheme is due to start in 2015 - The carbon price was introduced in April 2012	"I say to this Prime Minister that if she really does want a deep and lasting consensus to be attained in this country there is only one way to do it: take it to the people and win an election on it. I say to this Prime Minister, I say there should be no new tax collection without an election" – Tony Abbott, Leader of the Opposition (Liberal Party) September 2011

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	mandated the introduction of a cap on carbon pollution from 2015, paved the way for the establishment of an enforcement regime and the establishment of an independent regulator	<ul style="list-style-type: none"> Prime Minister Julia Gillard (Lab), introducing the Bill for its 2nd reading, September 2011 	<p>initiatives</p> <ul style="list-style-type: none"> The Climate Change Authority will advise the government on the setting of carbon pollution caps and the periodic review of the pricing mechanism 					
The budgetary process in Sweden	<p>Fiscal rules have been in place since 1997 (they were modified in 2006)</p> <p>The government is supposed to run a surplus, is not permitted to spend above a pre-set ceiling, and local governments must balance their budgets</p>	<p>Following a debt crisis in the early 1990s, the government introduced robust rules to control the public finances and prevent excessive deficits. The budgetary framework has been successful. The government has run a surplus in every year except 2003 and 2004. The surplus is currently 0.3%, public debt has fallen from approximately 70% of GDP in 1993 to around 30% today, and Sweden continues to significantly outperform the euro zone and non-euro Britain, with GDP rising by 0.8% in the first quarter of 2012</p>	<p>The Fiscal Policy Council was set up in 2007. It assesses the extent to which the Government's fiscal policy objectives are being achieved, and whether the economy is developing in a sustainable way for future long-run growth and high employment. The FPC publishes an annual report, which the Parliament uses to evaluate the government's spending policy</p> <ul style="list-style-type: none"> Expenditure ceilings are fixed three years in advance by the Riksdag (Parliament) 	<ul style="list-style-type: none"> The surplus target of 1% (previously 2%) operates over the business cycle introduced in 2000 The expenditure ceiling for central government (which includes pensions) was introduced in 1997; it has never been exceeded. The ceiling is decided by the Riksdag The Riksdag also decides the rolling medium-term nominal ceiling on spending for the next three years Local governments must run balanced budgets 	The rules are an integral part of the rule-based budgetary process		Sweden's fiscal management seems to offer a model for some countries which are currently suffering similar debt crises to that which collapsed Sweden's economy in the 1990s. The constrained discretion of Swedish policy makers seems to have in part inspired proposals for much stricter euro zone budgetary rules	"Fiscal rules are only as strong as the political consensus that can be gathered in their favour" – Peter Claeys (academic)

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