



HOUSE OF COMMONS

Environment, Food and Rural Affairs Committee

Oral evidence: Work of the Department, HC 705

Tuesday 6 December 2022

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[Watch the meeting](#)

Members present: Sir Robert Goodwill (Chair); Steven Bonnar; Ian Byrne; Geraint Davies; Rosie Duffield; Barry Gardiner; Dr Neil Hudson; Robbie Moore; Mrs Sheryll Murray; Julian Sturdy; Derek Thomas.

Questions 1-101

Witnesses

I: Rt Hon Dr Thérèse Coffey, Secretary of State, Department for Environment, Food and Rural Affairs; and Tamara Finkelstein, Permanent Secretary, Department for Environment, Food and Rural Affairs.

Written evidence from witnesses:

- [Department for Environment, Food and Rural Affairs](#)



Examination of witnesses

Witnesses: Dr Thérèse Coffey and Tamara Finkelstein.

Q1 Chair: Welcome to this session of the Environment, Food and Rural Affairs Committee, where we are fortunate to have the relatively new Secretary of State—although not new to the Department. When I was at the Department, Thérèse was there as well. We also have the Permanent Secretary, Tamara Finkelstein.

Secretary of State, food is in the title of your Department. The pressure on families' catering across the economy is high due to food prices. Food inflation is running ahead of inflation generally. Indeed, poor families spend a bigger proportion of their budget on food than those who are better off. What are your priorities to address the high cost of food production?

Dr Coffey: Overall, I am very conscious that food inflation has risen significantly. We have just had the report that it has fallen for the first time in 21 months—which is encouraging—but it is still a lot higher than we would like it to be.

In terms of cost production, undoubtedly the biggest driver is still energy costs, which lead to impacts on other inputs, for example, the creation of fertiliser and other things like that. They all contribute, and that is why we should recognise what the Government are trying to do in terms of the energy support scheme, which has gone directly to households and businesses. We have set out our energy security strategy so that we are more resilient.

I am conscious of the collective effort, which will continue with UK leadership around the world, on trying to make some changes so that we are not so reliant on global prices. This more recent activity is not always the most popular thing we do in terms of energy pricing.

Q2 Chair: It was very welcome when the early payment of farm support was made in July; many farmers wanted to buy inputs at that point. Is there any other non-ELMS support that the Department is considering paying to farmers to help them through this particularly difficult time? Is there access to self-credit, or anything else like that?

Dr Coffey: Not that I am aware of, no. As you pointed out, we have split the payments on BPS, recognising that cash flow is the key item there. I think there is an element here, whereby we have seen a recovery in things like the price of milk, which has gone up considerably per litre—I am trying to remember, but I think it has gone up by 27p a litre in the last year or so. We are seeing that reflected in consumer prices—it is about £1 for a pint of milk, or about £1.30 for two pints. That is considerably more than it was. I know that other producers would like to get on a similar footing.



HOUSE OF COMMONS

Minister Spencer was meeting people today—retailers and processors—particularly focused on eggs. While I do not believe there is a general shortage of eggs, there have clearly been some issues in the supply chain, and, anecdotally, the hospitality supply chain seems to have got glued up for a little while, which led to some significant buying in local stores. Overall, I am not going to pretend that there are going to be all sorts of extra packages coming in.

Q3 Chair: Would you be critical of supermarket buyers not reacting quickly enough to high input costs, such as animal feed in poultry and pig production, and concentrating on getting very keen pricing, which has fed through to some farmers not restocking and production falling? That, in effect, made the problem worse, albeit maybe 12 months after the event.

Dr Coffey: I am not going to be particularly critical of supermarkets. I think, overall, having a competitive supermarket environment has done a lot to help consumers. I am conscious that is a very clear relationship, particularly with the processors, because farmers are not often directly supplying retailers. It is important that the industry keeps talking, and we have played a role in convening people together. But I do not think we are at the stage of doing market interventions directly when it comes to pricing.

Q4 Chair: I was interested to read your speech, given not long ago, at the CLA meeting. You were talking about the development of the ELMS and the switch from paying farmers for being farmers to paying farmers to deliver environmental public goods. In that speech you were talking about the way that the local nature recovery aspect of that would be developed. I got the impression that you were just going to roll over the stewardship and call it something else. Is that a misapprehension? Is that a way of keeping farmers on board who have already signed up for stewardship to transition into local nature recovery?

Dr Coffey: The ambitions of ELMS—fundamentally the basis of the £2.4 billion funding available—were set out in our manifesto, where we talk about moving to public good, and recognising our higher welfare standards that we insist on domestically.

There is an element—there is a consultation done, we haven't finalised the entire thing, but as you have pointed out, countryside stewardship is now up and running. It has been going for a few years. It has actually got pretty good take-up in terms of participants. I can see the outcomes that we are hoping to achieve with local nature recovery could be done through an enhanced version of countryside stewardship.

I am very strongly of the view that where we can encourage people to collaborate—for example, if people are going to plant hedgerows, great; if they actually work together with other farmers and create a proper corridor, that will take co-ordination—and if they are going to do that, because we know there will be a better biodiversity outcome, people should be rewarded for doing that co-ordination with a higher payment. So I think we will see a variety of levels, but it is probably best if we finalise

that internally. The intention is that the more that you work with others on aspects of the Lawton principles then that should be rewarded.

Chair: Many farmers will be reassured to hear that, because they have got used to stewardship. On my own farm, we have got a mid-tier scheme, which we spent quite a lot of money developing with consultants; it would be a shame to see that investment gone. I think Neil wanted to come in on this question.

Q5 Dr Hudson: Last week, Secretary of State, I hosted a roundtable with the RPA and DEFRA for farmers and land managers in Penrith, and I know my colleague and friend, Mrs Murray, did the same in Cornwall the week before. It was very well received, but there is some anxiety and disquiet among farmers and land managers about the ELM scheme. Can you provide some reassurances to them on the worries about payment levels? Will that potentially be looked at? Will there be no cliff edge, as the BPS is phased out and ELMS is phased in? And will all types of farmers, whether they are tenants, commoners, upland farmers, be looked out for in these new schemes? If we can get that reassurance, I think uptake will improve.

Dr Coffey: In terms of types of farmers engaged and landowners coming in, tenants and others, yes, absolutely. I know the Rock review has been an important element of making sure that is part of the design. I am not sure what you mean by the cliff edge. Perhaps you could explain.

Q6 Dr Hudson: I guess the perception is that as the BPS is being phased down and ELMS is being phased up, there will be a sudden drop-off in payments. We are trying to give reassurance that that will not happen. If people are not fully enrolled in the new SFI schemes, they are worried about the security of their payments moving forwards.

Dr Coffey: I will be very straightforward about this. The amount of money is coming down from the BPS. The money will be there and will be available for people to take that up. We can't force people to take up what's there.

As I say, we are still finalising some of this; I have got more meetings this week, because I am very keen to get the prospectus with the payments out next month, so that people can get on and do that design. It wouldn't surprise me if some farmers or landowners get more very quickly, because that is what is available in terms of the standards we are setting, and it may be that some farmers decide that what is being offered right now isn't suitable for them, and they will wait until some more of the elements come in.

But, recognising, frankly, that we have also done stuff on tax for farmers to help with cash flow, by spreading things over five years and other things like that, recognising that there are often ebbs and flows in farming incomes, I hope that will still give us a good, wide menu for people to choose from and give the certainty that people have been looking for. Tamara, do you want to add a bit more?



Tamara Finkelstein: The amount of money we will spend is a commitment for the Parliament, so that won't go down—it will be available in the different schemes. As the Secretary of State says, we are fine-tuning the elements. Countryside stewardship will evolve to have some of the elements that we were looking for in local nature recovery, particularly enabling people to join up in order to use the money most effectively. We are working on that for next month to give the detail that I know farmers and landowners are looking forward to.

Dr Coffey: It is the driving force I am looking for. We have a certain amount of money, and we need to fulfil the Environment Act targets—the general targets and the sixth carbon budget in particular. We need to make sure we are getting best bang for buck. There will be certain activities that do a lot more for carbon than for biodiversity, and vice versa. That is why we are trying to really get this right, in terms of what prices will be available as well as take-up. You can have the best scheme in the world, but if nobody takes it up, it's pointless.

Q7 **Dr Hudson:** Certain sectors are wanting a bit of clarity and certainty, such as the tenant sector. We asked Minister Spencer about this as well last week. Is DEFRA keeping a watching brief on this? There is a worry that big landowners are perhaps not renewing leases and contracts for tenant farmers, so tenant farmers are feeling insecure because they are not going to be renewed. Can DEFRA keep a watching brief on that? If tenant farmers' leases are not getting renewed, that is a worry.

Dr Coffey: Not really, because they are commercial contracts. We can't monitor every single contract around the country, no.

Dr Hudson: But if tenant farmers are not able to renew and they then are not farming the land and producing food, that is perhaps an indirect consequence of the funding schemes that we don't want. We want people to be able to farm the land, don't we?

Dr Coffey: Indeed, Dr Hudson, but I can't commit to monitoring every single contract around the country.

Q8 **Chair:** We have seen that in the west of Scotland, where land has been taken in hand and trees planted, which has been detrimental to the environment. One quick point on that: concerns have been expressed to me that some of the most productive land in places like East Anglia and Lincolnshire may find that the payments through ELMS are not sufficiently attractive for them to participate in the scheme at all, and they will just grow as much corn as they can on every square inch and not have to worry about cross-compliance either. Is that a real concern? Do you think that some of these big, very productive farms in places like Suffolk might just abandon the scheme and farm as intensively as they can?

Dr Coffey: Well, I guess that is a potential risk.

Chair: Good news for the Treasury, if that happens.



Dr Coffey: There would be risk with any way that we change the money from the scheme today, where people get an amount of money based on how much land they have that is used for agriculture as a substitute—as when you change any scheme. But I would like to think that this a collective effort. It is why I have been consistent in saying that we can achieve these targets only if our farmers and landowners are part of the people making these changes. That is absolutely critical.

Chair: It's not a problem on my farm. I have plenty of land that won't grow 4 tonnes an acre consistently, but there are other places. I will come to you, Barry, after Tamara.

Tamara Finkelstein: Can I add a little bit on tenants? We have been doing a lot of work with tenants—

Chair: Baroness Rock's report is a very good document.

Tamara Finkelstein: We have obviously looked at Baroness Rock's report. We designed SFI in a way that makes it more accessible to tenant farmers than previous schemes have been, and we are in very active contact to ensure that we are doing that. We are working really closely with the Tenant Farmers Association. Perhaps I should have said before, in terms of that pot of money and it being accessible, that there are obviously grants through the farming investment fund, including for slurry—investment in slurry infrastructure, and so on. There is money available in that way that will have both environmental benefits of some of those grants and productivity benefits.

Chair: Barry, does that cover what you wanted to ask?

Q9 **Barry Gardiner:** No. Very briefly, would it be fair to say that the public access element of ELMS has now been dropped? I know it was repeatedly said that it would come forward in the Agriculture Act, when that was going through as a Bill, but nothing substantive has come through to back that up. What is happening now about payments for public access?

Dr Coffey: I haven't seen quite that level of detail, so I can't give you a comment either way. I don't want to mislead you either way.

Barry Gardiner: Could I ask you to write to us, then? I don't want to take up the Committee's time, but it would be really helpful to have that in writing. I know that continued payments for access through the existing schemes was referred to in December last year, but there is hardly anything except for the educational access, which is £60,000 out of a £2.4 billion budget. It really is important that we maintain public access. It would be really good to get some concrete proposals from you.

Dr Coffey: I think it is probably best if I save the entire prospectus until next month, but I heard what you said. There is quite an interesting discussion at the moment about access, which I am trying to instigate within the Department. In order to achieve some of our biodiversity targets, we are going to have much more carefully managed access on a lot of land. That is an educational point that we will need to go through.



HOUSE OF COMMONS

There is the protection of ground-nesting birds, for example, and there are different things that can cause issues.

- Q10 **Barry Gardiner:** That has always been very properly managed. The Government in the passage of the Agriculture Act, and repeatedly since, have said that public access is really important. It would be really wrong to backtrack on that and restrict access, but I will leave it with you, Minister.

Dr Coffey: It is important. I am talking about carefully managing access, rather than having a free for all.

Chair: I think farmers would be very keen to be reimbursed for new permissive routes. A general right to roam might compromise some of the environmental objectives.

Dr Coffey: Can I just briefly correct the record? I said there had been a rise of 27p per litre. There has been a rise of 21p per litre—up from 27p to 48p.

Chair: Thank you.

- Q11 **Geraint Davies:** We are in a situation now where people are in desperate straits, choosing between heating and eating. The Food Foundation tells us that one in four people are now in food poverty. Given that, do you not think the Government should have uprated universal credit and pensions by 10% not next April but now, at a time when food inflation is 17% and winter is just in front of us.

Dr Coffey: You will be aware that there is an annual uprating. That decision has been made. I don't know the basis of the Food Foundation report. I do know that when I was at DWP I made sure questions were put into the family resources survey, which is the most comprehensive survey we do. I increased the number of people participating in that. We are asking questions about food security, and we will get the full analysis of that in the first report in March next year. There are other statistics that indicate that insecurity across the UK, and indeed across England, is about 7%.

- Q12 **Geraint Davies:** The Committee did hear before that it was 7%, but we have since heard that those numbers have massively escalated because of the cost of food and energy.

Dr Coffey: Indeed. I was just coming on to the fact that the Government are spending about £37 billion at least. I think it has increased with the extra payments that are going to households this winter for energy, particularly those on low incomes. The Government are very mindful of the challenges households are facing.

Geraint Davies: You will be aware that energy companies have now been given the facility to enforce prepayment meters on an extra 490,000 people. Many people this winter may end up in a situation where they are unable to heat themselves or cook food—



HOUSE OF COMMONS

Chair: I think we may be straying outside of DEFRA.

Q13 **Geraint Davies:** As the Secretary of State for Food, how are you ensuring that all consumers have access to affordable, nutritious food and can cook it this winter?

Dr Coffey: I spoke earlier about how our supermarkets have competitive prices. I am also conscious there are a lot of people in low-income households who are not near those supermarkets. I am aware that there is a lot of corner shop shopping, which tends to be more expensive.

Undoubtedly, some of the poorest parts of the country do have access to supermarket prices when shopping. We have also supplied considerable amounts of money—a further £500,000 I think—across the UK to the household support fund, which has been a running theme from October to the end of March. In the past, we were asking and encouraging councils to think about not just supplying cash but further items. That might have been warm clothes, household goods.

In Suffolk, the Rural Coffee Caravan has a huge initiative where it gives slow cookers to people. Again, that is much cheaper when preparing nutritious food. I know there is a big trend for air fryers. They are not exactly the cheapest things going, but there are other ways that people can use less energy to make food. Indeed, that is a welcome different approach on how to reduce energy costs.

Q14 **Geraint Davies:** The evidence we have received, which you will be aware of, is that food banks are finding that because more and more people are being hit by the cost of living crisis, they are getting less food and having more demand. How will the Government, from a food point of view, make up that difference and provide more free or very cheap food to people in the greatest need?

Dr Coffey: The Government will not be providing free food, and it is not the role of Government to provide free food. As you will be aware and, again, with my previous hat on, I am a strong believer in helping people get into work, and one way is that even quite modest amounts of work can really make a difference to people's incomes. The approach that universal credit takes and the changes we made last year mean that more people keep more of the money they have. It is a case of trying to get that balance right. I am very conscious that these are challenging times for people, but at the same time the median salary in Liverpool is higher than that in my constituency of Suffolk Coastal. There is a lot more unemployment in Liverpool than in Suffolk Coastal, but we are still keen to try to get people into work.

Q15 **Geraint Davies:** There is a tax break for food waste that is sent to anaerobic digestors, but there is not one for making food available to a food bank.

Dr Coffey: I think there is. I think you can get tax relief against what you give. I will look into that, because I seem to remember being asked this question three or four years ago when I was environment Minister. There is definitely some tax relief that can be given.



Q16 **Geraint Davies:** Do you agree that financial incentives should prioritise food redistribution over converting food to energy?

Dr Coffey: In terms of the food waste hierarchy, the first one is prevention and then it is redistribution for humans, then into animal feed, and then energy, and then there is incineration and landfill. Landfill is really bad news. I am pleased to say that last year over 106,000 tonnes of food—the estimated value is about £330 million—was redistributed. This Department continued to support grants over the last few years for redistribution—not just the big names, but much smaller organisations as well. The assessment from our partner WRAP is that the increase in tonnage was due to those DEFRA grants. We are continuing to try to help in aspects of food redistribution, but we want to ensure that we improve compliance with the hierarchy.

Q17 **Geraint Davies:** What more can the Government do to help the increasing number of people who are facing hunger this winter, given that there will be a delay in the uplift of benefits?

Dr Coffey: There is no delay; it is planned for April.

Q18 **Geraint Davies:** I meant that there is a delay from now, where there is 17% food inflation. Given that the inflation is happening now and the uplift will not happen until April, and we will have winter in the meantime with less food going to food banks but more demand, what more can the Government do?

Dr Coffey: That is why the cost of living payment was put in place. It is why things like the money through the council tax reduction for bands A to D were put in place. It is why direct energy support has been put in place, with money coming off people's bills every month. A solution was found for people with prepayment meters. The Government have already chosen to redistribute a considerable amount of taxpayers' money, particularly focusing on those on low incomes.

Geraint Davies: In other words, you don't think there is a need for any more.

Dr Coffey: I am just saying that we have already provided tens of billions of pounds.

Q19 **Geraint Davies:** My point was that things are getting worse very quickly and there is less food, and you should do something. You are saying that you do not—

Dr Coffey: I wouldn't say there is less food, but there we are.

Geraint Davies: Okay. I will leave it there.

Chair: We are going to have to try to up the tempo a little bit with both questions and answers. I think Ian has a supplementary question.

Q20 **Ian Byrne:** Yes, two really quick points. This follows on from what the Secretary of State said about Liverpool and employment. Secretary of State, you were obviously brought up in Liverpool, as I was. At the



HOUSE OF COMMONS

moment, one in three in the city are in food poverty; 60% of the people who access the food pantries that we run in Liverpool or who have found support from food banks are in work, including postal workers, nurses and fire staff. Does this dent your confidence when you are telling us that work pays?

Dr Coffey: I think work does pay. By the way, Mr Byrne, I commend you for the activity you have done. I know you have particularly worked with the supporters of the two football clubs, and the very generous nature of Liverpoolians shines through in that regard. I still look back on my home city with great fondness.

I am conscious that there is a variety of things that are making this particularly challenging for households. It is a combination—a mixture—of things. Where people are working full time, they should be out of that bracket, but I am conscious that a number of different things are coalescing. That is why the Government has responded in terms of the level of support it is giving to people with this cost of living. Nobody in our communities decided that we were going to be as strong against Putin as we are being. There is the impact of covid. Still the aftershock is extraordinary, and I think it will last for some time, in a variety of ways—in supply chains as well as other elements.

Q21 **Ian Byrne:** And austerity—nailing down wages.

Dr Coffey: No, in terms of public spending, public spending has continued to rise and will even do so in the next few years, but I am very conscious that most of the rise has been on the national health service. There is a variety of factors, and that is why we did respond with the cost of living support in that way. I am not in any way trying to say this is all easy. It's not.

Q22 **Ian Byrne:** I will move on to the point I wanted to make, because it comes from the two evidence sessions that we have held over the last eight weeks regarding food security. At the moment, we have 4 million children living in poverty and, indeed, hunger across the country. Both Henry Dimbleby and the United Nations special rapporteur on the right to food backed universal free school meals as a potentially crucial element in lifting kids out of hunger. What is DEFRA's position on this?

Dr Coffey: The Department for Education leads on free school meals, and I think the thresholds are pretty similar right across the United Kingdom in terms of income levels to achieve eligibility for free school meals. You will be aware of the fact that with universal credit, because it is an in-work and out-of-work benefit, you can actually have a considerably high level of income while still receiving support, depending on where you are in the country, your family composition and similar things. I am not aware that the Department for Education is proposing right now to change policy or change thresholds, but what I am trying to say is that that is not a matter for DEFRA, in terms of leading on policy.

Q23 **Ian Byrne:** So it is not a matter for DEFRA. It was raised in the evidence sessions that food poverty does get passed like a hot potato from the



HOUSE OF COMMONS

DWP—you were, obviously, in that position. I have heard you and seen you do that—pass it to George Eustice. Then George Eustice passed it to the Department for Education. Who is ultimately responsible for, and what influence does DEFRA have on, making that sort of decision?

Dr Coffey: In terms of free school meals, which is what I was referring to, that is definitely a matter for the Department for Education. In terms of wider food insecurity, food poverty, undoubtedly our Department does have a role to play on that. That is some of the work that we do with the retailers, the processors and similar people to try to get affordable food. We are not into direct market interventions; we are not going to tell exactly—but we do have this competitive environment. It is one of the reasons why we will continue to work with other parts of Government on that particular measure. But in terms of eligibility for free school meals, that is definitely a DFE matter.

Q24 **Steven Bonnar:** Let's turn to labour shortages and gaps in the labour market. That has been described as probably the biggest single issue facing the food supply chain. Of course, we know that Brexit is probably the biggest single factor playing into that. What actions further to the current arrangements will the Government be taking to improve the supply of labour?

Dr Coffey: It was announced in the national food strategy last year that John Shropshire would lead an independent review into labour shortages in the food supply chain. I think that is due next month. Off the top of my head, I cannot recall when we are expecting it back. Before the summer recess would be ideal. We had already had a report from Professor Pearson about automation in horticulture. I believe we are still preparing the Government response to that, but the early thing I have heard is that there is not a sense from that review that we would really achieve anything in real advances in automation until 2030.

In terms of right here, right now, we have this challenge that we still have a significant number of people unemployed. We are not filling all the vacancies that are potentially there, and there is this aspect of potentially getting in more seasonal workers. We are in discussion right now with the Home Office. We hope to be able to make an announcement very soon for people to consider, but the longer-term strategy should not be reliant on people from outside the European Union to come to this country to do certain jobs unless they are of reasonable value.

I am conscious that I have two Cornish MPs on my left, and I know there is a lot of nervousness about Cornish daffodils, but we need to do a mixture of things, including boosting productivity.

Q25 **Steven Bonnar:** Would you support any kind of listening around immigration—for example, to allow people to come through the skilled worker routes, or changes to that? Also, 30,000 seasonal agricultural worker visas have been allocated. Would you like to see an extension of that?



HOUSE OF COMMONS

Dr Coffey: Indeed, and that is what we are discussing right now with the Home Office. I had hoped we would have concluded that, but I am hopeful we will conclude it very soon. Frankly, there are a lot of people who have EUSS status who could potentially come and work in the UK. I do not know the interaction that agencies or employers have directly had regarding people who would regularly be here, but we just need to continue to try and work on that. Bringing in John Shropshire is an important part of trying to address that.

Q26 **Steven Bonnar:** It's all pretty futile, isn't it?

Dr Coffey: I am sorry, Mr Bonnar; I did not quite catch that.

Q27 **Steven Bonnar:** It is all pretty futile—the EU retained law and the problems that we are having. Brexit has been shown to be quite silly and futile, hasn't it?

Dr Coffey: We cannot force people to do jobs that they might not be equipped to do. I know that some of my predecessors had attempted some work. At DWP we did some work on agricultural work, and we continue to try and make that happen.

Q28 **Rosie Duffield:** Secretary of State, we have had problems getting people to pick fruit in Kent for absolutely ages. I remember mentioning it in my maiden speech in 2017, and my farmers and the NFU locally would agree that Brexit is a huge factor. We have people in hotels who have been here for 18 months or so who are desperate to work. If you leaned on the Home Office, we would not have to look at new schemes or new countries. British people will not fill those positions. My Kent farmers and vineyard owners have tried everything, so can we not lean on the Home Office a bit more urgently and allow those people to do a job of work that they would get a lot from? They would start to feel independent, and our farmers could know that we are not going to have all of our food wasted at a time when people are going to food banks. It is pretty ironic, isn't it?

Dr Coffey: I do not know which people you are specifically referring to.

Q29 **Rosie Duffield:** There are a lot of people who came over from Afghanistan, whom we had to rescue. They are sitting in hotels doing nothing.

Dr Coffey: People who are here under the Afghan scheme can work. People who have come from Ukraine can work. People who have come to claim asylum, particularly those who have come through an illegal route into the country, cannot. That is designed to try and minimise some of the economic pull that might come from that.

Q30 **Rosie Duffield:** Is there a way we can work out a bit quicker who is allowed to stay here and who is allowed to work? We have all got cases. We have these blockages.

Dr Coffey: In the Maidstone jobcentre, which I appreciate is not in your constituency, but is probably not far away—I do not know what happened



HOUSE OF COMMONS

in Canterbury—we did quite a lot of work on bringing together job fairs focused particularly on agriculture.

- Q31 **Rosie Duffield:** We are doing that in Canterbury, and it is really, really good. They are working very hard, but I still have fruit rotting on the trees all around us, and I do not know what we are going to do. Those farmers just need guarantees that something is being done and they are being heard. We have been talking about this for years and years now.

Dr Coffey: I think that farmers were keener on certain aspects when piece rate was available. Of course, we have the national minimum wage, which we continue to increase. There are always things about aspects of productivity and how to work that. That is why things like Professor Pearson's review of automation in horticulture—you will have some of the large greenhouses that are there as well, which are being designed to make that more straightforward than some of the physically challenging work that exists.

- Q32 **Rosie Duffield:** The NFU and farmers are working to get those machines where they can, but you cannot pick grapes with machines, necessarily, or pick strawberries. It is a skilled job and you need human beings to do it. We just don't have them. I want you to know that, at least.

Dr Coffey: Absolutely. I represent a rural area myself, I can assure you.

Rosie Duffield: The NFU's Tom Bradshaw, who is a friend of the Committee, wrote to the Home Office last week, stressing the urgency. As long as you are aware of that—some of it is Home Office and some is DEFRA. We do a lot of cross-over work.

- Q33 **Julian Sturdy:** I have a follow-up question, Secretary of State. You mentioned the report that John Shropshire is doing. He is hugely respected within the industry. Obviously, you know that this is a huge problem, right across the sector. Could you just clarify? You have set a rough date. If you cannot give us a date now when John Shropshire's report will be coming back, could you at least write to the Committee as soon as possible and let us know? Secondly, what is going to happen to that report? What is your idea of how that will be actioned, going forward?

Dr Coffey: Perhaps Tamara could add a bit more. I was not in DEFRA when this was commissioned.

Tamara Finkelstein: John Shropshire has put together a panel of people and is looking right across the supply chain. The expectation is that it will be reporting in the summer. It was commissioned by the Department, as agreed with the Home Office, in order to give that wider picture. We will then have his recommendations and we will review and respond to those, but it is to address exactly the issues the Committee has been raising. Clearly, we need to have a decision sooner about the number of visas that we have for next year, but it will give a longer-term view on the issue.

- Q34 **Julian Sturdy:** When are you expecting that? Has it been commissioned to come back in the summer?



Tamara Finkelstein: The expectation is that it will come in the summer.

- Q35 **Julian Sturdy:** Is there any chance of having someone like John do an interim report sooner than that, to give findings on how things are going? That is quite a long time. I know him personally and he is hugely respected in the industry and across the board. It is very good that you are asking someone like him to do this and put this together. It is very welcome, but I am a bit concerned that the findings may come in too late. Is there any way that that could be sped up?

Dr Coffey: I do not know the terms of reference that were put in place for that specifically.

Tamara Finkelstein: We were not looking for an interim report, in part because we know we have got some urgent decisions to take for next year on how many visas are available. I do not think that a report sooner will particularly support us in that. It was about dealing with some of the underlying questions for the medium to longer term, including about skilled worker routes and so on, to get those wider views. The problem with an interim report is that it distracts from getting on—we do want to have some of the work done so that we can deal with those longer-term issues.

- Q36 **Chair:** While we are on this subject, let us not forget to mention the plight of some of the fishing interests in Scotland and Northern Ireland in particular, where the written English test is becoming a bit of a problem, particularly as the operatives do not need to write English as part of their job; they need to understand English. I hope that if you are talking to Mr Jenrick or the Home Secretary, you might mention that it will be a great help to them if they could get more visas issued.

Dr Coffey: I will write that down.

Chair: Put that on your list.

- Q37 **Derek Thomas:** Much of what we have talked about so far does not sit exclusively in your Department, but this does. On food security and land use, how will the Government's upcoming land use framework seek to manage the various demands—you might even describe them as competing priorities—on our land, including food production, energy production and environmental benefits? I do not know whether you have had time while you have been in post to think through that conundrum.

Dr Coffey: You say that it is exclusively for DEFRA but, of course, it involves other Departments, whether it is about the use of land for energy or for housing, never mind what is traditionally seen as farmed food or landscapes. My understanding is that officials are working across Whitehall to get datasets together and to have initial discussions on the implications of potential policies. I am very keen that this is generated by the end of the first half of 2023. I am very open that my initial priorities are sorting out the Environment Act targets, ELMS and other elements like that. Minister Harrison has the lead for this in the Department, but I will be doing some deep dives on it. I like to be evidence driven and to consider different scenarios that we could end up having.



Q38 Derek Thomas: That is a helpful response. We are MPs representing local authority areas where there are transport plans, housing plans, nature recovery plans and all sorts of other plans. Will housing be included in the land use framework?

Dr Coffey: Well, I think as it was set out in the national food strategy response—I do not think it was included in that, but I think it makes sense to do so.

Q39 Derek Thomas: I completely agree, and we asked your predecessor to do that.

Moving on to the national food strategy, a concern of mine is that my constituency contains all sorts of moorland and what might be described as unproductive land, but grazing and food production can be very helpful in terms of biodiversity. The national food strategy suggests ending some upland farming, in its current form, to achieve environmental goals. Will the land use framework tackle this issue, and do you personally agree that taking land out of production altogether in order to support the environmental objectives that we all sign up to actually works? Is it not also possible that food production—grazing—can complement the recovery of nature?

Dr Coffey: Of course, being a Government Minister, I do not have personal views, but I have personal considerations, perhaps.

Derek Thomas: And what would you consider?

Dr Coffey: I represent Suffolk Coastal. We are very productive on a variety of levels; I think we actually get a lot of food out of grade 4. Some of that is the ingenuity and some of it is the nature of the soil. One of the early pieces of feedback that I have been given from the landscape recovery projects is that they have been able to maintain similar levels of food production by improving productivity, alongside a focus on increasing biodiversity and similar.

We are going into an important phase next week. I am heading to Montreal, really trying to make sure that, as we move away from our old subsidy approach, or the BPS, we consider carefully the balance that we have. I am not in a position yet, Mr Thomas, to give you my definitive view, but I will be looking at the different—these things do not need to be mutually exclusive. Far from it; they can be symbiotic.

Derek Thomas: I would welcome you to see some examples in my constituency, which is not quite as far as Montreal—

Dr Coffey: No, but I bet it would take me longer to get to your constituency.

Derek Thomas: That is true. But we can certainly give you examples of where, actually, food production—

Dr Coffey: I remember your constituency with much fondness. I have been there many times before.



Q40 Derek Thomas: Food production actually does support biodiversity if it is managed correctly, so I am glad of your cautionary approach.

On a similar subject, it was reported by the previous Secretary of State that there was a desire to ban the development of solar farms on grade 3b agricultural land. Is that ban going ahead? Is it something that you would consider?

Dr Coffey: I understand that the Department wrote to correct something that the Secretary of State may have said—that 3b is not considered best land. Overall, there is competition for land. I am not suggesting that I want to put solar over every bit of 3b land by default. We need to get a careful balance and make the best use of land. I am more inclined to think about brownfield sites, and certainly about how farms and others can do a lot more energy self-production. I am already conscious that there are challenges about connecting to the grid, but we have 14 GW of solar right now, and the ambition in the British energy security strategy is to raise that to 70 GW. Undoubtedly, especially with the security of income that will come with transferring agricultural land to land for energy production, it may be very attractive to have that assured income. But I want to work through the land use framework properly rather than jumping to policy decisions right now.

Q41 Derek Thomas: Moving on to another Department—not deliberately—can you at least discuss at length with BEIS the opportunity for farmers to generate energy on their buildings, to significantly reduce the impact of the rising costs that we have seen and to make their farms cheaper to run? Going right back to the point about food costs and food availability, that actually supports them to provide food security and food for the people who most need it.

Dr Coffey: Indeed. We will be having a discussion on that—we will perhaps be discussing it anew—but it is not something I will debate with my colleagues in public.

Derek Thomas: I completely respect that.

Q42 Dr Hudson: Secretary of State, we are in the midst of perhaps the most significant avian influenza outbreak that we have seen in the UK and Europe. The Committee's thoughts go out to the vets, officials, farmers and everyone on the frontline in this crisis. It was very welcome that the Government changed the avian influenza compensation package in October, allowing compensation to be paid to farmers from the outset of the planned culling rather than the end, which provided some relief. We took evidence in our urgent session last week. This is a highly pathogenic strain of the virus that is killing birds very quickly. I know it is more complex for DEFRA to do this, but is there scope for you to revise the compensation scheme for avian influenza so that compensation can be paid earlier—from the point of disease identification rather than the onset of the planned culling?

Dr Coffey: As you say, we have already made some changes in that regard. I don't want to give false hope that all of a sudden we are going to



change the compensation scheme again. I am very mindful that this is the largest and longest outbreak that we have had. It is important that we consider it appropriately, recognising that previous outbreaks have not had quite the same impact. We have done other easements to marketing rules, giving poultry farmers the option to slaughter flocks early and freeze products to support supply and their particular flocks. While we still have about 38 million egg-laying hens and a very good supply for Christmas in particular, we do need to be mindful that people will be making decisions on their restocking and what they are going to do in future years.

Q43 Chair: That is down from 43 million egg-laying hens, which is quite significant. That is not because of avian influenza, but due to economic impacts. We have a much lower—

Dr Coffey: It is a combination of factors, but I am using that particular number because last time I said it was nearly 40 million and the press reported it as 14 million. It is quite a lot more than that.

There is a common principle in the approach. Admittedly, it was set out in the Animal Health Act 1981. That framework is long standing. The best way of putting it is that there are other compensation schemes where we require animals that could potentially recover to be slaughtered, and we have seen that particularly with cattle. If a bird gets avian flu, that's it—game over. Historically, as I say, our compensation scheme is for animals that could have recovered that we still insisted on slaughtering. It is a different scenario from what was enjoyed under foot and mouth and stuff like that.

Tamara Finkelstein: Can I add something? The other change you made was stopping the recall of already slaughtered meat, which I think has been valued. Also, the levels of compensation are higher than they were last year. For the whole of last year, levels of compensation were at £10 million; this year we have already spent £24 million, and £4 million of that was because of the change in when compensation kicks in. It is a considerably more generous compensation scheme.

Q44 Dr Hudson: In our session last week there was widespread praise from the panel of the work that the Animal and Plant Health Agency is doing in response to this outbreak, and the Committee is very supportive of that. We want to put on record our thanks to people on the frontline. They are coping, but heaven forbid we get something else in, such as foot and mouth, African swine fever or African horse sickness. How will DEFRA ensure that APHA has the capacity to respond to this crisis and to other potential threats?

Dr Coffey: Since the beginning of October there have been 139 confirmed outbreaks in the UK, most of those in England. With the good support of our team in APHA, I think we are well placed. There are a variety of other threats that could come, as you say. That is why—Lord Benyon leads on biosecurity now, but obviously Minister Spencer is very engaged in it—we pay such attention to other aspects of elements coming into our borders. We cannot do anything about wild birds, obviously, but we can continue to



HOUSE OF COMMONS

try to make sure that we have high protection, which I think we do. We are supported in a lot of that by port health authorities around the country, in making sure that we try to have disease-free elements. That is particularly needed for African swine fever.

Q45 Dr Hudson: Disease-free and disease surveillance—Tamara, you know my line of questioning from when I guested at the Public Accounts Committee. A way that DEFRA and the Government can do that is supporting the redevelopment of the Weybridge HQ in Surrey. Secretary of State, can you give us some assurance that DEFRA will be really battling to get the money from the Treasury to refurbish that? If disease surveillance and control is secure for the future, it will put us on a much more secure footing.

Dr Coffey: Yes, we are. It so happens that I have been wanting to get a deep dive on the situation in Weybridge, and that is happening on Thursday.

Dr Hudson: Thank you, Secretary of State. Tamara?

Tamara Finkelstein: First, to pick up on your question about the risk of concurrency of diseases, I spent this morning at our executive committee looking at our risk register, and it will not surprise you that that is very high up. We play through the ways in which we would manage that, really stretching contingencies, which would include stepping down some of the business as usual at APHA. It would be a huge stretch on some of our vet partnerships and so on, but it is something that we very actively look at and manage.

On Weybridge, we are doing a lot of work on what our business case looks like and hope to secure the money.

Dr Coffey: I do not think we have responded to the PAC yet, but I am led to believe that there was a particular criticism about the lack of technical capabilities of facilities. We are getting a new contract in place next year that we hope will have enhanced technical capabilities.

Dr Hudson: Thank you very much.

Chair: Thank you. Sheryll, fishing.

Q46 Mrs Murray: You will not be surprised, Secretary of State, that I am going to turn to fishing. When we signed the EU withdrawal deal, it was clear that we did not get what we asked for on fishing grounds. A promise was made by the then Prime Minister that, in the review after June 2026, we would get a much better deal on access and quotas. We are now at the end of 2022. What work is the Department doing to prepare for those fisheries negotiations with the EU after 2026?

Dr Coffey: Sure. Well, 2026 will provide a great opportunity for UK fisheries to access waters that they may not currently enjoy quite so much. My understanding is that the Department—our officials—are already speaking to various stakeholders in the fishing industry to try to get some



HOUSE OF COMMONS

possible objectives ahead of that, whether that is increasing quota shares of the stocks that are currently fished or seeing whether there are any opportunities for sustainability improvements; that is an important part of it. It is fair to say that we are very keen to hear what is most important to UK industry. I am very conscious that that will vary around the country, as we see in our annual negotiations that already take place, whether it is Devon or Cornwall or the parts of Scotland that are particularly reliant on the fishing fleet.

Q47 Mrs Murray: The EU are very clever at linking different things together and perhaps using things as bargaining chips. How will you ensure that the interests of fish workers, including those who fish in the 6 to 12-mile limit zone, are not traded away to reach agreement in other areas, such as energy co-operation? I have seen it happen in the past. I do think there is an opportunity for exclusivity within our 6 to 12-mile limit, but how are we going to make sure that the EU do not hold us over a barrel with regard to energy co-operation?

Dr Coffey: Tamara might want to say a little more on this, but, candidly, I think the negotiation of the withdrawal agreement and the TCA was all interlinked into one. I know people were frustrated when the opportunity to go into individual negotiations was deferred, effectively, for five years, but it is a separate agreement and a separate negotiation, and we will be trying our best to do a variety of things, recognising what the opportunities are. We continue to try to fight the fight on our annual negotiations as well. I believe mackerel negotiations have started again this week as part of that annual thing, and Minister Spencer is very involved in that. Would you like to add some more, Tamara?

Tamara Finkelstein: It is really what the Secretary of State said: we are investing a lot in achieving what we can in the annual negotiations and preparing right from now to be able to be in the best position for 2026 and to be able to look more widely at access as well as quotas.

Q48 Mrs Murray: Thank you. The wild catching sector was not able to bid for the first two rounds of funding under the UK seafood fund infrastructure scheme. Are you confident that the remaining £15 million will be sufficient for the needs of the wild catching sector, particularly to support fleet improvements? I would have said it gives you a win-win situation. Take funding for engine adjustments, for instance. I think new engines now have to meet certain criteria with regard to emissions and that puts about £50,000 on the cost of a new-build inshore boat. If we could look at assisting the infrastructure of the fishing industry with some form of grant or loan payment, then clearly it would be a win-win situation for the environment as well. Do you think £15 million is going to be enough?

Dr Coffey: We have just allocated £20 million of the £65 million for infrastructure. Round 2 is open. It closes in February. The next round focuses on modernising the fleet. Some of this will be driven largely by trials in the initial element, but there is a certain amount of money to be allocated. We are offering a decent proportion to try to help modernise the fleet.



HOUSE OF COMMONS

Q49 **Mrs Murray:** Minister Spencer told us that we could expect details of the wild-catching scheme for funding in about November. When do you expect to make that announcement? We are now in December. Will it be before Christmas?

Dr Coffey: I don't know. Do we know?

Tamara Finkelstein: Well, we are certainly looking to develop open schemes early in the new year. There will be a focus on fleet modernisation and replacement engines; more efficient engines and different types of engines is the plan. There will be more detail certainly no later than January.

Dr Coffey: If I cannot get an answer in the next few minutes, I will ask our parliamentary Clerk to update the Committee Clerk.

Mrs Murray: Thank you very much—it is because I know the industry.

Dr Coffey: Rather than having big exchanges and letters, we will find out.

Q50 **Mrs Murray:** Timing is of the essence. Clearly, if a fisherman is looking to invest in a new vessel or to upgrade his vessel, he would be planning to do that in lean times, which often means the beginning of the summer. It is therefore really essential that we get something up and running as quickly as possible.

Tamara Finkelstein: We will open in January, so that will be in time to do the bids and grants that will be available for exactly the engine changes you describe.

Q51 **Chair:** I know that fishing is very complex. I don't know whether you've been briefed on the particular plight of the distant waters fleet—the vessel Kirkella, based in Hull, has had a pretty rough deal in terms of quota for commercial white fish species. Are you aware of some of those issues?

Dr Coffey: No.

Chair: Well, could I suggest that you have a look at that? I know it has a knock-on effect on other fisheries as well, in terms of quota trading. The port of Hull is very interested in the plight of the vessels.

Dr Coffey: I've got a note on trilateral stocks, but I am not sure—

Chair: No, that is a different thing.

Dr Coffey: What was the thing you mentioned, Chair?

Chair: The distant waters fleet, fishing up near Svalbard and in the High Arctic. A lot of the fish for our fish and chips come from those vessels.

Mrs Murray: And I think it is in relation to the agreement with Norway.



HOUSE OF COMMONS

Dr Coffey: Okay. In that case, we are under way; we have had two rounds of negotiations so far. Talks are continuing virtually this week, so there is that element to it.

Chair: Okay. Thank you.

Q52 **Ian Byrne:** I want to talk about the issue around the north-east coast. We welcome the Government's commitment to establish an independent panel to examine the devastating impact of the die-off of sea life from October 2021. To give us confidence in the evidence session and the people involved in it, how would the panel members be chosen, and what are the timescales for reporting back?

Dr Coffey: I have basically asked my scientific adviser to make sure that I have a report in January. That is the remit I have given him.

Q53 **Ian Byrne:** It is the scientific advisers. Where does independence come into that?

Dr Coffey: I am leaving that to the scientific adviser to work out, but a lot of work has been done on this already. The Committee heard from a particular academic and about concerns locally. We committed to having a review. I am not intending to have a brand new, huge inquiry. It has to be timely.

Ian Byrne: I am still at a loss to understand where the independence comes into it, if it is your scientific advisers from the Department.

Dr Coffey: The scientific adviser is arranging that panel, to come and give some views and advice, and to discuss aspects of reviewing evidence.

Ian Byrne: I am not filled with any confidence that that is independent, Chair.

Q54 **Chair:** Will there be, in effect, peer reviewing of the evidence supporting the two theories, and coming to a conclusion? Will those scientists be other than scientists who have been involved on one side or another of that debate?

Dr Coffey: That is my understanding, yes.

Tamara Finkelstein: The first thing to say is that the chief scientific adviser has not been involved in any way.

Dr Coffey: He hasn't been involved in it so far.

Tamara Finkelstein: And he is bringing panel members together who have not been involved in any way to build that independence.

Q55 **Ian Byrne:** So will it be panel members outside the Department— independent voices?

Tamara Finkelstein: They will be people from outside the Department and people who have not been involved so far. That will bring the degree of independence that you describe. The wish is to do this speedily. We are



HOUSE OF COMMONS

able to do that by him bringing those people together, we can produce a report for the Secretary of State by January.

Q56 **Ian Byrne:** They will report back after new year?

Dr Coffey: Well I have asked for it for next month.

Ian Byrne: Next month?

Dr Coffey: Yes, January.

Q57 **Ian Byrne:** Following on from that, we have had the Government's response to our letter stating the assessment of the economic impact, which was devastating. If you took the time to see and listen to the evidence session from the local fishermen, you will know it was quite emotional, especially listening to the impact it has had. One of the key things mentioned was the financial support that had come from local businesses and the Fishermen's Mission.

Now, a year after the original event, will the Government commit to financial support as has been asked for in the letter we wrote about setting up a dedicated separate fund to support affected fisheries, potters, and the regeneration of crab and lobster stocks?

Dr Coffey: I am not going to make any commitments until I have seen the report from my scientific adviser, who is pulling together the people in this panel.

Q58 **Ian Byrne:** What are we actually doing now with regard to people who have been affected? They are actually getting looked after by their own communities. They were in abject poverty. What are we doing on a local level to resolve that situation? Some of the advice has been about the seafood fund, which was not doing what was required; those people could not access that, so what are we doing about them now?

Dr Coffey: I don't think the seafood fund was designed for that, so I also cannot see it helping, but I can't make any commitments on this financially. I need to understand further. That is why I have asked our scientific adviser to pull all that together. There are economic analysts involved as well.

Q59 **Mrs Murray:** Secretary of State, if a fishing vessel trawled up a waste cylinder that was disposed of by an MOD vessel or commercial vessel, they would seek compensation from that body for the catch they lost. It is imperative, is it not, that this independent inquiry reports first, because there may be potential for any fishing vessel to make an application to receive compensation from anybody that is shown to be responsible?

Dr Coffey: I think the approach you are suggesting, Mrs Murray, is more the regular approach to how some of these compensation factors happen, but I cannot really say any more until I have seen what is coming up.

Mrs Murray: And it is right that we should wait for that panel to report. Thank you.



HOUSE OF COMMONS

Q60 **Chair:** I think there are two separate issues here. One is the cause of the problem. There are two distinct theories that your scientists hopefully will be able to come to a view on. Secondly, there is the impact on local fishing communities, particularly those who cannot go further out than three miles, where there is crab and lobster. We took evidence from those fishing families and communities, who said it was continuing to have an impact, and it will for some years, because of the longevity of the crustaceans they catch. Thank you anyway for clarifying where we are on that.

Q61 **Barry Gardiner:** I want to talk to you about the Environment Act targets, which will not come as a surprise to you, Secretary of State. Before I do, can I pick up on something you said to my colleague, Ian Byrne? You rightly set out the huge increase in costs and the inflationary costs that both the pandemic and Putin's war in Ukraine have put on to the food supply.

Were it the case that supermarkets were simply passing on those increased costs in their supply chain, we might broadly expect that, as opposed to their pre-covid pandemic levels, their post-pandemic levels of profit would be much the same. In fact, they are 97% higher than they were pre pandemic. How do you account for that? You said you did not want to look at prices, but it would seem that a level of cost in food inflation is not simply related to those elements that you quite properly adverted to.

Dr Coffey: Quite a lot of the cost of food is from the cost of production, and that is where we have seen the biggest increase; the increase in energy is huge.

Barry Gardiner: And nobody disputes that. That has absolutely driven the inflationary pressures in the supply chain. However, as I say, if they were simply passing that on, one would expect the post-pandemic, post-Ukraine profits to be broadly at the same level as the pre ones, but they are not; they are 97% higher.

Dr Coffey: I am afraid I just do not have a response to your question.

Barry Gardiner: Fine. Again, writing to the Committee with any suggestions for why that might be the case would be helpful.

Chair: One answer we got when we had a panel on that, which did not convince me at all, was that when times are hard, people eat less food out of the house and more in the house, and therefore they shop more at supermarkets. However, that did not really explain the large difference.

Barry Gardiner: Indeed. In relation to the Environment Act targets, they have been delayed—

Dr Coffey: I think what the supermarkets have also been saying is that they are making a lot more profit from non-food items. But I will reflect on that.

Q62 **Barry Gardiner:** If that were the case, it would be more difficult to



HOUSE OF COMMONS

explain why the food producers' profits had gone up by more than 200%, which is also the case. They are obviously not in other production; they are food production. But I will leave that with you.

In your consultation on the targets in the Environment Act, you obviously had to set standards that are objectively measurable by a set date. That is for air, water, biodiversity and waste. When a complaint was made by a number of the NGOs about the delays in coming out with those targets, the Department said that the Secretary of State "needs to be satisfied that the targets to be set are deliverable". The obvious question is: did the Department consult on any targets that it believed were not deliverable, or that it had concerns about their deliverability? We know what the targets were in the consultation; which do you doubt are deliverable?

Dr Coffey: I know you are tempting me, Mr Gardiner. People might be aware that we are in a Government write-round process, so that I can get those targets published and, indeed, legislation to lay alongside them. Until we have collective agreement, I cannot say anything more. I do know that a lot of the targets are very stretching.

Q63 **Barry Gardiner:** I am sure that that is the case, and I am sure that this Committee would want that to be the case—we all want it to be the case that the targets are stretching, because we want the maximum environmental benefit out of them. The concern, however, is that as a Department you fear that they are not perhaps deliverable. That is the area of concern. On the one hand, there is no point in setting targets that are easily deliverable, because you will do that anyway, so you want them to be stretching; on the other hand, you don't want them to be stretching and necessary for the environment, but for other reasons undeliverable.

Dr Coffey: I think the Department tried to achieve an important balancing act, considering the environmental improvements that we want and the carbon outcomes that the Department is expected to share as part of the cross-Government approach to reducing emissions. As I say, you are tempting me down a route, but until I have collective agreement, I really can't say any more.

Q64 **Barry Gardiner:** Let me elaborate further on what might have been a reason for the targets being undeliverable. It goes to the other part of the complaint, which is about delay. We have seen the Environmental Audit Committee also make the criticism that a culture of delay is becoming the default culture in DEFRA. There was talk about progress having stalled on the extended producer responsibility scheme for packaging, the environmental principles policy statement, the chemicals strategy on REACH, the river basin management plans and the national action plan for pesticides. There are a number of areas in which there is this delay in delivery.

Given that the autumn statement confirmed that your resource budget for 2024-25 will remain largely unchanged, and given that inflation means that in real terms it will be cut, I suppose that the reason for not



thinking you can deliver on stretching targets is that you no longer have the resource to do it.

Dr Coffey: What can I say, Mr Gardiner? I would like to think I have a reputation for delivering—hopefully some of that stems from when I was at DEFRA before, but certainly from my role at the DWP. I am very conscious of some things being later than they should have been. Some of that is down to a variety of factors that I have seen. There have been two changes of Administration since the Environment Act passed. Some of that, I'm afraid, just brings an aspect of timeliness, and delay in that regard, as new Ministers come in and try to work things through, but I can assure you it's something that both the permanent secretary and I are very keen to accelerate.

At times, I think—I'll be open—we look for perfection in some of the stuff we are trying to do. Sometimes, when you are getting into the details, very detailed elements of policy, and translating that, whether it's EPR or other things, that can bring complexity involving other Government Departments. I think this is about making sure that we focus on some things that are going to make a real difference to the environment, and we will be putting our shoulder to the plough, so to speak, to try to do that.

Q65 **Barry Gardiner:** I have no doubt of that, Secretary of State. To focus on the resource allocation, though, can you say whether any areas of the budget—perhaps farm payments—will be protected from reductions? Will any areas of the Department be expected to deliver a larger proportion of the savings that you are going to have to make? Or are you considering reforms to DEFRA's public body landscape in order to deliver savings? I ask because that will be of considerable concern to many of the arm's length bodies and delivery agencies that you deal with.

Dr Coffey: Perhaps, because we are getting into the budget, and if it's okay, I will pass that to our permanent secretary, Tamara.

Barry Gardiner: The financial officer.

Tamara Finkelstein: Yes. Our budget was left unchanged for the rest of this spending review period by the autumn statement, but of course inflation makes that challenging, so we are now going through a business planning round to answer exactly some of the questions you are asking. We are not yet at the stage of knowing how that will look. Some of those impacts of inflation are direct increases in costs that we will need to work through, in terms of some of the costs of our contracts in a range of areas. Some will be indirect, because there will be grants that we pay out that are not as valuable. We will need to advise the Secretary of State on where some of those decisions need to be made.

In your question about the allocation of resources, you asked a question about the ALB landscape. Have we been looking at that landscape and, in the wake of the Environment Act and lots of changes, have we got exactly the right landscape to deliver what we need to deliver? There are lots of things we can look at and there are conversations still to have with the Secretary of State on that, but we certainly will want to develop some of



our ways of working, and how we may work more effectively across the different parts of our group.

If we take an area such as water, where different parts of the group work in different ways, we are looking at the way in which we work most effectively and efficiently in that. We will definitely want to make those sorts of changes.

Q66 **Barry Gardiner:** Permanent secretary, you and I know that when we say that we are looking to work more effectively and efficiently, that is code for saying "We are going to have to make cuts and we are going to have to do it as best we can." We all understand that cloth has to be trimmed given that you have a statutory responsibility to deliver within your budget. I suppose I am trying to tease out from you, because I think it is important not just for this Committee and not just for the public, but particularly for the other bodies that you are working with and through, to understand just what the impact might be and just where those pressures may be most.

Are there bodies that you are clear about in your own minds at the moment that you think need to be protected? Are there bodies in your mind at the moment that you think can probably take a bit more pressure and still deliver what the Secretary of State would call efficiently and adequately, if not to the perfection that she might desire? I am really trying to get a sense of where the Department's thinking is going on this.

Dr Coffey: I will give you an example. If we come back into DEFRA, before we had a successful six-year flood programme. Now, the Government have given more money to dedicate to that. We are not spending at the profile that perhaps was originally expected. Some of that will be the impact of what happened during covid, not being able to go and do work and other costs. Accessibility to good contractual labour is quite a challenge, regardless of what sector you are in right now. However, I know that my officials are doing quite a lot of work with the EA, talking through some of its decision-making processes.

One of the things I find quite generally in the public sector is that opportunity cost does not always get evaluated. So there is balancing an element of what risks people are prepared to take to make progress as opposed to some of the rigorous approaches, and I question at times whether aspects of those add value. That is about how you then get more out of resource and some of the efficiencies there to be able to get on with certain projects more quickly. That is the sort of thing that I am looking for. It is not about trying to cut the EA budget or anything like that, but to make the best use of what we have. I may have a different interpretation of where I am heading with some of our arm's length bodies on how they use resource to make sure we get the best bang for our buck. Tamara might want to add a bit more.

Tamara Finkelstein: I suppose it is worth saying that when we got our money for the spending review period, we made some choices. If you look at what we indicatively think we might do around headcount, we will hold



HOUSE OF COMMONS

down the size of the core Department and see increases in the headcount at EA, Natural England and APHA, which we talked about before, for what they need to deliver over the period. So, that is prioritisation of some of the frontline business that we have to deliver.

As part of the business planning round, we will need to look at prioritisation, no question. There are also areas where we think we may be duplicating ways of working, which can genuinely give us the sorts of efficiencies we are talking about. It will be a combination and that is the process we are going through now, because the context, particularly in terms of inflation, has changed so much.

Q67 Barry Gardiner: What did you pitch to the Treasury for?

Tamara Finkelstein: In the spending review?

Barry Gardiner *indicated assent.*

Tamara Finkelstein: That is not something I think anybody shares. It is a bit like ministerial conversation. You end up in collective agreement.

Barry Gardiner: It was worth asking.

Tamara Finkelstein: You are always going to pitch for more. I have been on the other side, so I would be surprised if our Department did not pitch for more than it got, but we were happy. We did pretty well in terms of what we had, but one of the big issues is that inflation eats into that over this period. That is a lot of what we have to tackle as we look at it for this business planning round.

Barry Gardiner: Thank you very much. I will leave it there, Chair.

Q68 Rosie Duffield: We have talked about sewage spills on this Committee, and they are a blight on my life in Whitstable. Water companies are meant to use storm overflows only during exceptional circumstances such as during very high levels of rainfall and storms. However, in the year to September 2022, there were 146 sewage spills during dry weather. How will the Government's storm overflows discharge reduction plan address the discharge of sewage during dry weather? Should not each and every one of those incidents be investigated?

Dr Coffey: I know that the Environment Agency was allocated more money specifically to focus on water company enforcement, but I am expecting to put some new actions in the environmental improvement plan on future plans for water. In terms of overflows, by 2025 we expect that through the storm overflows plan, which was created earlier this year, we will see quite a lot of action on that. I think there was something about the timing. Sometimes water moves along the network. There might have been a rain incident on the Monday, but it will not make its way through the network until the Thursday or Friday when it is completely bone dry outside. I am not trying to make excuses. The water companies know they need to sort this out. That is what the Environment Agency is working on.

A variety of investigations are under way at the moment on a few matters. I was pleased we got the agreement with the Treasury to hypothecate the fines for the future that we will put into forthcoming plans. We are still considering the best way to deploy that and improve water quality more generally.

- Q69 **Rosie Duffield:** SOS Whitstable is an action group formed after I had helped set up public meetings for Southern Water to come and meet residents. It is up here quite a lot. It has a petition signed by over 204,000 people that is being presented to Downing Street. The petition says that water companies should be renationalised. The profits are obscene. I previously asked George Eustice and Ranil Jayawardena to come and meet groups in Whitstable to see how our daily lives are affected by all of this. Would you consider coming to meet them or sending a Minister?

Dr Coffey: To be candid, I do not think we need to. I represent a coastal seat. I am the only Member of Parliament with the word “coast” in their constituency. I am very conscious of what is happening. Some more publications are being done by Ofwat this week. I am disappointed in several of the water companies. There are more powers that we created in the Environment Act last year, which we will deploy to significantly improve transparency and get a lot more real-time data available. We will monitor water quality upstream and downstream of their assets. We will hold their feet to the fire, candidly, so I do not dispute in any way the impact it is having.

Whitstable, of course, is beautiful, although be careful where you tread when the sea is in. We are summoning the water companies to come to the Department on Monday because of issues that we have been alerted to and want to fix.

- Q70 **Robbie Moore:** I represent a constituency that was awarded the first bathing water status on an inland river network—the River Wharfe in Ilkley. Subsequent to that we have had a few more bathing water applications being put forward, and I suspect there will be many more that come to the Department. What are the intentions for the guidance on bathing water status in DEFRA? Such guidelines operate very well in coastal situations, but not so well on river systems. There are challenges coming down the line when bathing water status identifies a specific location point as opposed to a stretch of river. Is that something that you intend to review, further down the line, as more applications will undoubtedly be put forward to DEFRA for bathing water status on river networks?

Dr Coffey: Mr Moore, what is the specific issue? A beach is still quite a long stretch for a bathing point, but what is the specific issue that concerns you?

Robbie Moore: Well, bathing water status applications are undoubtedly being put forward, I suspect as a mechanism of putting more pressure on a water company to clean up its outfall.



Dr Coffey: Yes, that is very evident and understandable.

Q71 **Robbie Moore:** And if the point is upstream of the outfall, that mechanism does not necessarily work. Also, when it is awarded bathing water status, that prompts the worry factor in my mind that the river is then safe to swim. I was not sure whether there were intentions further down the line, of looking at changing the guidance so that it is more about clean water status as opposed to bathing water status, so that it removes the challenges associated with the safety issue of swimming in a river and is more about water quality, rather than bathing.

Dr Coffey: There are broader elements set out in our 25-year environment plan and other work that is under way to improve water quality more generally. Specifically, the point of having bathing water status is for when a reasonably high number of people are swimming there on a daily basis. I know that, in my own constituency, there is a campaign to get that water status. I do not quite know how many people swim there on a daily basis, but I think you are right to suggest that some of this is also driven by perhaps by getting an improvement in quality for more recently popular water, in terms of internal swimming areas. However, it is serving that purpose for that bathing water status, as opposed to water quality more generally.

Q72 **Robbie Moore:** Okay. Finally, there is a deadline date for bathing water status in that, if water is consistently classified as poor for five years, an applicant may have to reapply to have that river network or coast reassigned for bathing water status. If there are many applications coming to DEFRA for more bathing water statuses, whether coastal or river network, that will be a challenge, I suspect.

If it is not only from sewerage outfalls or agricultural runoff; there will be a challenge when bathing status is rated as poor consistently for five years. Again, is the Department looking at extending that beyond five years, or at some of the guidance associated with bathing water status?

Dr Coffey: Not that I am aware of, but, if I am incorrect, I will inform you.

Chair: Thank you. Of course, the real danger of swimming in rivers is drowning. I think about 600 people a year drown in this country, which is far more than—

Dr Coffey: Also in reservoirs.

Chair: Yes, and lakes.

Q73 **Derek Thomas:** But presumably not dirty water. Can I take you back to the sewerage overflow? I, unfortunately, swim in a part of the sea that had the most notifications this summer, in Longrock. My frustration with this whole debate is that I have no need or interest in defending water companies, but the issue cannot possibly be solved entirely by them. What can the Government and your Department do to really work with domestic users?



HOUSE OF COMMONS

Meters mean that we know that in Cornwall, for example, we use a lot more water than the English average. With house building, my understanding is that water companies have a duty to connect them, most of the time. We also have combined systems, where runoff from land, roofs and roads all ends up in the sewerage system. So, it is certainly a shock, and absolutely not acceptable, that there is stuff going into the sea that is not healthy for swimming, or possibly for marine life, but if we just concentrate our debate, argument and criticism on water companies, we will never really solve the problem. Have you got any plans to bring all of the partners together to really put together a plan to solve sewerage overflow?

Dr Coffey: Yes, and there are intensive discussions within Government about some of those issues, which are long standing, about connections and similar, and I want to get those resolved within Government to make some progress.

My approach is that part of what we intend to do with ELMS, SFI and all that sort of stuff is, where there are problems, we may want to support those people to make the necessary changes. It may feel a bit like the parable of the prodigal son in that the people who haven't necessarily been performing very well are going to get a lot of the support, but for the greater good we need to try to fix those problems.

But I can also assure you that if those people are not prepared to engage in that, I have made it clear to the Environment Agency—this is a partnership—that I absolutely want the full force of permitting regulations to be upheld and to tackle that head-on. We have to try to improve this, because it is not fair when there is one particular landowner who is not doing their bit to improve water quality. In fact, they could be making it worse with pollution. I want to tackle it together before we tackle head-on.

Q74 **Derek Thomas:** There is a real danger of saying that landowners are the problem, but it is more than that. It is roads, it is the amount of water when we turn the tap on and let run straight through the system, and it is the water off our roofs. This all contributes.

Dr Coffey: There is a variety of things, and probably the most important is, and where we get more value for money or more progress, tackling wastewater treatment. That is where there are already plans in place and expectations on water companies to invest in that to make the improvements significantly. It is a variety of factors coming together. It is not all water companies, but water companies have an important role to play in that regard.

Chair: We were doing quite well for time, but we are getting a little behind schedule, so can we have succinct questions and answers? Geraint is next. If he was on "Mastermind", his specialist subject would be air quality.

Dr Coffey: I recall.

Q75 **Geraint Davies:** As you will know, Secretary of State, this week marks the 70th anniversary of the great London smog, which killed about 4,000



HOUSE OF COMMONS

people, or up to 10,000, as is said now.

Dr Coffey: Which led to the Clean Air Act.

Q76 **Geraint Davies:** Which gave rise to the Clean Air Act. You will also be aware it is almost the 10th anniversary of the death of Ella Roberta Adoo Kissi-Debrah, who was the first person to have air pollution as cause of death. I am pleased that her mother, Rosamund, is in the audience today. She has been campaigning for Ella's law that is embraced within the clean air Bill that just had its Third Reading in the House of Lords. It specifically calls for the Government to achieve the targets that have been set, in fact, across the EU of 10 micrograms per cubic metre for PM2.5 by 2030. How achievable is that? What would then Government need to do to deliver that outcome, which King's College also says we can deliver?

Dr Coffey: As was set out in the consultation, there are many parts of the country that could pretty straightforwardly achieve that. I think the key issue is London. I am very conscious of the sad deaths that people have endured, particularly the outcome of the inquest with regards to Ella Kissi-Debrah. I am also conscious that there is a legal case under way at the moment, so I cannot make any more comments on that specifically.

You might recall from when I was in the Department before that I am passionate about improving air quality. That is why we did the work on particulate matter concerning wet wood and the scrapping of smoky coal. Those things are finally coming under way. The regulations were put in place, and the Act is now happening. It is also why I am very keen to make progress around the country, and I am disappointed at the slow progress that has been made in some parts of the country in not really being prepared to take some quite difficult decisions. However, central Government does not determine exactly how a road system is designed or similar. That is why a lot of the effort is on local government to make the necessary changes.

Q77 **Geraint Davies:** You will be aware that enormous evidence is emerging on the health impacts of dirty air, including dementia and various mental health problems, as well as the classic lung, heart and mind issues. What would you need to do to achieve the 2030 ambition of 10 micrograms? I am aware that burning wood—in wood-burning stoves and the like—is a major contributor to air pollution as well.

Dr Coffey: I think with some of the changes we have made we will start to see significant improvements on PM2.5, when it comes to the outcome of domestic burning. I can assure you that when the whole nitrous oxide stuff was in the courts, I was alerting a lot of the health charities that they should turn their attention to particulate matter. Undoubtedly, it has a wider-range impact for everybody, whereas nitrous oxide tends to be much more localised. We will continue to work in different ways. Whether it is about secondary particulate matter, which comes about as an interaction with other aspects, or ammonia interacting in different ways in more of our rural areas, we will continue to work on improving air quality and support across the country.



HOUSE OF COMMONS

Q78 **Geraint Davies:** We know, for example, that 10% more people died from covid in areas that had marginally higher air pollution—that is from Harvard and the Max Planck Institute. We know there were an enormous number of deaths, and we further increased people's vulnerability to death.

Dr Coffey: There might be a correlation; I am not sure there was any causal link.

Q79 **Geraint Davies:** Surely there should be an imperative on Government to set a more ambitious target and then do the work that is necessary to deliver that. Is this just a political motivation for not setting an ambitious target that would save lives?

Dr Coffey: No, not at all.

Q80 **Geraint Davies:** What I am asking is: what is stopping you setting that target of 10 micrograms by 2030? Why is it not achievable?

Dr Coffey: I think you will need to wait for the response coming through in terms of targets. You made some assertions there, and I would suggest that there is an element of correlation rather than causality in what you have just said in terms of covid and PM2.5 levels. A lot of that is very localised; some of it is trans-boundary, as you will be aware. There are different approaches that will be needed in different parts of the country. I fully understand that the main issue is getting these changes in London. We will continue to work on it and to expect the local authorities and the Mayor of London to continue to try and make those improvements possible.

Q81 **Geraint Davies:** On the correlation and causation, so we are clear, what is being said is that if people are forced to passively smoke a lot of pollution and weaken their bodies, they are more likely to die of covid than someone who breathes clean air all their lives. That is the explanation. Do you accept that, or do you just say that it is a correlation, and you cannot understand why that might be?

Dr Coffey: I think there is greater belief in the scientific community that why people died from covid was more connected to the vulnerability of the body through obesity, and other aspects as well, rather than necessarily being linked to air quality.

Q82 **Geraint Davies:** That was just one variable. The issue is that if you have worse air, you are more likely to die—all things being equal—whether you are fat or thin.

Dr Coffey: PM2.5, more generically, reduces life expectancy by about six months. We should recognise that PM2.5 comes in a variety of ways. Some of that is emissions from cars and some of that is from different emissions. We know that PM2.5 also includes just general dust. That could be dust coming from the brakes of electric cars, which tend to be heavier and generate more PM2.5. There is a whole, rather complex, challenge there. But there is some clear action that has happened on domestic burning, and we should see the consequences of that coming through.



HOUSE OF COMMONS

Q83 **Geraint Davies:** Are the targets still up for review? Would it be possible for the Government to come forward and say they will have a more ambitious target, or have they ruled it out?

Dr Coffey: As I was saying to Mr Gardiner earlier, you are tempting me to pre-empt the outcome of what will be published on targets, but I am not going to.

Q84 **Chair:** Interestingly, one of the most effective things you can do in the home to improve air quality is not to burn candles. Candles produce many of the same carcinogens that diesel engines produce, and, when you blow them out in a draught, they have particulate matter. If you put fragrances in them, you get volatile organic compounds.

Dr Coffey: As with covid, you should open the windows from time to time.

Q85 **Chair:** They certainly would not be able to license them if they were vehicles, but there you go.

Geraint Davies: Perhaps we should publicise that to defend the public from themselves?

Barry Gardiner: The Chair just did.

Dr Coffey: I am not seeking to ban the sale of scented candles, I can assure you.

Chair: It is interesting that people don't think about how air quality can be impacted, including in enclosed spaces. Anyway, moving swiftly on, Barry—swiftly being the operative word.

Barry Gardiner: Not to me, Chair. I have asked all the questions of the Secretary of State that I wanted to ask this afternoon, for which I am sure she is very grateful.

Dr Coffey: Indeed.

Barry Gardiner: Oh, sorry, Chair—you are absolutely right.

Chair: We are not normally as generous to Barry in giving him questions.

Barry Gardiner: I felt I had spoken so much that you couldn't possibly want any more.

Dr Coffey: I have been here for an hour and three quarters already. Let's keep going.

Q86 **Barry Gardiner:** I think it was in April this year that DEFRA convened an expert panel to look at digital sequencing in advance of COP15—that is the whole debate around access and benefit sharing. You did that with a view to shaping the UK's response in Montreal at COP15, which is starting tomorrow. Can you enlighten us on what the expert panel came up with? How has it informed the UK's position?

Dr Coffey: Straightforwardly, no; I cannot tell you specifically what the expert panel came up with. I will look into it and come back to you. I do



HOUSE OF COMMONS

know that Lord Benyon in particular has been working on the DSI initiative, with people from around the world. That is still ongoing in our discussions and negotiations.

I am proud to be going there. We have got three other Ministers going next week to try and intensify. There has been a systematic approach to how we are trying to get negotiations and achieve an ambitious outcome for the world next year, but, as ever, everything usually comes down to the last few hours.

Q87 Barry Gardiner: Let me ask you specifically this: the UK signed up to the "4 per 1000" pledge to increase the organic content of soil by 0.4% per annum. What baseline are you using to know whether you have achieved that? To the best of my knowledge, DEFRA has no information about the overall state of our soil and its organic content.

Dr Coffey: I don't know the answer to that. I don't know if Tamara does.

Tamara Finkelstein: I am afraid I don't. We will have to come back to you.

Dr Coffey: I remember our discussions about this a few years ago. I just don't know.

Barry Gardiner: I am sure that we will find out the UK's position on this from the COP in the next few days, but it would be good to get your letter confirming that.

Chair: I think Neil had a quick supplementary question.

Q88 Dr Hudson: I wanted to come back briefly to animal welfare, Secretary of State. Many puppies are being smuggled into the country. Heavily pregnant dogs are being transported in by unscrupulous people. Dogs with horrific mutilations like cropped ears are coming in. Pets are still being stolen. Horses are potentially being illegally transported for slaughter in Europe. Many of these issues could be tackled with the measures in the Animal Welfare (Kept Animals) Bill. Could you give us some reassurance that the Bill is coming back, and tell us on what sort of timescale?

Dr Coffey: It is my understanding that we absolutely will be proceeding with the Bill. It will not be until the new year. I do not manage the business, but that is my understanding. I think the Minister spoke in a debate on Monday in Westminster Hall. He will be better informed than me on the minutiae of those matters.

Chair: Certainly the Committee is very keen to see it come forward, particularly if we can deal with those measures that we all agree on and not turn the Bill into some sort of Christmas tree that lots of organisations and Lords and so on will want to decorate, which will make it much more difficult to pass.

Dr Hudson: Many of these are very achievable and have cross-party support. If they are enacted, animal health and welfare will be improved,



so it is a win-win.

Dr Coffey: I completely understand.

Q89 **Geraint Davies:** Will you advise us on the process that will decide on, amend, appeal against, replace or indeed retain environmental EU law? Eighty per cent. of the laws from the EU are environmental. A deadline of 2023 has been set to review them. I guess a lot of them are worth keeping, and if it is not bust, don't fix it—what will your approach be?

Dr Coffey: The rule is not in law yet, but inevitably we were already on a process of looking at some aspects. We have already repealed more than 140 pieces of retained EU law—stuff that is just not relevant to the United Kingdom any more—getting it off our statute book.

What I have agreed with the permanent secretary is for us to look at these, and that triaging is already under way. Ministers have been involved and we will do a bit of a star chamber to see how we take this forward. I have also been clear that I do not want us to drop the ball, so my default position—while the intent of the primary legislation is to change the status of retained EU law, so that it just becomes domestic law like every other bit of law, without the extra status—is that there is an opportunity to do some further repeals or at least amendments, but it is not the vehicle to do a more regulatory approach; it is a deregulatory approach at the moment.

The Environment Agency has already said—publicly now, but it had said so privately—how aspects of the water framework directive could be improved. I have asked particularly about air quality. I seem to recall that some of the air quality zones are designed and defined in a way that is frankly nonsense. The whole of East Anglia is lumped in with bits of Uxbridge and the A40. There is an opportunity here to do something better, but my default is not to drop everything; my default would be to retain everything in domestic legislation. We just need to make progress on that.

Q90 **Geraint Davies:** Can you give us an idea of how many laws we have from the EU? Obviously, you can label—

Dr Coffey: About 1,100 is my understanding.

Q91 **Geraint Davies:** About 1,100, and you have repealed 140, you said, which is about 10% or something.

Dr Coffey: Yes.

Geraint Davies: Of the others—

Dr Coffey: We have already done some of that, by the way—through the Fisheries Act, the Agriculture Act and the Environment Act—so this is already work in progress.

Q92 **Geraint Davies:** In terms of opportunity cost and the limited resources in your Department that you talked about earlier, is it a good use of your



HOUSE OF COMMONS

Department's time to get lots of people to look at laws that seem to be working, with a view to thinking about how to change, repeal or amend them?

Dr Coffey: That is why we have taken a particular approach to work at pace and see where the benefits of moving more quickly would be. Some things will take a longer time. You are absolutely right; it is why we have to make sure that, through our internal processes, we have resources and officials in the right places for what we need to deliver. Do you want to say a bit more, Tamara?

Q93 **Geraint Davies:** Could this end up being quite a waste of some officials' time, when there are more important imperatives that we have talked about already—whether it is dirty water or air, climate change food insecurity, or whatever—rather than changing EU law?

Dr Coffey: I don't think it is a waste of time. It is important to have legislation on our books that is relevant, rather than just sitting there. It is important to recognise some of the things you have referred to about water quality—of course, those are regulatory matters, so our Environment Agency in its regulatory role will be looking at different aspects of that. Ultimately, legislation has to be decided by the Government—aspects of it by Parliament—through their policy initiatives, seeing what is still relevant and what could be done better.

Q94 **Geraint Davies:** You will change the EU water framework directive, then—

Dr Coffey: I think the Environment Agency has volunteered to say that elements of that could be changed, such as reporting that it does not find relevant, but that it has to do because that is the law. There might be aspects there. It is not about trying to reduce environmental protections or anything like that. The principal changes for environment law will come through the Environment Act—the domestic legislation we have—in terms of potential strengthening, but I think it is important we do this. As I say, overall, the change of the status is one of the key elements of law, not just the amount of legislation we have today.

Q95 **Chair:** Could I bring in the permanent secretary? Will the proposals from the Government be amendable? I can see potential problems, as we had with the Environment Bill. The Duke of Wellington's amendment, which went further than most of us could go, made it look like we were making the situation worse, when actually we were all voting to make the situation with sewage discharges better.

Dr Coffey: I think the outcome is principally through powers or SIs, and SIs are still a "take it or leave it" approach.

Q96 **Chair:** So they won't be amendable; they will be "take it or leave it"?

Tamara Finkelstein: Yes.

Q97 **Chair:** I have a final question for the permanent secretary regarding DEFRA's account qualification. I know that my predecessor as Chair of the



HOUSE OF COMMONS

Committee heard evidence on this. Why has the scope of DEFRA's accounting qualifications become worse since the 2020-21 annual reports and accounts? What progress are you making in, for example, revaluing assets and doing some of the work you said would be done by early next year? Are we still on track?

Tamara Finkelstein: We are on track. The first thing to say, which anyone in my position would say, is that what I aspire to is unqualified accounts published before recess.

Q98 **Chair:** Are you the only Department in Government that has not been signed off?

Tamara Finkelstein: I don't think so. I am the only one that is qualified. We have qualifications in three areas. Two of them are the same as last time. They are related, as you mention, to the valuation of Environment Agency assets in two areas, which requires a very big programme of work. We are expecting to have done that by March. We are on track to do that. I am hoping that will mean that those two areas of qualification will not appear next time.

We have an additional area of qualification around assets under construction, including Environment Agency assets, which was done on a whole-project basis. They need to be done on an asset-by-asset basis. That also looks like quite a big project, and we are scoping that out now. I am not that confident that we will remove that in one year, so that qualification may remain. I hope the other two areas will be removed. I think the auditing that needs to be done of those first two areas, even though I think they will be done, means it will be earlier than we published it this time but not before recess. We are on a journey and we are very committed to getting there. We are working really closely with the NAO to get there. That is where we are.

Q99 **Chair:** These are the sorts of issues that accountants lose sleep over. What are the practical implications for your budget, for delivery and for the way the Department works?

Tamara Finkelstein: These areas are around how we describe assets in our accounts—assets we have and assets under construction. They do not have an impact on the resources we have, but we need to use the latest accounting standards. When the NAO looked at it, it said that what we had been using for a long time did not fit with accounting standards. It is not something that indicates a problem with our financial management. We have, in parallel, been building a lot of work to get ourselves in a really good place in our financial management—improving it across the Department, particularly in the core Department.

Q100 **Chair:** In proportion to your overall budget, are these fairly minor technicalities, or are they quite large amounts of money?

Tamara Finkelstein: They are large amounts of money, because the assets are all our flood defences on our balance sheet, but in terms of what we can spend and what is a good use of taxpayers' money, it does not have an impact on that, I would say. I am not an accountant, but it



HOUSE OF COMMONS

does not have an impact. It has had an impact on how we are presenting the information about what our assets are worth in the accounts.

Q101 **Chair:** I think I understand. Thank you very much for that explanation. We have come to the end of the session. Can I thank both Tamara and the Secretary of State for coming along and being so helpful in the answers? I did not catch any real evasion at all, which disappointed me, because I was looking forward to jumping down one of my former colleagues' throats.

Tamara Finkelstein: I apologise, but I have a correction to make. When I was talking to Mr Sturdy, I said that John Shropshire's report would be in the summer. It is actually going to be in the spring, which is a little earlier. That is another reason not to do an interim version. I hope it doesn't now slip, but it will be a little bit earlier than we thought. Apologies for getting that wrong.

Chair: Okay. In Yorkshire, it is often difficult to determine between spring and summer anyway. We have finished bang on time. Thank you very much.