

Public Accounts Committee

Oral evidence: Defra Recall (Waste crime, air quality, river protection, water supply, ELMs rollout), HC 1306

Thursday 27 April 2023

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Members present: Dame Meg Hillier (Chair); Olivia Blake; Mr Jonathan Djanogly; Anne Marie Morris; Anne-Marie Trevelyan.

Questions 1-120

Witnesses

I: Tamara Finkelstein CB, Permanent Secretary, DEFRA, David Hill, Director General for Environment, DEFRA, David Kennedy, Director General for Food, Biosecurity and Trade, DEFRA and John Leyland, Executive Director of Environment & Business, Environment Agency.

Gareth Davies, Comptroller and Auditor General, and Rebecca Sheeran, Director, NAO, were in attendance.

Examination of Witnesses

Witnesses: Tamara Finkelstein, David Hill, David Kennedy and John Leyland.

Chair: Welcome to the Public Accounts Committee on Thursday 27 April 2023. Today, we have called back the Department for Environment, Food and Rural Affairs to discuss a number of environmental issues, including air quality, land management—particularly for farmers—waste crime and water.

They are all issues that the Public Accounts Committee has looked at before—some of them very recently—but they are so important that we wanted to get updates, because they obviously have a huge impact on the daily lives of everybody in this country, but also on particular groups, as I said, such as farmers. We have a number of National Audit Office Reports and Public Accounts Committee reports available on these issues, if anyone is following.

I would like to welcome our witnesses from the Department for Environment, Food and Rural Affairs. We have Tamara Finkelstein, the permanent secretary—welcome to you. We have David Kennedy, the director general for food, biosecurity and trade. I think that title has grown since we last saw you, David; it seems to get bigger every time. We have another David, David Hill, who is the director general for the environment. From the Environment Agency we have John Leyland, a first-time witness at the Public Accounts Committee—welcome to you—who is the executive director of environment and business at the Agency. Thank you very much indeed for coming. Over to Mr Djanogly.

Q1 Mr Djanogly: Thank you, Chair. Good morning. We are first going to look at the environmental land management scheme. As the Chair said, this is a recall session, so I am basing my points on previous sessions, specifically the Thirty-First Report of Session 2021-22. It concluded, at paragraph 2, that: “The Department has not established the metrics that it will need to determine whether ELM is contributing towards the government’s environmental goals.” We are going to have a little look at metrics and baselines.

The Treasury Minutes of February 2022, at paragraph 2.2, said: “The government agrees with the Committee that it is important to have clear metrics for the reform programme and to publish progress updates about the operational effectiveness of schemes regularly.” Then, the Treasury Minutes of December last year, at paragraph 2.3, said: “The government will report annually, starting in January 2023, on the delivery of targets within its statutory Environmental Improvement Plan” and so on.

Ms Finkelstein, what progress have you made on developing the metrics and the baseline to assess the contribution of the ELM towards environmental goals?



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Tamara Finkelstein: Thank you very much for that. We have made progress. We made some immediate progress in January 2022, by setting out clearly the objectives of the environmental land management programme. Then we made a big step forward in January of this year as part of the environmental improvement plan, where we set out in quite a lot of detail how ELM will contribute to the targets that we are setting out in that plan.

One of the things we said when we talked to the Committee was that it was going to be important to link it to the long-term targets that we set out as part of the Environment Act, and to the interim targets. So that is what we have done.

In the EIP—the environmental improvement plan—that we published in January, we say how much of the target of creating more than 500,000 hectares of wildlife-rich habitat by 2042 will be delivered by ELM, and a range of other targets of that kind. We have now got that framework for exactly what we expect ELM to deliver.

There are, of course, a whole range of input and output targets for the programme as well. We have absolutely networked that into this framework.

Q2 **Mr Djanogly:** You are maintaining that, in January of this year, the job was done, in terms of producing the metrics.

Tamara Finkelstein: Yes. We have produced that. We have set that out in that framework. Very much the push from the original Report was, what is ELM going to be delivering? So we have got that; it is completely stitched into our plan, so I would say so—yes.

Q3 **Mr Djanogly:** I am looking here at the written evidence submitted by the University of Exeter for today's hearing. It says, at paragraph 1(a): "Farmers were being held back from making changes due to the new schemes being fine-tuned and implemented. A lack of clarity about the financial arrangements of the new schemes and precise details of them was making it very difficult for farmers to begin to make net zero farming transitions."

Later on, at paragraph 2(a), it says: "With the withdrawal of subsidies, this would mean new schemes would need to provide an income, beyond the break-even cost of implementing the environmental and land management practices".

Tamara Finkelstein: Absolutely. That first set of things was really, what are the outcomes that ELM schemes are contributing to? The Committee has talked to us on a number of occasions about whether we are giving the information to farmers so that they know what is coming and so that they can engage on that.

Mr Djanogly: Yes, that is the next point.

Tamara Finkelstein: On that front, again in January, we set out a lot of detail about what we will pay for and how much. In particular, we set out



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for the sustainable farming incentive, which started in 2022, what standards we are putting in place for 2023; in fact, we pulled forward some of the standards that we were expecting to put in place in 2024. Come the summer to autumn, that will be open to farmers as well.

We set out a lot of that information, and also information on the landscape recovery scheme, which is another tranche of ELM. We got a lot of interest in that. We have set up a number of those schemes and we announced again at the start of this year that we would be using some of the money to do the next round of that.

We have set up a number of those schemes and we announced again at the start of this year that we would be using some of the money to do the next round of that. Importantly, a tranche of the money—you talked of the money that is coming out of the basic payment scheme—is available for the productivity and infrastructure grants. We had a lot of interest in our slurry infrastructure grants and, in fact, we have increased the amount of money that we are putting into that. A lot of that information is in place. The job is never done of ensuring that we communicate really effectively with farmers. I am very happy to talk about some of the ways in which we are trying to do that, but it is an ongoing piece of work.

Q4 Mr Djanogly: I think we do need to do that because, as we have just established, having a scheme is different from people knowing about the scheme and it working. So, let's have a little bit more of a look at communication to farmers.

I am looking here at the farmer opinion tracker for England for October 2022, which was published on 10 February this year. "Farmers were asked whether they had all the information they needed at this point to help with their business planning". Basically, in October 2022, of farmers on 43% of holdings, only 6% said they had all the information they needed and 30% said they had most of the information. That was a decrease from the year before. Essentially, how concerned are you that only 6% of farmers say they have all the information they need to do their business plan?

Tamara Finkelstein: Let me say a bit about what we are doing, and I will bring in Mr Kennedy as well. We have, in the tracker, been seeing an improvement over time in farmers' understanding of what the plans mean for farming and in whether people had the information that they needed. We did see a bit of a downtick in October compared to the April, as you set out. That was at the peak of uncertainty about the scheme. Since that October, in January or February, we have put out a lot of information that I think will shift what this looks like and, obviously, you will hold me to account as to whether that improves. The level is not where we want it to be, so we have a continuing programme of engagement with farmers.

There are obviously a lot of people who are engaged and interested: 5,000 have been involved in pilots, tests and trials. We have, for those who use social media, a lot of social media presence and 10,000 are enrolled in our blog. Then there are those who go to shows or belong to member



organisations. We went to 25 shows last year and will go to 28 this year. They are a really effective way of reaching people. Then, we have people who are harder to reach, and we are doing a lot with intermediaries, such as vets or land agents. We are going at it on all fronts. We have got to shift that. I would say that was a dip and we would expect it to continue to grow, but I think we have the right kind of plan in place.

Q5 Mr Djanogly: So you are talking now wider than ELM and the sustainable farming incentive. The polling, when you look at the wider issues, is also pretty bad. Only 3% of farmers from 35% of holdings felt very positive about the future of farming and 32% felt somewhat positive. Why do so few farmers see a positive future for farming?

Tamara Finkelstein: I will add one more thing and then maybe pass it to Mr Kennedy. We are looking at making a huge amount of change, and change is really hard. It is the right change, and lots of farmers and certainly the farming organisations accept that change is needed. We obviously have to ensure continually that people understand what change is needed, but some of that is also about driving up productivity in order to secure incomes.

David Kennedy: As Tamara says, change, obviously, is very difficult and particularly when you have a high degree of uncertainty. If you look at autumn last year—the tracker relates to that period—there was a very high degree of uncertainty. I was really concerned at those figures, but the key thing was to finish our design, match that design to our environmental objectives—that was the piece of work we were doing in the last quarter—and then put the prospectus out, which is what Tamara has referred to; it is all the things we will pay for.

I expect that there will be a significant uptick as we get the next tracker evidence, and that will come through in the next couple of months. We have done a survey, actually, of 63 organisations that are active in this space, and what we see is a significant increase in both trust and understanding.

Just to build on what Tamara said about the channels, it is one thing to put your prospectus out there; we can't expect that farmers are simply going to find it on the internet, read through it and say, "Oh right, it's all clear now." We have standard communications channels—we can reach 85,000 farmers who get direct payments. We have 17,000 subscribers to emails—farmers—and we have 10,000 blog subscribers. We have a farming advice service. We use the trade press. As Tamara said, we have some really successful events. We have had this week events with NFU members, and they have been incredibly positive; that is a change, actually, to a few months ago. We have the 28 shows this summer. That still leaves a lot of farmers about whom you have to ask, "Do they trust our communications channels? Do they engage with them?" So we have a network of 500 organisations, including the auction marts, the marketing organisations, supermarkets, banks, agronomists, land agents and vets, that are absolutely key channels for us to connect with a lot of farmers where otherwise it would be very difficult.



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Finally, we have our resilience programme, which, again, has on the ground trusted people who are working with 10,000 farmers who are hard to reach. They are pushing the new schemes, whether that's the SFI, Countryside Stewardship Plus or productivity schemes.

So we have all these different channels. There is a big job to do over the next month; let's be clear. I do not want to underestimate the challenge, but as I say, in the tracker evidence—if we look at the next version of that—I expect there will be an uptick. There will be more work to do after that.

Q6 Mr Djanogly: Thank you. That is positive. Let us look at one aspect of it. You mentioned getting people to sign up to the SFI. My understanding is that of 200,000 farm holdings, some 80,000 signed up to the basic payment scheme, but only 2,000 have signed up to the SFI so far. What should we have expected by now?

David Kennedy: You are right: 85,000-ish farmers are in the BPS—the direct payments. They are the ones who are eligible to come into the sustainable farming incentive. We have 3,000-plus applications, actually, as the latest data. Let's be honest: that is our low scenario. Because of the high degree of uncertainty, we didn't have a firm target for what should happen over the next two or three months, but we have got scenarios and this is the low one. What makes us confident that we are going to see an increase in demand for the SFI as we go forward? There are several things.

Q7 Mr Djanogly: What are you going to do to make it happen?

David Kennedy: Well, we have put our offer out there. I think that's the really important thing. Bear in mind that at the moment, for SFI '22, farmers are only signing up for soil standards, basically. That is what is on offer. SFI '23 gives a much broader offer, with integrated pest management and nutrients management and grasslands and arable, so it becomes a lot more attractive, because a lot more revenue is available, basically.

I think what is going to change this is, first, the offer for SFI '23. Secondly, it is going to start to bite as farmers receive their direct payments advances in July. They will be lower than they have been previously, just because we are on a downward path. I think that will focus minds. So you have a coming together of SFI and moving away from direct payments—the accusation has always been, "You've taken away their direct payments, but we haven't got something else." Now, we have filled that gap. Direct payments are coming down, but, from this summer—we have said it will be as early as possible in the summer—we will open the window for SFI '23. I think those two things, together with this campaign—I don't want to call it a communications campaign; it is an engagement campaign—will allow us to really connect with farmers. I don't want to overplay our confidence. We think there will be a significant increase in demand. We have to work very hard to make sure that comes through.



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I think the last thing to say is that it's not all about the sustainable farming incentive. Bear in mind that, of the 85,000 farmers, we have already got 32,000 in countryside stewardship, on agri-environment schemes; we have already got 8,000 in environmental stewardship. So there is already a lot of engagement with agri-environment schemes. That is something for us to build on and to bring those farmers in.

The last thing is, we have got to 70%, and that is our target for 2028. We have got to 70% participation in agri-environment schemes before. If you go back a few years, we had an old scheme that was not great for the environment—that is why we moved away from it—but there was a lot of interest. So it is not unprecedented.

- Q8 **Mr Djanogly:** The other issue that I am hearing about when I speak to farms in my constituency is that they are increasingly concerned that, despite the war in Ukraine, grain embargoes and concerns for food security growing, only 54% of food in this country is now grown in this country. What impact will the ELM have on food production in the UK?

David Kennedy: The Government committed in the food strategy that we will aim to keep food production at least at current levels, and potentially to increase that. That is important, because there was a fear in the farming community that ELM was all about taking land out of production to put trees on it, peatland restoration or whatever. So there is that commitment, and that will inform how we design and implement the schemes as we go forward.

The other thing is, it is not all about environmental land management. As you said, we have got a whole package, and a lot of this is investing in productivity. If we can boost productivity in farming by, say, 10%, that is going to have a significant impact on overall production and the contribution of domestic food to our overall food supply here.

- Q9 **Mr Djanogly:** So, looking forward 10 years, I think you are saying that the quantity of food produced in this country will be roughly the same.

David Kennedy: The commitment is roughly the same. It is important to say—

- Q10 **Mr Djanogly:** Not more.

David Kennedy: Well, productivity will push us in the direction of having more food produced domestically, and environmental objectives will claim some land to come out of production. There is a question about how much land—we are working that through in the moment—and that will move in the other direction. So it is possible that we could produce more. I think the commitment is that we will not produce less. It is important that we have a resilient food system. We know that we have got a resilient food system which is not all about domestic production. That combination of imports from the EU and the rest of the world got us through covid, for example, which was a real challenge of our resilience.

- Q11 **Chair:** One of the things about productivity is that there is mechanisation, but you do need people to do things. We have seen food rotting in the



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ground because there has not been anybody to come in. Are you talking to the Migration Advisory Committee about any shortage occupations in agriculture to ensure that, where we cannot get domestic labour, we can get it from overseas?

David Kennedy: Absolutely, and it is not just about farming. This year we have increased the size of the seasonal worker scheme quite significantly, and we are getting people coming in. It is quite challenging, because people used to come from eastern and southern Europe, and there is less of that. They also came from Ukraine, and there is less of that, so we are reaching into other markets. But we are getting people in.

Q12 **Chair:** What is the current length of the visa? There was a period when it was very short, and it was not encouraging people to come.

David Kennedy: People can come for six months. We are engaging with the Migration Advisory Committee. We will put a response in to their consultation. Importantly, we have got an independent labour review, which is being carried out by John Shropshire, a major figure in the industry, with various industry leaders. That will report in the next couple of months. They will make a submission to the Migration Advisory Committee and the consultation on the shortage occupation list very soon. It will not just be for farming, though; it will be for the whole of the food system.

Tamara Finkelstein: The outcome of that review will be an opportunity to look at things like the length of visa and so on.

Q13 **Olivia Blake:** To follow up on ELMS, given the decline in direct payments, how automatic will the paying out be for the various schemes that you have mentioned?

Tamara Finkelstein: One of the things that we have been keen to do is learn from the pilot and from the SFI for 2022. We learned very much from the pilot about the process of application and the process of checking, and we have done a lot to reduce that. We are now at a point where, for SFI 2022, some people report that it takes only 45 minutes to do the application, and there has been a lot of positive feedback about it. We are continuing to learn and will improve it for SFI 2023 and 2024. We have also now made changes for countryside stewardship after learning from that.

We have also been able to reduce the time that it takes to do the checking. We have automated elements of the application—so that you can only pick bits of land where that particular standard can apply—which makes the checking quicker. Much of the checking can be done within a couple of weeks, and then people can have an agreement. Therefore, it has really improved, and I think that that will continue to develop.

David Kennedy: A key metric is that, as Tamara says, farmers are reporting that it takes 40 minutes to actually submit the application. Bear in mind that it took hours for countryside stewardship. We have improved that as well, but it did take hours, and that is what gave countryside



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stewardship a bad name. It took us months to turn around a CS application; it takes a couple of weeks for SFI. You have to apply for your annual payment under countryside stewardship, and that takes time, but under SFI you actually get an automated payment three months after your agreement is signed.

- Q14 **Olivia Blake:** Given how many companies there are in the world looking for land to use for carbon offsetting, how protected from that do you think our land for food is, if farmers who are landowners might get offered a bigger buck for those programmes?

David Kennedy: I think that farmers want to farm. If they can have a viable farm business producing food, that is what they will do, rather than growing trees, putting in solar panels, or whatever. I think that the challenge for us then is to create opportunities to run a farming business that is both producing food and meeting environmental objectives. That is what our whole transition is all about.

Our evidence says that farms can be viable without direct payments, subject to productivity improvement, and there are big opportunities for that. If you look at the variation in performance across farms, it is huge within any sector—within dairy, within livestock farming, and within small, medium and large farms. There is a huge range, and we are trying to lift up those less well-performing farms to become better performing. They will then have viable businesses, contribute to food production, and have extra revenue streams if they sign up for SFI and countryside stewardship.

Therefore, there is a positive future, but I understand that farmers will not all be feeling positive in a time of fundamental change, with the pressures that come from Russia-Ukraine as well. Trade deals also make farmers anxious. However, there is a way through all of this. That is what our programme is designed to navigate.

Tamara Finkelstein: It might be worth adding that we are working on a land-use strategy, which we committed to in the food strategy, that will also look at those issues and will help us to ensure that we have the incentives in place to have the sort of pattern of land use that meets all the objectives that we are keen to meet.

- Q15 **Olivia Blake:** How does the landscape review, which was published last year, interplay with ELMS? Does it affect it at all?

David Kennedy: There is the food strategy, which committed to a land-use strategy. As Tamara said, we will publish that. It interacts with ELMS very much. There is a question over land sparing versus land sharing. That is a classic question in farming and environment. The land-use strategy will set out scenarios for how much land we think might need to be spared to meet environmental objectives. That will inform ELM design. Countryside stewardship plus, the payments rates and the funding for that will be designed in the light of the land-use strategy. The two are intimately related.



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Tamara Finkelstein: Julian Glover did an independent landscape review for us. I might bring Mr Hill in on that.

David Hill: I will just add a couple of points about that on how Julian Glover's review influenced our thinking. I think that you can see some of the influence of the findings of the review, regarding some of the particular challenges around farming in protected landscapes, for example. We brought forward a dedicated programme, called "farming in protected landscapes", which provides additional support and incentives for farmers working in those landscapes. That is really trying to balance the need for those farmers to make a living with restoring biodiversity in those landscapes, while also recognise their particular importance, culturally and socially. The farming in protected landscapes programme has been very successful. We are looking at how we can continue that, and that is part of the mix in the broader suite of programmes that David Kennedy talked about.

- Q16 **Olivia Blake:** Going back to targets, you won't be surprised to hear me mention the hedgerow target being wrong in the environmental improvement plan. The plan says 30,000 miles of hedgerows a year by 2037 and 45,000 miles of hedgerows a year by 2050, returning hedgerow land to 10% above the 1984 peak of 360,000 miles. We know that that is wrong. We know that the 30,000 and the 45,000 is the totality rather than year by year. Does that impact on the second line? Will that take us to 10% above the 1984 peak?

Tamara Finkelstein: The policy ambition remains the same on returning to 10% above the 1984 peak. The words "per year" should not have appeared. That was a typo.

Chair: Simply a typo. That bit was wrong.

Tamara Finkelstein: And we then put that in the correct way in the net zero plan. It was not intended to downgrade the ambition.

- Q17 **Olivia Blake:** How confident are you that all the rest of the metrics in that plan are accurate and there are no further typos?

Tamara Finkelstein: I have learned too much to say I am absolutely confident there are no typos in the document. Lots of those targets are ingrained in the minds of the people writing it, because they are driving their work every day. We put that together and ensured that we met the challenging deadline of the end of January, so there could be the odd typo, but the framework itself is accurate. I feel very confident about that. A lot of work and consideration went into it. The Secretary of State was absolutely clear that she was not going to put anything in there that she did not feel confident we could meet and could do. Some changes from our consultation happened because of really careful work to ensure we could be confident about meeting the targets.

- Q18 **Olivia Blake:** Are you on track on the targets so far? Are you confident?

Tamara Finkelstein: It was January. They are very long-term targets. There are a lot of things that we are getting on with, some of which I



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expect we will talk about today. They are in place and we are making progress. They are completely critical to meeting those targets. The plan was long and had lots of the commitments that linked to all those targets and interim targets. We are doing really detailed work on the delivery pathway and ensuring that everyone knows what part they are playing. There is a really important piece of work over these months to get that in place and to give us even more confidence.

Q19 Olivia Blake: I am sure we would like to hear more about that. One quick thing on trees: how confident are you that we have the nurseries available to be able to plant the trees that are in the plan? We have had some closures of nurseries, and biosecurity is a big issue.

Tamara Finkelstein: Nurseries are a very big focus of the tree planting programme, particularly to build the confidence that we have the trees available to us that are the right type and so on. We are not aware of significant nursery closures. The Forestry Commission has some in-house facility, so there should not be an impact on the availability of trees for planting. We are not aware of that issue. We are putting money into building the sector and into building the skills. Mr Hill might have more on that.

David Hill: As Tamara has said, in the nature for climate fund programme, which is a big tree planting and peat restoration fund worth around £750 million over this spending review period, there is a dedicated project called the sector capacity project. That is precisely to support expansion of the supply chain for tree planting, including dedicated support for nurseries. For example, it will provide capital grants and other support for innovative technology.

We know that our targets rely on a significant expansion of tree planting trebling over this Parliament, but then continuing to expand beyond that. It is a significant challenge. That is why so much of the programme is on how you build the supply chain and the capacity to make that happen. That will continue to be a feature of the programme going forwards.

Q20 Olivia Blake: May I ask one question on those grants? Are they available to local authorities? In my area, we have a disused—

David Hill: I cannot immediately recall if those specific grants are available to local authorities; I can check. Certainly, within the programme, there is a strong focus on supporting local authority tree planting.

Q21 Olivia Blake: I mean specifically around nurseries and capital.

David Hill: I will need to check that specific point.

Q22 Chair: There are a lot of local authorities that have some of the biggest nurseries in an area, but for their own use. Ms Blake mentioned biodiversity. Obviously, more and more checks are being introduced on items coming in from Europe. The common travel area means that, presumably, trees could flow between the Republic of Ireland and the UK, I guess. Mr Hill, is there any problem there—if trees are grown in the



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Republic of Ireland, they can come to the UK without any checks?

Tamara Finkelstein: Well, at the moment we are obviously putting in place our new target operating model for movement, but yes.

Q23 **Chair:** But because of the common travel area that applies to people. Does it apply to trees?

David Kennedy: Let us confirm where trees are in the target operating model. We have three categories: high, medium and low risk for plants, including trees. We will need to come back and say exactly where they fit.

Q24 **Chair:** So it may be that the Republic of Ireland is the same as the rest of Europe.

David Kennedy: The Republic of Ireland is the same as the rest of Europe for plant imports.

Tamara Finkelstein: I think your question is about if it travels into Northern Ireland and then into GB.

Q25 **Chair:** That was the next bit of my question, yes, with the Windsor agreement.

David Kennedy: It is not supposed to be a back door from Ireland through Northern Ireland into GB.

Q26 **Chair:** And are there other countries we would never take a tree from? I suppose this is about import controls, really.

Tamara Finkelstein: We have controls: we will be applying the new target operating model, but actually we have those controls in place around high-risk plants, as I said, to ensure that we do not bring in trees that we do not wish to—invasive species and that sort of risk. We have ways to manage those risks.

Q27 **Chair:** So we really need to ensure we are growing our own as much as possible and then reaching to Europe for those that are safe.

David Kennedy: The controls for high-risk plants—and I suspect trees, or at least some trees, will be in that category—are already in place. They need to come with phytosanitary certificates, and they have to be checked. We are going to move the checks to the border—that is the big change—from January.

Tamara Finkelstein: But, to get back to the tree planting programme, there is a real emphasis on native trees in creating our capacity. That is why we are really raising our capacity and incentivising the right trees in the right place for the right purpose. That is right at the heart of the programme that Mr Hill talked about.

Chair: British trees for British forests, I suppose.

Q28 **Mr Djanogly:** I would like to look a bit more at these tree-planting targets. An NAO Report of March last year says in paragraph 14: "Defra forecasts that trees planted through the Programme in 2021-22 will be



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below the trajectory needed to achieve its 2025 target.” Could you please update us on that situation?

Tamara Finkelstein: In terms of the tree planting in 2021-22, we were on track with where we expected to be, but we need to see a very significant jump in 2022-23. We do not have the data yet of exactly where we have ended up.

Q29 **Mr Djanogly:** And you expect to meet that jump.

Tamara Finkelstein: We need to see quite a big jump, but there are quite a lot of challenges. I do not know what that data will show, but there are quite a lot of challenges to reaching that. We are doing a lot to try to ensure that the incentives are in place and that we have the process for applying for grants and so on in place speedily. There are a range of things to try to assure ourselves of our trajectory on tree planting.

David Hill: As Tamara said, the latest data showed 2,700 hectares planted in 2021-22. The next planting stats will be out in June. There have been a number of challenges, similar to the discussion we were having earlier about environmental land management, because when you are trying to drive a programme that is driving big change in a sector, how do you encourage farmers and land managers to get involved?

One of the reasons why it can sometimes be challenging is that it is a very long-term programme. To get a land manager to commit, they need to know that they are going to get a return for an extended period, particularly given the relatively permanent nature of the land use change. So, actually, some of the things we announced in relation to environmental land management earlier in the year assure prospective applicants that if they commit to tree-planting schemes, they will be no worse off in the future, as environmental land management funds tree planting further into the future beyond this Parliament—that is quite important. Everything we were describing earlier around building supply chain will give us more confidence in the future that we can expand capacity.

Looking further ahead, there are some positive signs. For example, through our work to test interest in tree planting, we have identified a prospective pipeline of around 15,000 hectares. The challenge now is to turn that 15,000 hectares of tree planting into applications to our schemes. We ran a big communications campaign on this, so we know that when we run a targeted communications campaign we see an uptick in applications. One of the things we are looking at is how—a little like we were discussing earlier in relation to farming schemes—we can get some really targeted schemes reaching into the sector to do that. We have been building capacity in the Forestry Commission to take that forward.

Q30 **Mr Djanogly:** I hope that goes well. The further question is about not just the trees that you plant but their survivability. My constituency covers the new bit of the A14 that was built between Huntingdon and Cambridge. The BBC reported that more than 160,000 trees will have to be replanted on the new stretch, with a failure rate estimated at around



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three quarters of the 860,000 trees planted as part of the original 270 hectares. That is a disaster. Apparently, that is related to not looking at soil samples and not looking after the trees once they have been put in. What is the point of having any kind of tree-planting targets if three quarters of them will just die because you have the wrong trees in the wrong place and they are not looked after?

David Hill: The A14 scheme, which I know well as a constituent and local resident, was led by National Highways. In any tree-planting scheme, one would expect a degree of mortality; that is certainly true. We ourselves factor into our programme an allowance for a degree of mortality—

Chair: Seventy-five per cent. is a bit high though.

David Hill: Absolutely. Last year was the driest year on record since 1995, but clearly, and increasingly, we need in the future to be able to cope with drier and hotter weather.

My understanding is that National Highways undertook a detailed review in the autumn of 2022 to understand the failure rate on that specific programme. It will bring forward a revised replanting strategy that will include, for example, replanting with cell-grown trees, which have a higher success rate than bare-root trees, and extensive testing has been done on soil conditions in the area. National Highways is taking schemes forward to remediate that programme.

More broadly, what are we doing as the experts on trees and tree health? A number of things. For example, Forest Research, which is the research arm of the Forestry Commission, has developed an ecological site classification system. That identifies the best trees to plant based on factors such as future climate suitability. We will bring forward technical advice on how big infrastructure providers and so on who are planting trees can mitigate the impacts of climate change going forward.

Mr Djanogly: Thank you.

Q31 **Chair:** I want to move on to the issue of waste crime. I will do some pretty quickfire questions, referring to the Treasury minute. As a Department you have sent us so many Treasury minute responses recently; it is one of the reasons why we are doing a recall. First, what progress has there been on the outline plan to eliminate waste crime by 2043? Where have things moved on since we last spoke?

Tamara Finkelstein: We have in place our joint unit on waste crime, together with HMRC and a range of other partners, and that collaboration has been key. We now have good access on data, which was one of the conclusions of the Report as well, so that is in a good place. We have strengthened local authority powers on fly-tipping, which was also a conversation that we had when we talked about—

Q32 **Chair:** Can you give us an example?



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Tamara Finkelstein: We have raised the level of fine possible for fixed-penalty notices. It was part of the antisocial behaviour plan and some of the actions in that respect in terms of enforcing fixed-penalty notices.

We have made progress on closing the loopholes on waste, both on permit exemptions and on the dealers and carriers. We have tightened up those regulations. We have made progress on digital waste tracking, which we have talked about previously, and we have let the contract for the IT on that, which is making good progress.

Q33 **Chair:** That was going to be one of my other questions: what is the timeframe on that? You have let the contract.

Tamara Finkelstein: We are on track for having the digital waste tracking plan in place for 2024. There were concerns—it is an IT project—but it is going to plan.

Q34 **Chair:** Those are famous last words from a permanent secretary—that an IT project in Government is going to plan. We will hold you to that.

Tamara Finkelstein: It is. As I said before, they are really difficult, but we are showing good evidence in our track record on IT projects, and that is a really important one.

There was a review of landfill tax and it has got to its next part; that is Treasury/HMRC-led work. An update on that was published at the Budget, so that is moving forward and looking at what things needs to be—

Q35 **Chair:** That was another of my questions: do you have any more updates since the Budget on the landfill tax review?

Tamara Finkelstein: I do not have more of an update. There are questions within the feedback on that review on the abuse of water discounting and putting lower-rated materials up the waste chain. Those issues are now being looked at, and if there are changes to be made, there will be consultation on those. HMRC are focusing on that.

Chair: The Treasury was obviously on board.

Tamara Finkelstein: And the Treasury—it's tax.

Q36 **Chair:** What is happening with the fly-tipping toolkit? Any progress on that, Mr Hill?

David Hill: We are making progress on the toolkit. The first part of the toolkit, on presenting robust prosecutions, was published back in 2022. The second part, which is around local authority partnerships, was published in March this year. We are starting work on the third part, which will focus on raising awareness among householders of their obligations. That work is starting soon, working with the National Fly-tipping Prevention Group, so it is in train.

Q37 **Chair:** On communicating to households, there is some stuff relating to the consumer. For example, if you have a kitchen replaced, you have to pay for it to be removed—it is your responsibility. When you talk about



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the toolkit, will it be a national communications campaign? Or will you expect that to be done at local authority level?

David Hill: It is a set of products available nationally, but then we will be working with local authorities to help to embed best practice. One of the things we are using is the recent rounds of fly-tipping grants, which we have targeted with local authorities. We had evidence of some of the worst impacts of fly-tipping in the early rounds of that. We are using case studies arising out of that to inform the development of the toolkit.

Q38 **Chair:** Has it been received well by local authorities? We haven't had any evidence to say one way or the other, to be fair.

David Hill: We have good relationships with the cohort of local authorities where the problems are most obvious. In effect, we are designing the toolkit with their input, and I hope it will be a useful resource.

Q39 **Chair:** There were very few fly-tipping intervention grants for local authorities in the north of England; I wonder why that was.

David Hill: In the first round, where we awarded funds to about 11 councils, we really focused very much on those where we had existing evidence of a significant problem. We broadened that out in the second round and funded at least one council in every region, but we are typically guided by where the evidence base is strongest and where it shows the problems are greatest.

Chair: Okay, that makes sense—you are following the evidence.

Tamara Finkelstein: There are six in the north out of the 21, so there are more.

Q40 **Chair:** So it is going up. I was going to say that that is fantastic, but it is a huge issue. We got a lot of pick-up on our Report about that from individuals and communities that are very concerned about it. We will keep a very close eye on it with our sister Committee.

Tamara Finkelstein: The antisocial behaviour framework raised the upper limit on fixed-penalty notices to £1,000 for fly-tipping and £500 for litter, and it had various ways in which that would be better enforced. That was the progress at that point.

Q41 **Chair:** When we looked at it last time, we were quite surprised by how many instances never went anywhere. Let's hope that the extra money that councils are getting is an incentive. How are you evaluating the impact of all this? When will you know whether it has been successful, Mr Hill?

David Hill: We published last year a work programme for the year ahead on evaluating a range of measures in the resources and waste strategy, including on waste crime. The data collection around all that, including some of the baseline survey data, happens this year. That will be a rolling programme of evaluation. A year hence, we should have good evidence.

Chair: Okay. We will keep an eye on that. Thank you very much indeed. I



turn back to Mr Jonathan Djanogly as we move on to air quality.

- Q42 Mr Djanogly:** On local air quality, the starting point is the Twenty-Second Report of Session 2022–23. The Committee's recommendation was: "The government must ensure that the plan it publishes includes robust, actionable measures that will result in compliance with the 2030 targets for all air pollutants, and ensure it has strong governance arrangements to monitor progress against its plan and take decisive action if progress falls behind expectations." In the Treasury minute, the response of December 2022 was: "The government has consulted on a revised National Air Pollution Control Programme...which includes robust actionable measures for further consideration to deliver compliance with the 2030 targets for all air pollutants." Could you please provide the Committee with an update on what steps you are taking to reduce the impact of agriculture on air quality?

Tamara Finkelstein: I can start by saying that we have published that strategy, and it includes lots of the areas that we will be investigating in order to deliver on our targets. Let me start briefly on agriculture and ammonia. Agriculture is responsible for 87% of our ammonia emissions. It touches on some of the things we have already talked about, in terms of the actions we are taking to help to deliver this. We have been advising farmers on how to reduce ammonia emissions through the catchment sensitive farming service. We have invested more in that in order to make it nationwide; it was covering 40% of the country.

We have talked about the grants previously. As I said before, the slurry infrastructure grant has been significantly oversubscribed, and we have put more money into elements of countryside stewardship. The other transformation funds available to farmers help on actions that improve air quality.

We talked about the next stage of the sustainable farming incentive and the new standards; the nutrient-management standard in that is going to be important as well. We are preparing to consult on reducing ammonia emissions in organic manures, and there will also be a future consultation on expanding environmental permitting to the dairy and intensive beef sectors, with air quality in mind. There is a raft of things that we are doing.

- Q43 Mr Djanogly:** You mentioned two. Let's look at ammonia, which figured in the original NAO Report of June 2022. The point that was made there, in paragraph 10, was that, "Ammonia emissions have remained broadly stable since 2007". Here we are in 2023, and I am not entirely sure, from what you have said, how we are going to deal with ammonia.

Tamara Finkelstein: That set of things is a set of grants and regulations that we have not had in place before. It is a set of things that we have evidence suggesting would be best at tackling the air-quality issue and the ammonia issue. We remain open to other things that might be needed, which is why we are doing consultations on permitting for some of the sectors, such as dairy and intensive beef, that we think make a particular



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contribution. Based on the evidence, we think this set of measures will make a difference. I will bring in Mr Hill, in case there is more to add.

David Hill: I think Ms Finkelstein has covered all the major measures. We know from the environmental permitting of other aspects of agriculture that it can be very effective, which is why we have some confidence that, were we to introduce environmental permitting for dairy and intensive beef, it would be an effective measure. Ms Finkelstein has given the range of things we are seeking to do, and when you put them all together, I think that will have a significant impact on ammonia emissions.

It links back to something Mr Kennedy was saying, which was that for this to be effective we have to work with farmers in particular to help them to adapt their business practice. There are a range of issues that we know we will need to address. For example, we know that farmers have experienced challenges getting planning permission to install slurry stores. We need to do work with the Department for Levelling Up, Housing and Communities around ensuring that, if we are incentivising farmers or introducing regulation to improve their practice, we are making it as easy as possible for them to comply.

Q44 **Mr Djanogly:** Is the feedback you are getting from the farming community saying that what you are doing is helpful? Is the engagement happening? Is it working?

David Hill: As an example, we have had very strong demand for the slurry infrastructure grant scheme. We originally offered that scheme at around £13 million but we've expanded it to around £34 million to meet unmet demand, and we will be looking at future rounds. That suggests that the appetite to invest in upgrading farming kit and new practices is there; what we are trying to do is respond to that demand.

Tamara Finkelstein: It is about being able to continue that kind of engagement, because that is how we spot things such as the work we need to do with the Department for Levelling Up on planning. What are the barriers that are getting in the way? In the main, farmers are keen to farm sustainably and deal with some of these issues, but if there are barriers we need to understand them and fix them.

David Hill: I should have added that we are working quite closely with the industry on some industry-led schemes and best practice to address some of these issues. For example, an industry-led consortium has brought forward proposals on restricting urea fertilisers. Ministers have supported a plan to introduce a red tractor scheme by April 2024 to limit the use of urea-based fertilisers, but with the option of further regulation in future should we not see the progress that we need.

John Leyland: This is an area where I think regulation can work. The Environment Agency has seen a continued decline in all the priority pollutants from our regulated industries. As Mr Hill said, on ammonia, we moved pig and poultry into the environmental permitting regulations in 2007; we have seen a 30% decrease in ammonia since then. We are



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supporting DEFRA with best-available technique for how we may apply that to beef and dairy. We are also working with the UK Centre for Ecology & Hydrology to develop what will be a technological first, which is to measure real-time ammonia emissions from farms. That technology doesn't exist at the moment, but we hope to be on the front foot to bring that online.

Q45 Chair: Is it easy for farmers to know how much ammonia they are producing at the moment?

John Leyland: No, it isn't, so that would be a critical role for us to play—first, helping to establish a baseline and then helping with techniques to reduce it.

Q46 Chair: Would they have to buy that technology, or would that be something, if it was regulated, that the Environment Agency would come and measure?

John Leyland: At the moment we provide it through our mobile monitoring facilities. We have a number of mobile monitoring facilities that we take out in particular areas, and we are hoping to be able to attach that technology to those mobile monitoring facilities.

Q47 Chair: So it is not a cost on farmers.

John Leyland: Not at the moment, no. But I would imagine that once the technology is available and it becomes scalable, then farmers may wish to go further and do that for themselves.

David Hill: We have a range of supporting grants available to farmers. We have the farming equipment and technology fund, for example, and the farming transformation funds as well. The first one I mentioned made £48.5 million of grants to farmers in 2022. That can support a range of measures, including investing in kit to reduce emissions. It would also support broader investments on things like planting tree belts.

Q48 Olivia Blake: I want to ask about the relationship between air quality and the partial moorland burning ban that was brought in on deep peat. Do you yet have a map of where the deep peat is in the UK? That was missing.

David Hill: We have a range of mapping resources available on deep peat. Could you just unpack the question on the relationship with air quality a bit?

Q49 Olivia Blake: The burning is causing huge amounts of air quality issues in my constituency, where the moorlands are very close to residential areas. There is a lot of burning, and it blows down. That is not unique to my area at all. There wasn't a map when the ban was brought in. I just wanted to clarify that.

David Hill: I will need to check exactly what we have got now.

Q50 Olivia Blake: Okay. I will move on, then. Is the ban reducing the number of burns? How are you measuring that?



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David Hill: Yes. We have arrangements in place whereby if exemptions to the ban are sought, an application has to be made to Ministers. From memory—again, I will need to check—I think we have had perhaps only one exemption sought. Let me check that for you.

Q51 **Olivia Blake:** You have only had one application for the exemption.

David Hill: Let me check the figures and perhaps I can offer the Committee a note.

Q52 **Olivia Blake:** That's fine. How many fines have been given out in relation to this supposed ban?

David Hill: I am not aware of any fines, but perhaps I could just check the figures and give you a proper note.

Q53 **Chair:** It sounds like Mr Hill needs to give us a proper answer.

Tamara Finkelstein: On burning, and what has happened so far. We will do that.

Q54 **Olivia Blake:** Does Mr Leyland have any comment about the number of burns? From the numbers I have seen, they are not reducing.

Chair: Could you clarify, Ms Blake, where you have seen the numbers?

Olivia Blake: From local collection by community activists and the like, who register and take photos and report these things to the agency.

John Leyland: No, we haven't got that. We do, obviously, take emergency calls from the public who see environmental incidents. What I would add—I am sure you are aware of this—is that they are incredibly important habitats. There is more carbon locked up in our peatland than there is in all the forests in Europe. It is incredibly important that we protect it and protect communities from the potential air pollution that can be caused.

Q55 **Chair:** If you have any figures, could you send them to us as well, so we can get a full picture?

Tamara Finkelstein: Let us do a note between us of how it is being rolled out—implementation, fines, incidents and what data we have.

Q56 **Olivia Blake:** Moving on to broader points about air quality, I was surprised that the Department rejected our recommendation on a national campaign communicating the dangers of air quality, when we have seen from covid-19, for example, that national campaigns are really important to get messages across. Can you explain why that decision has been taken?

Tamara Finkelstein: It was because of a view, which I think we expressed at the Committee as well, that local authorities are best placed to tailor communications to their communities and the different things that are needed in different places, and to reach different communities. But that is not to say at all that we should not be ensuring that we are providing national support and information that helps with that.



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We make local information available through the UK-AIR website, which has all the latest and historical data from monitoring sites. We have done a lot in terms of helping local authorities who are putting in place clean-air zones, and there has been £3 million of financial support for marketing and support on doing that.

We are engaging quite a lot of work as to how we improve the information that the public have on air quality, and we have the air quality information systems review. That is going to report shortly—I think in May—and it has Professor Stephen Holgate, who is an absolute expert in this area, as an adviser, to give us more guidance and recommendations as to what things we can improve. But we have a lot of things in train to improve the website, to ensure it has information available.

One of the key ways in which people get information, depending on their health status, is through their GP and the medical profession, so we have been doing some pilots as to how we best equip them to communicate with and support patients and so on. I have had conversations with the chief medical officer about how to make that as effective as possible. We think local authorities are best placed, but there is a range of national things that can support that.

- Q57 **Olivia Blake:** We have a clean-air zone just starting in my patch, and I would say that there has been a level of conspiracy theory, which I have never seen before, about a locally implemented scheme. I don't think people realise that 500 people in South Yorkshire die each and every year from poor air quality, and there is no trust in what the local authority is saying, because there is a charge relating to this. So the plea from me would be to please reconsider that recommendation, because local authorities are really struggling to communicate clear messages on this. It is becoming very fractious in communities because authorities are not trusted, and we need the Government to lead.

Tamara Finkelstein: Obviously we can take that away. Each zone has a direct supporting person in our team who can support on that. But, as ever, trust is always a bit of a challenge too.

- Q58 **Chair:** Can I ask how this £3 million has been spread? What amount are individual local authorities spending? For somewhere like the City of London, where we have an ultra low emission zone that is now being extended, £3 million is a very small amount, relatively.

Tamara Finkelstein: The London scheme is the Mayor's responsibility, so—

- Q59 **Chair:** So none of that money is going to London.

Tamara Finkelstein: None of that money would have gone there.

David Hill: The £3 million was specifically to support authorities, such as Sheffield, implementing clean-air zones within the NO₂ programme. There is a range of other funding support—in terms of promoting awareness of air quality in the round—for authorities not in the local NO₂ programme. In



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2022-23, around £7 million was spent through the local air quality grant scheme on awareness and public engagement-raising activities.

To come back to Ms Blake's comments about Sheffield, I have had a conversation with the chief executive of Sheffield City Council about some of the local controversy there. I think it is fair to say that we have not necessarily seen that replicated in clean-air zones elsewhere, and the evaluation that we have done thus far has shown, in terms of the particular issues that you were highlighting, high levels of understanding and awareness of clean-air zones across those authorities where they have been implemented.

Q60 Olivia Blake: Just to say, I think there is awareness that the schemes exist. I don't think there is awareness of why, which is the public health message that really needs to have Government leadership.

David Hill: I remember discussing this with the chief exec of Leeds City Council when we were working with Leeds on whether or not they would not introduce a clean-air zone. In the event, they did not. One of the things he said—and he was much better placed than me, sitting in central Government, to make a judgment call on this—was that, in order to build the case locally for why this was important, they were doing work with medical practitioners from the local hospital. Getting them involved in the awareness raising and public engagement was, the council found, a really effective way of reaching local communities, rather than someone from DEFRA or from the local authority leading that campaign. In the event, Leeds didn't need to proceed with a clean air zone, but it's an example of why we are trying to stand behind locally led campaigns with funding, technical advice and support. We think local authorities are often best placed to judge who are the best interlocutors to communicate the message.

Q61 Chair: I just want to pick up on what Ms Blake has said. When we revisited this, we started looking at it in terms of the deaths. The number that Ms Blake highlighted was for Sheffield, but I was shocked to discover that there are 4,000 premature deaths in London because of the toxic air and that 550,000 Londoners will develop diseases related to poor air quality over the next 30 years. Yet, for the smog of 70 years ago, there was the Clean Air Act; it was very evident that there was a very strong national lead. This is a toxic killer that we can't see, so all the issues for people about turning off or ripping out their wood burners and changing their vehicle because of the ULEZ in London feel like a big pressure today—I completely understand that—but, actually, there are people dying if that is not done. I am not sure that that death and health message is coming across. I completely appreciate what you are saying, Mr Hill, and there is nothing wrong with what the Department is doing—standing behind local authorities—but I am not sure the public have quite understood that message.

David Hill: In terms of what we are trying to do, where it feels more appropriate to support locally led campaigns, we try to support those, which are typically on clean air zones. There is a significant range in the



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design features of those in different cities: different charging rates for different vehicles, sometimes different local exemptions, and so on. We try to stand behind that. But on an issue like domestic burning, we have run a national campaign—and will continue to do so—that does have a strong focus on the health impacts of domestic burning. Particulate matter from domestic burning is the single most dangerous—

- Q62 **Chair:** Yet we have seen a sudden growth in wood burners—exponentially over the last decade. I grew up in the time when you couldn't burn anything—we all had open fires and you had to have smokeless fuel. That was in the '70s. Yet we are going back, in the early 2020s, to wood burning. So is there a national campaign on wood burners? Are you looking at regulating the sale of these?

David Hill: We have already regulated to restrict the sale of some of the most polluting fuels—the sale of wet wood and house coal. Using the Environment Act, we have strengthened powers over what can be burned in smoke control areas and strengthened local authority powers in that respect. We have seen a big growth over the last 10 or 15 years in domestic burning, and I don't think the impacts of that typically are well understood. So we have had, and will continue to have, a communications—

- Q63 **Chair:** It is seen as an interior design item rather than something that is a health matter.

David Hill: Exactly. So we have had a communications campaign to raise awareness around that, and we will continue to have a campaign. But as we said in the environmental improvement plan and, indeed, the NAPCP, it can't just be communications, so we will also be looking at measures for how we can further regulate around fuels—measures restricting solid fuel burning—and at technical measures that will mitigate some of the emissions. So there is a range of things we need to do, but there's no denying that domestic burning has become one of the single biggest causes of poor air quality.

- Q64 **Chair:** It is amazing that this has taken us backwards, when it is not even necessary in most centrally heated homes.

There is one element in South Yorkshire that not everyone will be aware of. Former miners, or particularly widows, will often be given some payment in coal—or they were—for burning. Therefore it's money. If they don't burn the coal, they don't have anything to replace it with. Is that something that you have even considered in former mining communities—trying to find some compensation for those households, in areas where there are often a lot of poorer people living with health problems anyway.

David Hill: We made some exemptions in crafting the regulations that limit the burning of some of these fuels.

- Q65 **Chair:** Exemptions rather than effectively trying to buy them out of that old-fashioned deal?



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David Hill: I don't believe we did a direct compensation, but again I'm happy to—

- Q66 **Chair:** I can see that that might make sense, but this is, frankly, a dying cohort, because there have not been active mines for rather a while. These people will not be able to do this for much longer, but it is a very big chunk of their household income, so there is no incentive for them not to burn coal. It wouldn't be very much to buy them out, as it would taper down. Is that even in the thinking of the Department?

David Hill: Again, perhaps I could just check the range of things. We were very aware of the issues affecting particular communities in bringing forward the regulations, so why don't I just check—

- Q67 **Chair:** It's a transition for them, but it's different for somebody who is buying something for their interior design purposes, like a wood-burner that looks nice but pollutes.

David Hill: Understood. It is, yes.

- Q68 **Olivia Blake:** Just a couple more questions on air quality. What update can you give us on the air quality information system review that you are conducting? Mr Hill?

David Hill: We have the review of the air quality information system under way. It's a comprehensive review of how we communicate air quality information. It draws together a steering group, which includes public health scientists but also representatives of particularly vulnerable groups. As Tamara mentioned, Professor Sir Stephen Holgate is acting as an adviser to the review, and we have representatives from organisations like Asthma and Lung UK.

We expect that the review will publish its first-year progress report in May. There is then a range of other research that the group is doing this year around various behavioural barriers to improving air quality. We are expecting a final report early in 2024.

Alongside the review, we have a wholesale review of some of our web-based services under way. That was something that the Committee was interested in at the original hearing. That is an overhaul of all aspects of our web-based information, which is due to complete by March 2025, but we are making incremental improvements as we go—we are not waiting for March 2025. For example, we have improved some of the mapping available online. We refreshed some of the information so it's clearer about some of the environmental targets that have just been introduced.

- Q69 **Olivia Blake:** Ms Finkelstein, why isn't it possible to produce high-level estimates on spend across Government associated with air quality?

Tamara Finkelstein: There are a wide range of policies that impact on air quality right across Government, and we have looked at what it is most helpful to bring together. We think that trying to gather the cost of all those programmes and unpack from each of them the impact and the money spent on air quality specifically would be incredibly costly and very



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uncertain, and in fact there is a risk that it might lead us to take odd policy choices on value for money.

We clearly have quite a good handle on some of our direct spend, including on our NO₂ programme and on some of the other lines of spend that we have just been talking about. So we have a good handle on that. We have a really good sense of being able to track the outcomes on air quality.

Any of the business cases on any of the programmes will include the impact on air quality of specific programmes. But in terms of gathering that together, we have looked at that, and we just do not think that we could do it in a way that was accurate enough to help us with making decisions, which is why we have done what we have.

When we think there is a one-off bit of work to look at this, we will do it. We did do some work on the co-benefits of policies to meet carbon budget 6, net zero and air quality, and looked at the spend on that. However, I might just see if Mr Hill wants to say a little bit more about that.

- Q70 Olivia Blake:** Can I also ask, before Mr Hill comes in, whether he will explain any other options you have looked at to improve transparency on this area of spending?

David Hill: I think Tamara has covered the approach we have taken. I suppose the most important thing is that we are trying to focus efforts—the work around the Environment Act targets and the delivery pathway for those targets will help us on this—on the outcomes that particular programmes deliver, and to quantify the outcomes. We think that is something we should be able to do, and in all the work around the set of targets we have seen in the environmental improvement plan, and the interim targets, we will be seeking to quantify the impact of a range of Government Departments and agencies' contributions to those outcomes. We think that focusing on that is likely to be more accurate and therefore more informative than trying to disaggregate the proportion of spend on a whole range of policies across Government towards air quality.

Olivia Blake: I think we will probably ask more about that in the future, as the value-for-money Committee.

- Q71 Chair:** I just want to finish off with a couple of questions on air quality. The national target for 10 micrograms of PM_{2.5} per cubic metre by 2040 is welcome, but I notice that the EU and the Mayor of London have both set a target for doing the same by 2030. I wonder why there is the 10-year difference.

David Hill: The European Commission have proposed a 2030 ceiling; my understanding is that that has not yet been agreed and adopted by member states. Why did we set 2040 as the deadline? We have been guided by the science and the evidence, and essentially our judgment is that while many areas of the country will be at 10 micrograms by 2030, we cannot be satisfied that that is achievable in all areas of the country.



Q72 Chair: Is that because of particular things like local industry? What are the factors in different areas? Or is it down to local political leadership?

David Hill: It is not so much local political leadership but the scale of technological change, the impacts on economic activity and so on. To get there absolutely everywhere in the country, where local factors can have a really significant impact on concentrations—the Secretary of State is under a legal obligation under the Environment Act to set targets that she judges to be achievable. That is why we have not set it for 2030, but all our measures are geared towards getting there as fast as we can over that period.

Q73 Chair: There are various measures, and we have discussed some of them. Electric vehicles, or taking away the most polluting vehicles—that is what we are seeing with the ULEZ in central London. What other barriers are there? Industrial barriers?

David Hill: Electrification of vehicles is a good example of where there is quite a lot of technical uncertainty around the impacts. Electric vehicles are excellent for reducing emissions—

Chair: But the tyres.

David Hill: Yes, the tyres and more braking, and that generates PM_{2.5}, so we need to do more evidence-based research on how these things balance out.

Q74 Chair: It is interesting, because that is a message that is not always got across. We have had huge discussions about low-traffic neighbourhoods in London, although let's not get into that debate in this session, because it is not really what we are here for. With low traffic, is it about congestion or is it about pollution? Of course, there is pollution from cars even if they are not pumping out petrol. Again, we are talking about national campaigns. I am not sure that it is always as much appreciated. Industry-wise, what are you looking at to try to mitigate?

David Hill: On industry, the 2040 target is PM_{2.5}, and as we were discussing earlier some of the principal drivers of PM_{2.5} are things like domestic combustion. PM_{2.5} can come from a whole range of different sources, so it is really about having a good technological understanding of what you can do and what technology can do to drive that down.

Big industrial emissions tend to be some of the other pollutants, and we have strong evidence that we have driven those down effectively. The Environment Act targets focus on—

Q75 Chair: Really, a lot of individuals have to make individual changes to reduce this.

David Hill: Absolutely, and it is about how you draw all that together. Behavioural science is a really important part of how you get at a target like PM_{2.5}.

Q76 Chair: Have you looked back at what lessons were learned from getting



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us all to recycle more? When I started out in politics in 1994, recycling levels were lamentably low, and now it is just a norm wherever you live, whether it is a flat or a house. We are now seeing people adopting new bad habits when it comes to these particulates.

David Hill: Some of the research that I mentioned earlier in response to Ms Blake's question about the review of air quality information is focused on behavioural science and behaviour change, and how we get the incentives right to nudge people to make good choices.

Q77 **Chair:** Finally, going back to Mr Djanogly's points, is dairy and beef permitting being looked at in terms of emissions? Where are we with that?

David Hill: It is. We have said we will bring forward a consultation on extending environmental permitting to dairy and beef, and that obviously would principally be around focusing on ammonia emissions.

Chair: Thank you.

Q78 **Olivia Blake:** Moving on to water and, first, water supply and leakage, why did five water companies report an increase in their leakage rates in 2021 to 2022?

Tamara Finkelstein: Leakage and preventing leakage is obviously a very significant part of our approach to securing supply. We put a supplier target into the environmental improvement plan.

We have already seen an 11% reduction in the leakage amounts, which was 20% of public water supply. The commitment is to reduce leakage by 50% by 2050. We have interim targets, and 16% is required by 2025. Ofwat has a responsibility to ensure that water companies are doing that and are on track. My understanding is that we are on track for 16% by 2025, which is the requirement, and that will require considerable investment and will obviously form a big part of the conversations about the price review for the next period.

Q79 **Olivia Blake:** Are you equally confident for the next target, which is a further 4%—20%—by 2027?

Tamara Finkelstein: That is absolutely at the heart of our expectation of what water companies will do, so we put that into our strategic policy statement for Ofwat as they do the price review. That will be built into it.

Q80 **Olivia Blake:** How are you addressing the performance of the two largest water companies, Thames and Severn Trent? They are particularly poor.

Tamara Finkelstein: Ofwat have a whole range of enforcement powers to ensure that the water companies are behaving legally and in line with their licence. If they significantly miss their leakage performance commitments, they can take that forward. Obviously Thames Water had a significant fine of £120 million linked to their underperformance on leakage, both in underperformance penalties and wider kinds of failures. Ofwat has those powers and can take them and has done so.



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Q81 Olivia Blake: Do you think these powers are effective? Are they robust enough to see improvement?

Tamara Finkelstein: In terms of Ofwat and their powers, we have recently, as part of the Environment Act, strengthened their powers so that they can take action around dividend payments and ensuring they are consistent with environmental performance. They themselves are taking action around salaries and so and so forth.

Q82 Olivia Blake: Moving on to domestic water consumption, why are so many water companies failing to meet their targets?

Tamara Finkelstein: As I say, we have set a very demanding target, as part of the Environment Act targets, to reduce the public water supply by 20% by 2037-38. That requires a whole range of actions, and we are on track on putting those in place. Some of that is the leakage that we have just talked about, and we are also consulting on mandatory water efficiency labelling, which is going to be important.

We are looking at building regulations around water efficiency and around smart meters. The "Plan for Water" encourages water companies to put smart meters in place, even where billing procedures are not changing, so that people are aware of their use, because critical to this is reducing the public use of water down to 110 litres per person per day. We were talking before about behavioural change, and there is a degree of behavioural change required in that. There is a whole range of things that the water companies have a strong role in encouraging and supporting.

Q83 Olivia Blake: Given climate change, the increasing demand on our water resources and all the rest of it, do you think that the target of 122 litres per household by 2038 is ambitious enough?

Tamara Finkelstein: In setting the interim targets and the commitments that we have put into the environmental improvement plan, we have tried to strike the balance in terms of what we think we can achieve by the sort of actions we can take. So I do think they are the right thing.

We had a good session here on water supply, and we are very much taking forward a lot of the commitments we talked about then, but we have to do things across a really wide range—on supply, on infrastructure, on reservoirs and some of those actions as well—on both sides to reduce demand and improve supply.

The whole suite of activities are needed. I think we are in the right place, but we have to continually track how effective things are and what other actions might be needed. These are long-term targets, but they are totally critical to ensure that we have adequate water in place.

Q84 Olivia Blake: Mr Leyland, what progress has been made to end the damaging abstraction programme?

John Leyland: Why does it matter? Because we need to take 4 billion litres of water out of the environment by 2050, or parts of the country will struggle. It is a very difficult circle to square. Our latest data shows that



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85% of surface water bodies have met their flow thresholds; the target is 90%. Some 73% of groundwaters are sustainable and the target is 77%. Those are targets for 2030.

It is not a binary task—we do not just amend a permit and it happens. On the other end of these targets are real businesses and employers, so of course we need to work with them to find alternative means to make their businesses sustainable. We are learning a lot through that process and, subject to investment, I think in the next price review, we are confident that we can meet those targets by the end of 2030.

Q85 Olivia Blake: Is there anything else that you feel needs to be done to work with businesses on this?

John Leyland: Awareness is critical. Future planning is critical. Evidence is critical. On the impact of the climate, I chair the National Drought Group—we met just a few days ago—and although we try not to use the words “exceptional” or “unprecedented”, it is getting a bit boring that we seem to use those words every time. We have seen this year the wettest month, the driest month and then the wettest month. I do not think businesses are yet quite prepared for that level of resilience and the extremes that can happen.

Q86 Olivia Blake: On chalk streams, what progress are you making to reduce the levels of abstraction from chalk streams through the water industry national environment programme?

John Leyland: England is home to 85% of the world’s chalk streams, which are incredibly rare and really important. Since the launch of the chalk stream strategy, the Environment Agency’s role has been to ensure that those who abstract and discharge into chalk streams comply with strict conditions. If I may give you some numbers, our restoring sustainable abstraction programme has already made changes to 124 licences, to protect chalk streams in particular. That is returning 37 billion litres of water per year to chalk catchments. There is more to do: about 7% of the licences are still to be amended, many of them in the Oulton broads catchment.

Olivia Blake: Thank you.

David Hill: If I may, I will make a couple of wider points on chalk streams. We have determined that all regions that are dependent on chalk aquifers are designated as water stressed. That is important because it gives water companies greater latitude over proposals to charge by metering.

In the storm overflows plan published last August, chalk streams are designated as priority sites. That is important because that will feed through into Ofwat’s next price review and into where water companies target their investment in the future, and we estimate reducing 75% of harmful spills by 2035. So some of those investment signals and guidance into Ofwat are quite important, too, in terms of where water companies will invest in the future.

Olivia Blake: You have read my mind, because I am moving on to sewage next.

Chair: Before you do, I need to bring in Anne Marie Morris.

Q87 **Anne Marie Morris:** Can I revisit some of the issues that Ms Blake has addressed? The first is leakage. One of the challenges here is that the target setting is pretty critical, and that is an Ofwat activity. When Ofwat set those targets, they have to take into account return on investment and affordability, and they are also required to undertake a survey to find out what customers' tolerance is for increases in their bills.

How are we going to square the circle and how are these targets set? If customers come back and say, particularly in the current climate, "We're not prepared to accept any increase"—and we know that in the current market the return on investment, particularly given the cost of infrastructure investment, is going to be challenging—how are we going to set a price that works to make sure that we get the investment, customers do not feel put in a difficult position economically, and the work to prevent leaks can be put in place?

David Hill: Ofwat, in taking forward a price review—they are in the middle of preparing for price review '24 right now—need to balance a number of different objectives. Those objectives are around driving up environmental performance, financial resilience, and affordability.

How do the targets get set? To some extent, on leakage, there has been quite an intensive programme of engagement with the companies themselves; the companies have brought forward a commitment to halve leakage by 2050. The Government has given Ofwat its strategic policy guidance for the price review, and that does constitute a significant ratcheting up of ambition on environment. Some of our Environment Act targets around water supply include a contribution from reducing leakage, and there are interim targets to achieve that.

The process Ofwat is going through now—and it has published its draft methodology for the price review—is about how you reconcile all those things. There is quite an extensive process of testing feasibility with the water companies, and Ofwat will need to take all those factors into account in its draft determination about the funding envelope that it will agree for water companies and what that therefore means for bills. The companies have the opportunity to make business plan submissions into that process, and there are opportunities for companies to appeal on certain grounds as well. That is the process that Ofwat are going through right now.

Q88 **Anne Marie Morris:** Okay, but all that said, as far as I can see it is going to be almost impossible to square the circle. We already know that there is a very large number that is going to have to be spent. At the moment, I do not think your average consumer has any idea of what the impact on their bill is going to be. From the work that I have done, it looks like they are going to go up by at least 20% in '25. I think if you asked in a survey "Would you accept an increase in your water bill by 20%?", the answer



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would be no. What are you doing to help Ofwat? At the end of the day, they may have a methodology, but they have opposing forces and there has to be a solution. There will be some water companies where the leakage problem is so severe that they need a lot more money. Is the Government thinking about putting in a specific injection to deal with that? You cannot expect the customer to take that load.

David Hill: The investment comes from both customer bills and shareholders. There is no proposition for the Government to put in additional public money, because we have an economically regulated sector and it is the job of the regulator to come up with a package that is affordable but delivers on some of the challenges we are seeing in the sector. This is why the process of due diligence that Ofwat needs to go through in terms of testing its conclusions with the industry for feasibility and affordability and so forth is important. That needs to run out over the next 12 months.

Q89 **Anne Marie Morris:** If you say nothing to customers for 12 months, you are going to find a great deal of resistance. Thought needs to be given to how we actually manage expectation, because these are big numbers and they will make a big difference. We do not want another energy crisis, except with water.

Moving on to water consumption, one of the recommendations that we made in previous reports was that there should be a general communication strategy. That was rejected by Government. May I ask the same question, in a way, as was asked regarding air quality? Why was that the answer?

Chair: Who wants to take this?

Tamara Finkelstein: I think we bring together Ofwat, the Drinking Water Inspectorate, and a range of partners to talk about the sort of communications campaigns that need to be put in place. The water companies are the best route by which that is done, so I think that that was the reason for saying that a national Government campaign was not appropriate; it was through the water companies. That bringing-together was to do some campaigning, but I cannot immediately recall what happened with that. I do not know if anyone has more on that.

David Hill: I do not immediately recall. Many of the campaigns do tend to be industry-led, in terms of engagement with their own customers. Obviously, water companies do also offer, for example, social tariffs. Those vary from company to company in terms of the help and support on offer for customers—

Q90 **Chair:** But that is about social tariffs. Ms Morris was particularly asking about reducing water use—“Turn off the tap when you clean your teeth” and that sort of thing.

Tamara Finkelstein: The best way in which people can be reached is for the water companies to engage with their customers. I must say, I recently received some information about how much water we were using



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in my household. Even though I am not metered for my bills, a meter is in place. That kind of information was best gathered in that way.

I have forgotten the organisation that brought the water companies, and so on, together to have effective communication, but we, I think, played a part in that. We thought that that was the best way to do it. However, it might be that I should recall that better and let you know how it went.

- Q91 **Anne Marie Morris:** That would be helpful. However, Ms Finkelstein, there is a fundamental problem here, and it is not dissimilar to the point about health that was made earlier. The vast majority of people have absolutely no idea how much water they use each day.

We know that they use something like 142 litres on average. We know that that is higher than Germany—with 121 litres—and we know that our target is to get it below that. However, most people think that they use 20 or 40 litres a day. They have no idea how much goes into a bath, into a shower, into their dishwasher, or into their washing machine. Do you not think that telling them that 80 litres goes into a bath, that 14 litres goes into a dishwasher, and that you use 50 litres every time you run the washing machine, would be really helpful? That is something, surely, that you would do nationally, so that people are aware. Having a meter that simply says how much you have used is not going to tell you what it is that you have actually used it on.

Tamara Finkelstein: Completely. Just to row it back from how you communicate, there is absolutely no question but that people must have that understanding of, “We’re going to make a difference.” Some of the research that we are doing is about how you shift behaviour and the best ways to do that. Smart metering is a part of that. It is metering in water-stressed areas, where companies can meter and charge in that way, but we are really encouraging more smart meters that help people to see their use. As I say, that then gets played back to the consumer. I think there is then a separate question, which is about the best way to communicate that.

- Q92 **Chair:** Some of these are national messages. For example, people should know how much they are using their washing machine and how much they would save a year if they reduced use by a load a week; in the current cost of living crisis, that would be quite a useful message to get out.

Tamara Finkelstein: There is always a question of how to get messages to people so that they really understand them and act on them. That is a question that we are looking at in terms of how you make behavioural change. Whether a national message from the Government is the right route may be the question.

Chair: We are going around and around on this.

Tamara Finkelstein: In terms of how we do it, at the minute our plan is around supporting water companies. I will send you more on the detail of



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how we are doing that. Another aspect, for example, is mandatory labelling of appliances so people know which are most water efficient.

- Q93 **Anne-Marie Trevelyan:** That all makes sense. I know the Chair wants me to move on, but let's very briefly turn to the non-household target, which is only 9%—why is that? They use a lot more water, so why is it only 9%?

David Hill: We have simply tried to calibrate the targets at a level that we judge to be stretching but achievable. I think in terms of the science behind it, I would have to offer you a note on—

- Q94 **Chair:** Do you have an ambition to increase it?

David Hill: Well, that's the target for now. I need to offer you some further advice on the science behind how we fix that one.

- Q95 **Anne-Marie Trevelyan:** I have one final question before the Chair rules me out of time. As far as I can see, there is no national strategy or plan in terms of water supply, the construction of reservoirs or the use of quarries and desalination plants. The reality is that you cannot leave that to individual water companies because the geography of areas is more or less appropriate for those sorts of structures. Where is the national strategy? We definitely need one.

Going forward, what are we going to do about funding it? We cannot look at that company by company because it will be a national piece. How are we going to ensure that this is delivered? I cannot tell you the frustration of constituents of mine who can see water literally running down the road because there is no system. It has purposely been released by my water company. Why can't it be caught? There are not enough reservoirs and there isn't a way of transferring between reservoirs at a cost-effective way, and, as a consequence, we have hosepipe bans.

Chair: Where is the plan?

Tamara Finkelstein: I will start with a couple of things and then bring in Mr Hill. We absolutely do have an approach on that. In fact, in this period we have invested £469 million. Throughout the last price review period we have been looking at what investment is needed in resources for building reservoirs, transfers of water between areas, and so on. We brought together Ofwat, EA and the Drinking Water Inspectorate to support some of that work. There is work going on in exactly this place. As you say, we will need considerable investment. We will start to see that in the next price review for some of those key bits of infrastructure.

- Q96 **Anne-Marie Trevelyan:** Would you write to us with some information about what the plan is? I would like to understand exactly what you are planning.

Tamara Finkelstein: Yes. Some of that is for this price period, which is the £469 million, and there is work on a range of potential schemes. We are working out what might be possible. You will then see more detail in the plans for the next price review period. I have some examples of things

that have already been happening—for example, Portsmouth Water is creating a new reservoir in Hampshire.

- Q97 **Anne-Marie Trevelyan:** Ms Finkelstein, I don't think you understand the point. I know that individual things are happening in individual areas, but that is not the same thing as a national strategy recognising the geography. You cannot do it water company by water company. I would be grateful for a letter setting out what you are doing and what the strategy is. That would be appreciated.

Chair: I think we will move on now. Could you write to us on that?

- Q98 **Olivia Blake:** In that letter, can you include house building in particular? I think we would want to know the plans and workings between DLUHC and yourselves on that.

Tamara Finkelstein: On building regulations and water efficiency?

Olivia Blake: And networks and how they interplay. Can I move on to the "Plan for Water"? Mr Hill and Mr Leyland, can you both summarise how the "Plan for Water" will help to reduce water pollution?

David Hill: The plan is really focused on three big areas. One is investment. The plan includes, for example, measures to bring forward and accelerate around £1.6 billion of investment in new infrastructure. That will include around £1.1 billion, for example, that is targeted on storm overflows—very directly on the question of pollution. It also includes measures recently announced by the Chancellor whereby water company fines for poor performance will in future be hypothecated. Those will be rolled into a new water restoration fund, which will invest in positive improvements in the water environment. Then there is a range of measures—we touched on some of them earlier—around slurry infrastructure grants and so forth.

The plan also includes stronger regulation. Some of that is about giving the Environment Agency itself the powers and resources to do more. We will be reviewing the regime for EA charging of water companies around inspection activity, and then there is a series of specific things on which Government will be consulting—for example, the banning of plastic wet wipes.

The final element of the package is tougher enforcement measures—consulting, for example, on unlimited fines for civil penalties against water companies and some of the measures that Ofwat is taking under new powers in the Environment Act to link water company dividends more directly to environmental performance in the future. So the plan is really built on those three pillars of investment, regulation and enforcement.

Olivia Blake: And Mr Leyland?

John Leyland: I think that Mr Hill has covered it really well. I just add that, before I started this job, I went to talk to lots of people up and down the country: scientists and citizens—in fact, anybody who would have me, really. What they all said was, "Can we just have a plan?" So I think it is



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great that we have a plan. It is great partly because the Environment Agency's technical specialists help to provide most of the data and evidence for it. We really welcome it, I think, and it will bring concentration to the water framework directive targets.

Q99 Olivia Blake: I am going to sound a bit cynical now, given what you have just said, but how has it been allowed to get so bad? Is the £1.6 billion not too little too late, given that it will reduce storm overflow spills by only 10,000 against a total of 300,000 in 2022?

David Hill: That £1.6 billion is about accelerating spend from the next price review period into this one: it is about bringing forward projects for early impact. On storm overflows, we estimate that the total plan out to 2050 involves £56 billion in investment.

Q100 Chair: Over the next 26 years?

David Hill: That's out to 2050. Obviously, we will need to address that in successive price reviews, but that is the order of magnitude of the storm overflows element of the plan. Then, as I mentioned, there is the Government's strategic policy statement guidance to Ofwat for the next price review. So the next five years constitutes a significant ratcheting up of environmental ambition, and one would expect to see significantly more investment over the next five years on environmental improvements in the sector.

Q101 Olivia Blake: On this £1.6 billion, why will it take until 2030 to complete the acceleration project that you just mentioned?

David Hill: That £1.6 billion is about additional investment in the next two years. That is accelerated action, so I am not sure that I recognise the 2030 deadline that you just referred to there.

Q102 Olivia Blake: Okay. Just going back, £1.6 billion against £56 billion does not feel like a lot of acceleration. Are there any plans to review how you might front-load that investment? Quite a lot of people are concerned that 2050 is the target. Could that be brought forward at all?

David Hill: The £1.6 billion constitutes projects we are confident that companies can bring forward and get going in the next two years—ones that could be simply accelerated and where we can make an immediate impact. While the total life of the plan is out to 2050, what you would obviously expect to see is significant investment in five-yearly increments in the price review period. There will be interim milestones between now and 2050 on, for example, particular impacts on protected sites and bathing waters.

Tamara Finkelstein: Perhaps it is worth saying—in terms of the response before to Ms Morris's question—that this is about that delicate balance between what investment you can get and what prices can be charged and so on. It is a really delicate balance, because there is inevitably a lot that we need to invest in, given the environmental pressures.

Olivia Blake: Mr Leyland, do you want to comment on that before I move



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on to the next segment?

John Leyland: No.

Q103 **Olivia Blake:** Okay. I guess the next question is about monitoring and the ambition to have near real-time monitoring. How far off are we from having monitors on all storm overflows? Will this be achieved by the end of the year?

David Hill: Shall I start, and then John Leyland might want to add something? We were at around 7% of storm overflows being monitored in 2010. As of 2022, we were at around 90%, and we are expecting to be at around 100% by the end of 2023.

Q104 **Chair:** Ninety per cent. at the end of last year.

John Leyland: That is storm overflows, but the monitoring plan does not stop there. We also have flow-to-full treatment monitoring going in on sewage treatment works, which are a much bigger cause of sewage pollution than storm overflows. It is fair to say on the digitalisation and modernisation—in fairness, that started back in 2015-16, but the technology and the installation take some time—that we are going to start to see a lot of data in the coming years.

Q105 **Olivia Blake:** I am assuming the data might paint a worse picture—the more data we get, the worse it seems to have gotten. I wonder whether there is a tension in terms of the public disgust—for want of a better word—at the sewage that is currently flowing into our natural and other waterways. How will you manage that want for change if the situation is seen to be worsening situation, the more data we get?

John Leyland: Yes, I think that is a reasonable assumption. The difficult message is that water quality in England is the best it has been for 40 years, but it is still completely unacceptable. Our monitoring has driven up awareness of the sewage. The situation is not getting worse, but our monitoring has driven up awareness of it.

Actually, the last couple of years have been really quite uncomfortable, from the Environment Agency's perspective. But, at the same time, I really welcome the public's interest. Whenever we have done any kind of work with the public—they call them "citizen juries", which is a really awkward phrase—and ask people what they want, one, they are really well-informed and, two, they just want clean water that they can use, their kids can use and all the rest of it.

Part of our job is to explain that, actually, the situation is pretty stable. We know the causes of this, and a lot of the things that are set out in the "Plan for Water" will start to address it. People are going to have to get used to more real-time data, but at least they can then make informed choices. They can decide—just as they can on our Swimfo website—when they want to go bathing on the weekend, "Am I going to go in the water today?"

Q106 **Olivia Blake:** Would a flag system be welcomed as an idea? We have



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flags that say that it is safe to swim. Should we have that for sewage?

John Leyland: It is possible. As you say, we have the blue flag for the beaches, although that is monitored by local authorities. We have looked at that kind of idea for rivers. Rivers are totally different. It is beyond my comprehension, but they are very dynamic. However, it doesn't mean that there couldn't be a system of early warning that we could use. But, again, we would look for opportunities.

Olivia Blake: I meant in specified—

John Leyland: Yes, in bathing waters.

Q107 **Olivia Blake:** Okay. When do you think we will move up the international table on water quality and have a decrease in pollution and an increase in biodiversity in our waterways?

John Leyland: If I take the last part of your question first, at the beginning of this year Cardiff University published the biggest ever study on macro-invertebrates that I'm aware of. It has used data from the Environment Agency for over 40 years, and in all settings—urban and rural—life is getting better in rivers. So, again there is a mismatch between the perception and the reality of sewage, and, actually, the ecological health of the rivers is getting better.

What is not getting better is sewage in rivers; as I say, that is staying flat and flatlining. However, I am fairly confident that some of the measures that we have seen coming through the "Plan for Water" will address that pretty quickly. But, also, that extra data will—

Q108 **Chair:** When you say "pretty quickly", what do you mean?

John Leyland: Well, we are not waiting for that data. Indeed, we had South West Water in court yesterday, with a record fine for that region of £2.1 million. There was a basket of failures by South West Water. We have Anglian Water in court today for sentencing—we have already taken Anglian Water far. We are not waiting for this; we are trying to bite as hard and as fast as we possibly can.

Q109 **Olivia Blake:** Do you think these fines are working? Are we getting the action that we need to see from water companies as a result of their being fined?

John Leyland: They do make a difference and they are starting to count. We really welcome the fact that the Sentencing Council has started to step up the pressure, and we are seeing ever bigger fines. We also welcome in the "Plan for Water" the potential for unlimited fines and the variable monetary penalties.

It is a pressure for water companies—I talk to water companies, their bosses and their staff, and it is a real pressure for them—but I don't think we can let up any time soon.

Q110 **Olivia Blake:** Does the agency have enough resources to do everything they can in this space?



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John Leyland: It is a matter of public record that agency resources have been declining over the last 10 years, but in the last spending round we saw an increase in those resources. I have said in the past that we could do more with more.

I think that part of my job now is to do more, get on and implement some of those resources. We have been employing new officers, so that we can do more investigations. We have embraced technology. We use satellite technology, drones and all kinds of stuff now to help with the situation.

As Mr Hill said, there is provision in the "Plan for Water" for us to look to raise charge income. Of course, the polluter should pay, and that is the first place we would go to.

I don't know—I feel optimistic that if we can package that together into an effective spending round bid, we can be successful at the next spending round.

Q111 **Olivia Blake:** I have a couple of questions for Ms Finkelstein, if that is okay, about the storm overflow taskforce. What impact is that group having, are their recommendations being taken seriously by the Department and how many have been accepted?

Tamara Finkelstein: The storm overflow taskforce is completely crucial to building the storm overflow plan and the targets that underpin it. Now those targets are incorporated in the environmental improvement plan, and there will now be a target in legislation as well, as of this week. So, their work underpinned this.

Q112 **Olivia Blake:** Was there anything that they asked for that you felt didn't make sense?

Tamara Finkelstein: There were a whole range of recommendations and, as ever, I suspect that there might have been some that we approached in a different way. But in essence overall, we used that work very much to underpin the plan.

Q113 **Chair:** Can I just quickly ask about rainwater, because we had evidence from Water UK asking whether you would be implementing the taskforce findings on the management of rainwater and what the role of water companies would be in that?

Tamara Finkelstein: Was that a question about sustainable drainage?

Chair: Yes.

Tamara Finkelstein: We are taking action, and that was also a kind of recommendation of the National Infrastructure Commission. We are taking action on that and we are about to consult, I think.

David Hill: We are, on implementation of schedule 3 on SuDS. But perhaps if we can see the—

Chair: The evidence would have been public, but we'll make sure that you've got a copy of it.



Q114 **Olivia Blake:** Finally, I just have a question about ELMS. Do you think it will have an impact on pollution from agriculture? What would you like to see in terms of take-up to help reach this target?

Tamara Finkelstein: Some of the aspects of agriculture's contribution to reducing water pollution are very much aspects of the ELMS programme. We talked quite a bit about the slurry infrastructure grant. That is a crucial element to ensure that we support farmers in having the right infrastructure to stop that pollution of water.

We talked about the nutrient management standard in the sustainable farming incentive. That, again, is incentivising actions that we know make a difference to water pollution, and, actually, there are a number of actions in countryside stewardship. So I think we have quite a number of elements that will reduce the impact of agriculture and water pollution. Mr Kennedy might want to add something.

David Kennedy: Those are the key ones. The sustainable farming incentive, the nutrient management standard and the integrated pest management standard in SFI '23, and quite a lot of countryside stewardship plus measures will all have positive impacts for water quality.

Tamara Finkelstein: To take us back a little bit to where we started, that was why it is very important to have set what we want ELMS to achieve in the context of the environmental improvement plan. There, we said what proportion of some of these targets is going to be delivered by farming and by ELMS. We will be held to account on that, I am sure, by this Committee, and we will be reporting on that in that context.

Olivia Blake: Thank you. You have answered my follow-up there.

Q115 **Chair:** Just a couple of quick ones from me. Thank you for your response on animal health infrastructure. We will not go into where we disagree with you, but I just wanted to check if there have been any health emergency exercises carried out on risk leading to zoonotic diseases? That was something that you said in the Treasury minute would be happening.

Tamara Finkelstein: We will do an exercise—

Chair: There were some scheduled for 2023. We are only in April, so I just wondered.

Tamara Finkelstein: To be honest, we have had avian flu and that has been a very big—

Chair: A live exercise.

Tamara Finkelstein: A very live exercise. We have also done quite a deep dive into how we would cope with avian flu and something else. So we have done that. We did quite a big session with our executive management team on that and commissioned quite a bit of work on how we ensure we have got the agility in terms of moving people around and the resources to cope with that. We have done that work.

Q116 **Chair:** Okay, so you have done that, but are you planning any other exercises in 2023, Mr Kennedy?

David Kennedy: We do regular exercises on FMD, for example, but let's come back and just say what we have in the schedule.

Q117 **Chair:** What other bits of Government are you including in that? We have all learned from covid; that was a big health exercise, but it did not really include a lot of other Departments. If there were two major diseases at once, there would be a lot of challenges for you in your Department and Weybridge. However, there could also be impacts on other bits of society—everything from eggs on shelves to what is happening with farmers.

Tamara Finkelstein: We obviously work closely with other parts of the national security network, and this is part of the national security risk register. We go through big exercises on elements of it. We have just been through a big exercise on a different risk. So, in a way, we would expect that to come through that exercising process, but we will come back to you as to what might be the likely timing of that.

Q118 **Chair:** I am just whether a Department—say, the Department for Business and Trade—would have any understanding that you were doing that exercise and that there might be impacts on businesses that it is responsible for.

Tamara Finkelstein: To do that would, effectively, be that coming up as a risk being tested through our broader contingency arrangements in Government, and it will come up. However, I do not have a particular date on that yet.

Q119 **Chair:** It is just that we are focusing as a Committee, partly as a result of what we have done on covid, on risk and how it is managed. So this is, we know, a very risky area. We will not go into more on Weybridge, because it would not have made much progress since we last met.

David Kennedy: We work very closely with colleagues in the Business Department. I think we are responsible for all the businesses that would be affected, for example, by avian flu, because we are responsible for the food system. The key partner when looking at a zoonotic disease—for example, an avian flu—is the health aspect. We are doing scenario modelling.

Q120 **Chair:** As we learned from covid—we all remember those calls with the Paymaster General—MPs from around the country were raising things, and we would be sitting there going, "I didn't know that was happening in Devon or Cambridge." We all learned a lot and so did Government about things that we would never have thought would be an issue in certain situations.

Finally, I forgot to raise how, in the Treasury minute on fly-tipping, you were going to be commissioning research into the effectiveness of the current enforcement regime for small-scale fly-tipping, commencing in early 2023. Has it commenced?



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David Hill: It has. We have commissioned that work. We have commissioned an organisation, Resource Futures, which has been appointed to undertake that review, and it will be done by the summer.

Chair: Fantastic. Well, on a positive note with a definite deadline—I can't quite believe it—thank you very much indeed for your time. The transcript of the session will be up on the website uncorrected in the next couple of days—thank you very much to our colleagues at *Hansard* for that. We will be producing a report, which will likely be in June because of the timings with the bank holidays.