

Environment, Food and Rural Affairs Committee

Oral evidence: Work of Defra, HC 163

Tuesday 26 March 2024

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Members present: Sir Robert Goodwill (Chair); Rosie Duffield; Barry Gardiner; Dr Neil Hudson; Mrs Sheryll Murray; Selaine Saxby; and Cat Smith.

Environmental Audit Committee Member present: Philip Dunne (Chair).

Questions 1 to 86

Witnesses

I: Rt Hon. Steve Barclay MP, Secretary of State for Environment, Food and Rural Affairs, and Tamara Finkelstein CB, Permanent Secretary, Department for Environment, Food and Rural Affairs.

Examination of witnesses

Witnesses: Steve Barclay and Tamara Finkelstein.

Q1 Chair: Welcome to this special session of the EFRA Committee. We are delighted to have, on his first visit, Secretary of State Steve Barclay and permanent secretary Tamara Finkelstein, who is no stranger to this Committee. How many Secretaries of State have you served in your time at Defra, Tamara?

Tamara Finkelstein: Six.

Chair: Six! It is actually very timely, Secretary of State. We decided to give you a bit of time to settle in before we brought you in front of us, so that you would have no excuse for not knowing the answers to all the questions.

It might be appropriate to draw attention to the protest that we saw in Parliament Square yesterday. We have seen protests across Europe. In particular, we are seeing protests in Wales, where farmers are not happy at all. There is a general feeling of uncertainty and discontent in the industry, which no doubt will be reflected in the questioning.

The first point I will raise with you is one that I think I raised at Defra questions last time. It is this perfect storm where wheat plantings are down 15% year on year; winter barley is down 22%; and the AHDB was forecasting a 79% increase in arable fallow. Following that, you have taken action.

Perhaps you might start by giving a bit of a résumé of why you have made the changes to the maximum amount of land that can be put into some of the schemes, and maybe allay some fears among some tenant farmers who are worried that their lands will be taken in hand to farm very easily, just by taking subsidies, or that some farmers might just sack all their staff, sell all their machinery and put their entire farm into stewardship.

Steve Barclay: Thank you, Sir Robert; it's great to have an opportunity to be with the Committee. You are right: there have been concerns as to whether we got the balance right between the funding for the environment and the funding for food production and food security. You are also right that those have particularly crystallised around tenant farmers and whether there was a risk of landowners removing tenant farmers because they were opting to go into environmental schemes as opposed to food production.

That is why, as part of actively listening to those concerns and particularly working with the tenant forum—we had a meeting of that forum just last week in the Department that I have joined—we have looked at changing some of the SFI schemes so that where previously they were for seven years and that wasn't working for tenants, you shorten them, and you



make them more accessible, taking away some of the obstacles to accessing those schemes.

We have, at the Oxford farming conference, increased the rates as well; there is, on average, a 10% increase. We are looking at specific things for tenant farmers: a commissioner, a code of practice and that sort of area. The announcement today, as part of that, is to put a cap on a number of the SFI schemes where there was a risk—it was only of a very small percentage but none the less there was a wider concern—that some farms might be put entirely into environmental schemes as opposed to food production. We have put a 25% limit on that where there is that risk, not least because it is often not good for the environment to put 100% of land into some of those schemes, so it wasn't good environmentally, but it certainly wasn't good for food production and food security.

More widely, my focus is very much on prioritising food production and food security. That is the wider direction of travel that, since being appointed, I have sought to bring, and that is reflected in the various grants that the Prime Minister announced at the NFU conference—£427 million in grants—looking at how we address some of the costs of food production and also your point on volatility. Again, I am very, very conscious of just how hard it has been for farmers.

In particular, the flooding, as you know, has been terrible this year. That has really created challenges, as has the fact that we are in a period of transition. We are three years into a seven-year transition, so there is a lot of uncertainty, and what we are trying to do is reassure people that we are listening. We are flexing our SFI schemes, whether it's on the average payments or more choice, with 50 more schemes. We are also looking at how we help farmers on costs and, particularly where there is a specific challenge for tenant farmers, working with the forum on the specific actions to address those concerns.

Q2 Chair: Were you concerned that the budget might be overspent with the number of applications? Was this based on the actual applications you saw coming in or a prediction of what was likely to happen?

Steve Barclay: One bit of news that I can share with the Committee is that SFI has now had more than 15,500 applications. The highest for any scheme that Defra has run in the past was 20,000, so to have that number at the six-month stage shows how successful it has been so far. We are seeing more people coming forward, and we are looking at how we streamline the application process to make that easier.

In terms of whether there is a risk of overspend, the risk for the Department has been the other way round. The Department had underspends in its last two years. I made the case when I was appointed that those underspends should go into the Department budget for 2024-25, and I am pleased that the Prime Minister agreed with that submission. That means that this year the budget will be £400 million higher than it was four years ago. Although we committed in our manifesto to £2.4 billion, the underspends from the last two years mean that next year there



will be more than £2.4 billion going into farming. That is essential, given the wider volatility that the sector faces.

- Q3 **Chair:** Understood. In terms of some of these stewardship option—pollen, nectar and bird seed—is work being done on the optimal levels? I have heard people suggest that putting a whole 20-acre field into pollen and nectar is overkill. It is similar with bird feed: there aren't enough birds to eat it all. Has any work been done to finesse these schemes to ensure we are not putting in these environmental options just for the sake of it, rather than to deliver environmental goals?

Steve Barclay: That is very much what we have been looking at. The announcement today on the 25% cap is really directed at that. I was talking to some of our environmental colleagues, who said that—to take your example, Sir Robert, of bird seed mix—there is a risk of greater vermin if the proportion is too high, so getting the balance right is important.

The environmental schemes lend themselves best to parcels of land on a farm that are less productive. Schemes such as soil quality or reducing the use of pesticide by using modern equipment can reduce the cost of food production and have a benefit for the environment. Minette Batters spoke about this at the NFU conference, and described it as two sides of the same coin. I very much agree with that approach. We can orient our environmental spend to things that help food production but are also good for the environment. That feels like the sweet spot, and that is very much the focus we are bringing.

Tamara Finkelstein: Perhaps there was limited evidence that people were starting to put whole swathes of land into these options, but it was clearly a concern. We have been listening and adjusting as we needed to. We wouldn't expect people to be going up to the 25%, although that provides an automated cap. It is likely to be at the lesser levels—the sort of actions that we have put a cap on.

- Q4 **Chair:** It was certainly being discussed in the pubs of North Yorkshire. Can I ask a bit about soil health? We published a report recently on soil health—thank you for your response. One of the main lessons we learned is how difficult it is to evaluate how some of the different ways of farming—mixed farming, using min-till and so on—were feeding in. Are we in a better position to measure the results of some of these ELMS-type schemes, particularly in terms of soil carbon, soil structure and soil moisture-holding capacity?

Steve Barclay: It is a really important area that the Committee was exploring. Of course, in Northern Ireland they have done a lot of work on how they get better data, with the survey they have been doing. It is part of a wider debate. The old adage is that what gets measured gets done. How are we benchmarking where things are on the environment so that we can better measure the various interventions?

If one looks at, for example, David Fursdon's report into Dartmoor, where a source of conflict between Natural England and commoners who farm on



the moor has been the confusion as to what the original state of the moor was versus where on the environmental measures one is trying to get the moor to, and, given the further complexity of climate change, whether trying to take it back to a past standard on which the data is not clear is the right measure, given that climate change may need to change what you're trying to do there with the overgrazing in some areas and undergrazing in others.

I think the wider point around how we have better data to benchmark the various schemes against is hugely important. But I think that's also part of a wider conversation about how we use data more effectively within the farming sector, so that it's a less siloed approach, and that we actually start to look at how—when we're looking at fertilisers or pesticides—we use the data that we have better, and who has control of that data, making sure that farmers have control of it.

Q5 Chair: Can you reassure farmers—who are often very enthusiastic about these schemes—that they will be paid for the actions that they take rather than necessarily for the outcomes, which may or may not be predictable?

Steve Barclay: Very much. I was very struck by the fact that, I think, 72% of land is farmland, so where we're looking at environmental schemes, the NGOs have a very important role to play. We have a range of schemes—landscape recovery schemes, this year's spend on habitat species restoration, the £25 million, et cetera—a lot of that went to NGOs. But I think it is important that we take the farming community with us more on those environmental schemes that have a benefit for food production, and I think therefore how we measure that and how we give that 72% of land which is farmed more of a role to play is hugely important.

Q6 Chair: Do you think you will have enough data to be able to commit to publishing a formal ELMS evaluation at regular intervals?

Steve Barclay: First of all, we have commitments already on things like food security and the three-year review, and the commitment the Prime Minister made at the end of the NFU conference to have the Farm to Fork summit as an annual summit, and the food security index is all part of the greater transparency that we are bringing.

Chair: We're going to come to food security a bit later.

Steve Barclay: I know more widely the NFU has talked about impact assessments around the various ELMS schemes, and I think one of the challenges there is the numbers of applications are increasing so quickly.

We are refining those schemes for the time, and I would like to pay tribute to the team in the Department, who I think have been incredibly responsive as a farming team in terms of actively listening to the sector. If you look at the satisfaction—and the perm sec may want to come in on this—but I think we are now at over 80% of respondents rating their satisfaction with SFIs as six or more out of 10, which is a marked



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improvement on where we were two years ago. That's not to say there isn't more to do, and we are looking at how we streamline, for example, countryside stewardship into ELMS, and how we cut some of the bureaucracy, but I think it is a tribute to colleagues in the farming team—

Q7 **Chair:** I would mention Janet Hughes's name if I were you.

Steve Barclay: I am very happy to, because I think Janet Hughes has done an absolutely fantastic job, and I am very grateful that you've flagged that. I think she and the team have really listened, and in fact when I talk, for example, of the 10% average increase in SFI payments, what that slightly disguises is that some schemes actually increased fourfold, and that was very much a response to upland farmers, where the pressure on profitability was particularly acute and I know that that is something that Janet and the team particularly looked at.

Again, no one is sitting here and saying there is not more to do. We recognise that there is more to do, but you can see the direction of travel and it is one that is very much geared around profitability on farms, and how we support people through the transition.

Q8 **Chair:** Certainly a lot of farmers looking at the legume or forest legume option which, generally in fact looks better than actually growing field beans to sell and feed animals on, really. Is that a worry, that we'll be switching out some of these less profitable crops?

Steve Barclay: I am always worried, Sir Robert, if you say something is generous in case Treasury colleagues are listening in. Legumes come back to your earlier point around soil quality. I think there is a role for that because yes, it does take those fields out of production for a couple of years, but it brings benefits in terms of soil quality.

Ultimately, this is where food production and the environment really come together. It is about how we have a sector that is more profitable. For that, we need to drive productivity. That, for me, is about reducing input costs on things like fertiliser, energy and water, and how we have a more circular farm. That is very much the approach that we are taking.

Q9 **Chair:** Baroness Kate Rock did some great work on her tenant farming review. You mentioned it briefly in your opening remarks, but what progress has been made by the tenancy farm forum, and when will your report call for evidence on introducing the tenant farming commissioner?

Steve Barclay: I think the tenant farmers forum is a hugely important body. I was actually in No. 10 when the Rock review was set up—it was something I championed in a previous role. Baroness Rock has done a formidable job in taking those proposals forward.

To be fair, there was an issue. There was a real issue there that some of the SFIs were not as responsive to tenant farmers as they needed to be, and work has been done to fix that. My expectation—I am not in a position with the Committee today to make an announcement on the commissioner and the code of conduct. We have the Farm to Fork summit coming up. The Prime Minister committed to do an annual Farm to Fork summit.

Q10 **Chair:** We called for that, so thank you very much.

Steve Barclay: You did—another sign of the Department's listening.

Q11 **Chair:** We also called for an annual food security report.

Steve Barclay: And we have just committed to a food security index. So those are two things that you, as a Committee, have called for that you can see have been adopted. What I am happy to commit to is that my expectation is that, by the time of the Farm to Fork summit, we will be in a position to announce where we are on the commissioner and the code of conduct.

But as I say, I joined the forum this week. Hopefully that shows how seriously we are taking it. Baroness Rock was there, as was, for example, the deputy president of the NFU, David Exwood, and the president of the CLA and others—so very senior stakeholders were involved.

Q12 **Chair:** Will Defra give the forum the remit to talk to the Law Commission about changing agricultural tenancies?

Steve Barclay: As I said, we have set up the forum in order to discuss these issues. You will be well aware of where we are in the parliamentary timetable; the scope for primary legislation is currently very limited. But if I look at the recommendations from the Rock review, pretty much the only ones not currently happening are the ones that require legislative change. It is certainly over 80%; it may even be over 90%.

Tamara Finkelstein: It is 91%.

Steve Barclay: I thought so. I didn't want to over-promise; it is easier to go up. It is 91% of the recommendations that have either happened or are in train, and the ones that haven't, 8.8%, is due to legislation being required.

Chair: And certainly the Tenant Farmers Association welcomed your changes to the maximum amount of set-aside. There was a worry that some landlords might try to take land back in to farm it very easily, so many tenant farmers were quite relieved to hear that.

Q13 **Dr Hudson:** Thank you, both of you, for being before us today. I wanted to move into biosecurity, animal health and public health. First of all, though, Secretary of State, may I thank you for listening to the representations about extending the neutering deadline for the young XL bully dogs until halfway through 2025? This will have significant health benefits for those younger big dogs, and will also relieve a lot of the pressures and strains on the veterinary profession, so thank you very much. The Committee was fully pushing for that.

Permanent secretary, you won't be surprised that my first line of questioning will be on the APHA, Weybridge. The Animal and Plant Health Agency headquarters in Weybridge in Surrey is in need of a significant, radical refurbishment. I know that you and the Department are four-square behind that. You told this Committee that the redevelopment was



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essential and completely crucial to protect the country against zoonotic diseases and other things. In the Department's view, what progress has been made in making that case to the Treasury for the funding to deliver that critical infrastructure to protect the country's biosecurity and, by implication, our national security?

Tamara Finkelstein: We actually had a deep dive on this programme and where it is today at our executive committee, and we are making progress on what we need to do, in the first instance, around clearing the site and so on.

The critical thing that we are doing is putting together the business case for the summer, which is part of that path to Treasury engagement. I should say that a Treasury team visited the site in January, so we are continuing on that path of ensuring that they understand the criticality of this. The issue is where the funding that we asked for rates against other pieces of infrastructure. However, as you know, we are absolutely clear that we need to do this work, which is critical for biosecurity.

- Q14 **Dr Hudson:** The current estimate is £2.8 billion to refurbish it. I think £1.2 billion has been allocated, so are you making the case for the additional £1.6 billion as part of that critical infrastructure?

Steve Barclay: The permanent secretary has been very clear to me, coming into the Department, about how important this is, so it is something that, both as an executive team and ministerially, we have been very clear is a priority. It is something that we are actively discussing with the centre.

Tamara Finkelstein: May I clarify the £1.2 billion? That figure was a very early estimate of what the programme would be. Once the work was done, it clearly was not going to be that, and it is in the £2.8 billion. The money that we have been allocated for this spending review period is to do some of that initial work, and then we look to further spending review periods to get the rest of it.

- Q15 **Dr Hudson:** I put on record the thanks of this Committee to all the staff in Defra, and specifically the people in the APHA, for all that they do to protect our biosecurity. They have had a lot of challenges in recent years with avian influenza, and a very live issue at the moment is the bluetongue situation. I do not know if you want to give us a quick update on readiness for things that could upsurge as the midge season comes upon us.

Steve Barclay: As you know, Dr Hudson, bluetongue is a very real risk. It is something that colleagues are monitoring very closely. Lord Robbie Douglas-Miller, in particular, is leading a regular series and drumbeat of meetings—I think there was also a roundtable on it with him and the Minister for Farming the week before last, and I had a meeting on it the week before. As it is airborne, there are limits to what can be done in terms of prevention.



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If one looks at the Netherlands, there are questions as to what impact it has on livestock in terms of severity, which we obviously need to monitor. One of the questions is how quickly it would spread between the affected areas and what impact that has, or not, on movement restrictions. Those are the sorts of issues that we are discussing with key stakeholders in terms of our response. I can assure you that this is an issue that the Department is very alive to, and it is one that a series of meetings are happening on.

- Q16 Dr Hudson:** Thank you. Moving on, the avian influenza situation is still with us, although not at the same level, but it could come back at higher levels. Just in the last couple of weeks, the Department has announced that all birdkeepers in the UK will be required to join a register, so it is not about a certain number of birds that you have to keep. That is a strong measure to try to help us with our control measures for diseases such as avian influenza and Newcastle disease. When do you expect that legislation to be implemented in terms of flock owners registering with this database? How do you, as a Department, feel it will help us to tackle some of these diseases?

Tamara Finkelstein: I would have to write to you on the precise details, but we did a lessons learned of the major avian influenza outbreak, and that was one of the actions that clearly would help us in managing this in future. We have looked at a range of things that we need to do, including how we resource APHA, manage concurrent instances and so on, but that was one of the things that we thought would be helpful to do.

- Q17 Dr Hudson:** Another tool in the box, potentially, is vaccination. Would you like to write to us about that, or do you have an update on where we are in terms of developing that vaccination strategy for avian influenza? Is that something that you could follow up with?

Tamara Finkelstein: We continue to do that, and obviously we are also doing it with overseas partners because it is important to be moving along with others, especially because of the concern about the impact on being able to export and so on. We can give you a further update by letter.

- Q18 Dr Hudson:** Another critical disease that we are fighting in this country is bovine tuberculosis. The Department previously announced plans to phase out the wildlife culling programme—the badger culling—and to transition towards other measures by 2038. Secretary of State, you came in in March and announced a consultation on keeping going and potentially extending the targeted badger culling.

Can you give us an idea of the timeframe on that consultation and the Government's thinking on what we can do to tackle this dreadful disease? The Chair of the Environmental Audit Committee and I had an exchange in the Chamber last week, during the food security debate, about the implications of bovine TB, both in terms of the catastrophe to people's herds and the mental health implications for farmers, vets and everyone involved. Can you give us an update on what the Government's thinking is and what we can do to control this disease?



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Steve Barclay: First, it is important to recognise just how devastating, heartbreaking and distressing it is to the farmers who are affected by this. We have a clear plan, and our approach is to stick to that plan. That plan is working: the numbers have come down significantly from a peak of 34,500 in England to below 20,000. That plan will be rigorously led by the science, so it is very much informed by the chief vet. It is very much around targeting the high-risk areas.

Culling remains one of the options within that because we can see the effectiveness of the plan from the numbers coming down and the contrast with Wales, where that hasn't happened. That is different from saying that, in all instances, one would pivot to culling. If cattle have been imported into an area, that may be the cause of TB. It is about having a science-led approach, sticking to the plan where one can see the trajectory and keeping options on the table that are working, but doing so in a science-led way.

Q19 **Dr Hudson:** So keeping everything in the toolbox, from wildlife and reservoir control, the DIVA test, in terms of differentiating between vaccinated and naturally infected animals, and the vaccination programme itself. You as a Government are carrying on with all those things and following the science.

Steve Barclay: Yes. We are now into phase 3 of the vaccination, so work is ongoing, but it is not ready yet. It is about pursuing all the tools that are available, but doing so in a way that is led by the science and that fits within what primary legislation allows.

Q20 **Dr Hudson:** That comes back to the points made about the APHA—that it was pivotal in much of this, including the DIVA test, and this critical infrastructure helps with a lot of that work. Thank you very much for commenting on that.

I will chop around the diseases. We have had a lot of importation of animals into this country. People took on pets during the pandemic, and there was a real surge in traffic in terms of dogs coming into this country from the continent of Europe. We are going to be talking about some of the legislation to try to control that. We have taken evidence, and the British Veterinary Association and various stakeholders have called for a sensible approach to protect our borders.

Now that we have left the European Union, we can be very tight on biosecurity. Some of the dogs that come in have diseases that are not endemic in this country, such as *Brucella canis*, which is a horrible disease for the dog and is potentially zoonotic—there have been a couple of cases in people. The veterinary profession and this Committee have been calling for the Government to do strategic and pre-import testing for some of these non-endemic diseases, such as *Brucella canis*. Is that something the Government is listening to and will take action on to keep animals and people safe in our country?

Steve Barclay: We are very much listening to the British Veterinary Association. As you know, Dr Hudson, I spoke at their recent event and



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joined a second event that they held here in the House of Commons, all within the last six weeks or so. So we are engaging and looking at the evidence.

On biosecurity more widely, the controls we are putting in place make the distinction between where people are acting illegally, through Dover and the checks we have in place there, versus whether it is a legal import, and what controls we put around medium and high risk. That is more on the food security side. If there is specific evidence in terms of pets, then obviously we are happy to look at that and to hear what the BVA has to say.

- Q21 **Chair:** Going back to bovine TB, would it be possible to collate the data in a way that is understandable for people? A lot of false facts are being put around, and there is a lot of selective quoting of data. Would it be an idea to explain to people how important this is, not only for the health of cattle but the health of badgers as well? Is that something you might consider doing?

Steve Barclay: If the Committee has suggestions as to how you want that data presented, I think the permanent secretary and I would be very happy to look at that and see how we can work with you, because it is such an emotive topic. It is important that we get the data in the format that is most usable for the people that need it.

Chair: I am sure the chief vet, and Gideon Henderson maybe, could try to do that. I think it would help with the general public, who generally take one side or another and ignore the facts. Maybe we should get a little bit more data out there. Thank you.

- Q22 **Barry Gardiner:** I want to talk about import checks and the border target operating model that you are introducing, but before that I have a couple of quick questions.

I should say that I am pleased with the engagement that you have had, as the new Secretary of State, with the Committee. Thank you for that—it has been in contrast with some of your predecessors, and it is welcome.

Chair: This is lulling you into a false sense of security before he starts.

Barry Gardiner: I try to start off gently, Chair.

In its annual progress report in January, the Office for Environmental Protection talked about what I think is a shared objective, for the Government to have the commitment that everyone should live within 15 minutes' walk of green or blue space. It said that you need to provide an assessment demonstrating that the Department's current funding and actions will fulfil that commitment. This is really a plea about when we will get detailed plans. The commitment is not for this year—it is for within five years, I think—but what the OEP was saying was that we need to see that you are putting the resources and actions in place to make sure that we get there.



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Steve Barclay: First, I can reassure you of the commitment, not least because when I was Secretary of State for Health, one of the things I was massively pushing was the benefits of green social prescribing. Many people, anecdotally from the covid pandemic, talked about the benefit of being outside, going for a walk and having time in green spaces.

You can look at my track record: this is something I pushed as Chief Secretary; in fact, I chaired a roundtable looking at access to green spaces when I was Chief Secretary. I then pushed it when I was Chancellor of the Duchy of Lancaster, and I continued when I was Health Secretary. This is something I am personally very committed to. So we are pushing.

Q23 **Barry Gardiner:** Is there a timescale for that assessment?

Steve Barclay: One of the challenges with the Office for Environmental Protection was that its initial report was four months into a 25-year programme. Are we moving as quickly as we can on our plans to accelerate access to green spaces for all? Absolutely. The sort of meetings that I have been having are on things like Generation Green, which is looking at how, through the youth hostel network, we get more disadvantaged kids to go and experience national parks. We are aiming for up to 100,000 a year—

Q24 **Barry Gardiner:** I am going to cut you short, not because I am not interested—I am, and if you want to give a fuller explanation, please do so in writing—but really just to make a plea that you get the demonstration of the detail out there as quickly as possible.

Tamara Finkelstein: One of the most important things we need is a measure. There are a range of things that we are doing, as the Secretary of State was saying. One of the really important things is how we measure whether we are achieving that ambition. We are working on that, and we should have an update on how we are going to measure that in the summer.

Barry Gardiner: In the summer.

Tamara Finkelstein: I think that will be the starting point for what you are looking for.

Steve Barclay: We are pushing that. It includes the King Charles III pathway—the coastal path. There are a whole load of initiatives in this area.

Q25 **Barry Gardiner:** The second question is a more sensitive one. Secretary of State, you quite rightly recused yourself from the decision about the incinerator in your constituency. I do not propose to question you further on that, so my question is to Ms Finkelstein. Can you let us know on what date the Secretary of State recused himself, and what discussions or communications took place between the Department, the Secretary of State, the Environment Agency, or any other Ministers in relation to it? If you can make sure that the due diligence is done in public, that absolutely sets everything transparently.



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Steve Barclay: First, all Ministers need to balance their constituency role and their ministerial role. I want to take this opportunity to apologise to the Committee for not formally recusing myself sooner and updating the Register of Members' Interests on what was well known in public but should have been put on the record regarding my opposition to the incinerator.

To reassure the Committee, I have been clear throughout that, as Secretary of State, I need to step back from any decision, which is why I flagged my constituency interest. I said that the policy needed to be delegated to another Minister, recognising the importance of the ministerial code in terms of conflicts of interest, as well as the perception of any conflicts of interest. I was not made aware until later that I required a formal recusal. I thought that, by delegating this, I had acted to, in essence, take a step back from it. But as soon as I was notified by the permanent secretary of the need to formally recuse, that is exactly what I did.

Chair: Standards and privileges are not necessarily within the remit of this Committee, but I appreciate that clarification.

Q26 **Barry Gardiner:** All I am asking is that the permanent secretary gives us the details and the dates, so that is fine.

Tamara Finkelstein: The conversations that we have, and the advice that I give, are private, so this is not something on which I would be setting out—

Q27 **Barry Gardiner:** No, no. To be clear, I have not asked for your private conversations with the Secretary of State. What I am asking for is a record of any conversations on this matter between the Secretary of State and either the Environment Agency or any other Ministers. That is all.

Steve Barclay: To reassure the Committee, I will respond, because I know that the shadow Secretary of State has raised some questions. I have never made representations as Secretary of State to the EA in terms of the incinerator in Wisbech. I will respond to the shadow Secretary of State on those points.

Q28 **Barry Gardiner:** Thank you. Turning to the border target operating model, it was reported last week that Portsmouth's purpose-built £24 million control post will be closed down. The British Ports Association has said that Defra is yet to inform ports what staffing, opening hours and pricing regime will be required when the next stage of the border target operating model is implemented on 30 April. Given the closeness of that date, what confidence do you have that ports are going to be ready?

Steve Barclay: We had a lot of similar stories before the January deadline, when we were bringing in the health certificates. Through the work of colleagues in the Department, and of Lord Robbie Douglas-Miller, who leads on this, a lot of the scare stories pertaining to January did not emerge. One of the things that we were criticised for as a Government



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was the fact that various things were delayed on this. Obviously, time was taken through those delays to get things ready. That is something where there has been a huge amount of work going on. I know that Lord Douglas-Miller has been actively involved in that. The intention in April is to take a light-touch approach as we bed it in. All of those things are part of the planning that has been put in place.

Tamara Finkelstein: We have been working very closely with all the ports, and we have got a lot of confidence that they will have the capacity in place to manage the checks that we bring in in April.

Q29 **Barry Gardiner:** You will know that Dover District Council has sent a letter to the Chair of the Committee in response to the letter that Lord Douglas-Miller sent. I have to say that it is one of the most excoriating letters I have ever seen regarding what a Minister has said and put in writing. It says that some of the things he has put to the Committee are not only misleading but incorrect.

In relation to the introduction of the new requirements, which he says are there to strengthen the biosecurity regime, the letter reads: "Rest of World imports are already subject to risk-based controls and cannot leave a point of entry until full checks are completed. Yet Defra plans to change this practice for the Short Straits only, allowing Rest of World food (that is classified as higher risk) to arrive and leave the port without control, this will not 'meet the high standards required to protect the nation's biosecurity'." This refers to the move 22 miles inland to Sevington. You say that you are in good communication with the port and port authorities, but their view of the matter is hugely different from that set out by Lord Douglas-Miller in his letter to the Committee.

Steve Barclay: First, I have not had the opportunity to see that letter—

Chair: We have only just published it. It will be on our website.

Steve Barclay: I have not seen it, but I did speak to Lord Douglas-Miller last night about Dover to get an update on where we are. In terms of investment, which links to your previous question, £200 million through the port infrastructure fund has been allocated to 41 ports, so significant investment has been made.

Because dealing with legal imports of food has moved from Dover, that has led to a reduction in the funding to Dover, which continues to be responsible for the illegal port risk checks. Dover continues to be the frontline for that, but where advance information is provided through health certificates on a risk-based basis, that is taken away from Dover. The Dover port authority is not content with that decision, but there are very good reasons for it, not least because Dover does not have sufficient space, in our view, to carry out the checks that are needed in terms of those health certificates.

Q30 **Chair:** We visited the port ourselves, and it was very clear that there was no space. They made that clear to us.



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Steve Barclay: Thank you, Sir Robert. In my discussion with Lord Douglas-Miller, that was the crux of the issue—that Dover did not have the space. I very much welcome that that is also the Committee's view. That is why a decision was taken to move some of the work. In moving some of the work, some of the money has moved as well. That has been one of the key issues.

- Q31 **Barry Gardiner:** You say that some of the money has moved as well. Can you clarify this for me? On 23 November last year, Defra verbally committed to cut funding to £1 million, and then that went to £1.2 on 15 December. We now understand that there will be a 66% cut in the first year, and the funding will then reduce to zero for DPHA. Is that correct?

Tamara Finkelstein: It will be, in terms of, as the Secretary of State says, the checks on the legal imports. They do checks actually at the port, and they support Border Force on some of the checks we do for African swine fever and so on. That will continue. Initially, we were looking at how much capacity we needed not at the port but at Bastion Point, which is under Dover, and Sevington. We do not need both of those.

With a very careful analysis, we are concentrating those checks at Sevington. At the moment, they will get some funding, because we are holding the option there until the checks at Sevington have settled down. Then that will go to nought, because we will not be using Bastion Point.

- Q32 **Barry Gardiner:** The port authority has told us that you have underestimated the number of inspections that will be required at Sevington by 1.1 million a year. It would perhaps be important to share with the Committee why you believe that your modelling is better than the port authority's, particularly given that it has evidenced what is has said.

Again, in response to Lord Douglas-Miller's letter, the authority says: "Since 31st January...Defra have reported that for the whole of GB (covering all ports) just 50,000 SPS notifications had been received, to which they have provided feedback to only 250 importers." It also says: "Dover Port Health Authority's imported food data shows that during the same period (20 days) greater than 95,500 SPS controlled goods travelled through Dover alone." That is a different order of magnitude in the estimates, although these are not estimates—these are what you have recorded and what they have recorded. That implies that somebody's modelling somewhere is deeply awry.

Tamara Finkelstein: I am happy to give you more information on our modelling. It is not based just on the SPS forms that we have been receiving—obviously, that is building up as people get used to that system. We have made estimates, and we are confident that we have the capacity at Sevington.

As I say, we are providing some funding to Bastion Point. If there was significant adjustment required, we could reconsider, but we are confident that Sevington will have the capacity. For example, it will not start by taking live animals, and we will look at that as we go further. We are doing



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sensible programme management as we roll things out and take stock, but we are confident, broadly, in our modelling.

- Q33 **Barry Gardiner:** Let me pick up on the issue at the second phase, which will be introduced in April. The Department has said, “this transitional grant funding scheme will end as intended: at this point PHAs will be able to charge traders to recover costs.” In fact, the port authority says: “DPHA will not be able to charge traders to recover costs associated with ASF work.

The BTOM covers commercial food checks that can be charged for. But the impact of Defra’s intended actions to remove DPHA’s ability to complete commercial import checks (fee generating) at Dover, leaving only personal import checks (that are not fee generating) prevents the authority from being able to financially support itself”. The assertion that PHAs will be able to recover their costs appears to be misguided at best, does it not?

Tamara Finkelstein: The Dover PHA will not be getting funding for the legal imports, because that is not what it is going to be checking. It will get funding to continue its work with Border Force on some of those illegal imports. I think there is perhaps something slightly misleading in what has been provided to you. Dover is unhappy about the decision that Sevington will be the main way in which the legal imports will be checked, but they will get funding for their work on illegal imports.

- Q34 **Barry Gardiner:** As I say, there is a huge discrepancy in the number of checks that you believe will be required at Sevington and that the authority believes will be required at Sevington. It states that your “original data...were incorrectly reported and modelled from the very start”, which leads it to the view that there will be a 1.1 million excess to what you have modelled.

You also seem perhaps to have accounted for that yourselves: in the *Financial Times* in February, concerns were raised relating to the automated clearing process—the timed out decision contingency feature—which would allow the movement of animal products into the UK from the EU without any documentary checks or physical inspection in exceptional circumstances. If there were to be this surplus—this 1.1 million a year extra—which cannot be coped with through Sevington, it would imply that, actually, you are simply going to allow the risk of contamination through animal products, through meat, to come in without any checks whatsoever.

How do you justify that? It seems to me that you have built into the structure of this programme the get-out clause that, if all else fails, we will just open the floodgates. How can that be a responsible approach to sanitary and phytosanitary control?

Tamara Finkelstein: The controls will be in place—

Barry Gardiner: They won’t. That is precisely the point.



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Tamara Finkelstein: The controls and checks will be in place. It is sensible to consider what action you would take if there was a very big build-up of traffic.

Barry Gardiner: Precisely as DPHA have suggested there will be because your modelling was wrong in the first place.

Steve Barclay: I think point one is that the advantage of Sevington is that it has modern, purpose-built facilities. Point two, as Sir Robert has already touched on in relation to when the Committee visited, is that Dover does not have the space.

Point three is that we are taking a risk-based approach focused on medium and high risk, and that also interplays with non-EU goods. By all means, Mr Gardiner, we can take away the modelling, look at the concerns that, quite reasonably, you have raised and come back to, hopefully, give you some reassurance as to why we feel the modelling that the Department has is sufficient. But the key is to take a risk-based approach, and that is what underscores everything that we are doing at the border.

- Q35 **Barry Gardiner:** But Secretary of State, would you agree that it is the wrong strategy to have built into this process an end point that says that, should all else fail, we will simply open the floodgates and allow animal products—meat—into this country without any checks whatsoever?

Steve Barclay: That is not my understanding.

Barry Gardiner: It is. It is called the timed out decision contingency feature, which your Department has put in as the end stop of this process should Sevington be overwhelmed, as indeed this Committee has been informed it may be.

Tamara Finkelstein: I do not think there is a basis on which we would expect Sevington to be overwhelmed.

Barry Gardiner: In that case, I understand that the letter from Dover is there on the website and you have been notified of it. We have asked that you give a point-by-point response to all the issues that have been raised, in what is a really comprehensive response to Lord Douglas-Miller's letter to this Committee, in quite an excoriating way.

- Q36 **Chair:** Sevington is obviously 22 miles from Dover. What procedures will be in place to ensure that, when consignments are diverted to Sevington, they will actually arrive there and will not be transhipped, dumped in a lay-by, or something else?

Steve Barclay: Because it is risk-based, we will know what is coming, and that is part of the work that has been done. Illegal things will be checked at Dover. Where, through the risk assessment, we have made an assessment, those are the ones that will be going to Sevington.

- Q37 **Barry Gardiner:** Secretary of State, have you ever heard the phrase "a lock will deter an honest citizen"?



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Steve Barclay: I have, but I have also heard the fact that lots of ports are large. If you look around the world, often you will find ports, actually, that have that sort of distance within the port anyway. I get the point about the journey from Dover to Sevington. You could quite often do that within a port, if you look around the world at the size of some ports.

- Q38 **Mrs Murray:** Secretary of State, I would like to turn to food policy and then ask a couple of questions about fisheries. In February, the Prime Minister announced that the Government would publish an annual food security index, as has been mentioned. The Committee called for that measure last year, so we are very grateful. What indicators will be measured as part of that index? How do you expect it to influence your policy decisions?

Steve Barclay: That is something we are discussing with key stakeholders at the moment, following the NFU announcement—what constitutes the food security index. Part of the commitment from the Prime Minister was to make that an annual update. There is already the more substantive three-year review in place, and the idea is to be able to set out the details of that index when we have the Farm to Fork summit.

- Q39 **Mrs Murray:** In his speech to the NFU conference, the Prime Minister committed to placing the publication of the index on a statutory footing when parliamentary time allows. Do you have any indication on when that might be?

Steve Barclay: As you will know—and as Sir Robert knows, having worked in the Whips Office—parliamentary time is determined by business managers, so I am not in a position to announce that. Time is obviously very constrained between now and the general election, but this underscores the Prime Minister's wider commitment to the food security index. NFU colleagues, in particular, have been asking for it for some time.

- Q40 **Mrs Murray:** As part of our "Fairness in the food supply chain" inquiry, we have heard that supermarkets and processors are quick to raise prices due to external pressures—for example, inflation—but slow to reduce them when those pressures ease. Do you recognise that phenomenon? How are you ensuring equitable relationships in the food supply chain?

Steve Barclay: That is something we all hear as constituency MPs. As you know, I represent a farming constituency, and there is often concern about the supply chain and about imbalances and asymmetries in power within it. That is why there is the work that the Minister for Farming and Fisheries, Mark Spencer, has been doing on supply chain reviews.

We have already tabled the legislation on dairy, and I think that has been well received. We are now working at pace on the pig sector and the supply chain there. We have work ongoing in other areas, such as horticultural and so forth, so we are working through.

A point that I raised directly with the supermarket chief execs when I met them is that it is important that action is taken to address all of the concerns raised, but some concerns are particularly pertinent.



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- Q41 Mrs Murray:** Finally, on food, I will turn to a practice that we have heard of called shrinkflation, where product sizes are reduced and prices are kept the same. Should supermarkets be obliged to actively inform consumers when a product size has been reduced?

Steve Barclay: There is a wider point that I will point to, which is, how do we better empower the consumer? One of the reasons that we have the review that I announced at the Oxford farming conference was the sense—this is a slightly different issue—of consumers not being aware, when something was sold as British bacon, for example, that the pig had been reared overseas, or that, where a shelf had a Union Jack on, the products on it were not British. So I think there is a wider point around labelling.

There is always a balance between how much regulation and cost to business there is from change that one introduces. How do you get the balance between those? At a time when the cost of living is under pressure, one wants to ensure that food prices are kept as low as possible. However, at the same time, given the high quality of produce from the UK, we want to ensure that consumers are empowered and not misled, so that when they buy British, it is actually British that they get. That is a slightly different point to the size of the packs, but it is within the same policy area, which is about how much regulation you have in order to ensure that the consumer is making an informed choice.

- Q42 Mrs Murray:** Turning to fisheries—it would not be an inquiry with the Secretary of State in front of us if I did not ask questions on fisheries, and I have just a few—we obviously have the ongoing issue of the pollack closure.

On a general point, can you confirm that when scientists brief industries—I went to some of those briefings when I chaired a fish producer organisation—they do not actually make announcements about quota? They indicate what the state of the stocks could be, but at their mid-year presentation they do not actually make announcements about what the quota are going to be for the next year. That is normally quite rightly done by Ministers at the end of the year. Could you confirm that that is the case?

Steve Barclay: I recognise that you know the sector incredibly well, Mrs Murray. I think your understanding is the same as mine: quite often an indication is signalled in June, but then there is sometimes still debate about what that means and what the size of the reduction that follows is, and then a final determination is made in December, ahead of January. You mentioned pollack, and I think there are some interesting and important questions that flow from that—particularly where the change is substantial—as to what the right level of notice is for the sector. That is something I am actively looking at.

On pollack more generally, we have already announced support for diversification and some other mitigations, but I recognise that there is an ongoing challenge there. One of the concerns that has been raised with me is whether the notice was sufficient and early enough.



- Q43 Mrs Murray:** Following on from that, there was a formal consultation in December 2023 following an emergency byelaw that was proposed by the Cornwall Inshore Fisheries and Conservation Authority. It wrote to fishermen and shellfish viviers on 9 December 2022 and said they would not be able to go to sea from 2 January but, after reflection, the committee realised that it had to carry out a formal consultation. It stopped that byelaw and carried out a formal consultation, which kept everybody happy. Would you not agree that that is a responsible way of dealing with any stock or effort discrepancies?

Steve Barclay: Without being familiar with that set of circumstances, I suspect it reflected local knowledge if the local committee was suggesting a very dramatic change and that was modified. I would be keen to understand that decision more, but it suggests that what happened reflected local discussion. It is about getting the right balance.

The wider point also applies to the farming sector. Farmers care deeply about the countryside and the environment, not least because they want to pass them on to future generations in good health. That is why there should not be two competing camps—the environment and food production. We need to align those more closely.

I find the same when talking to the fishing community: fishers care deeply about the sustainability of stocks and want to work with the science. The challenge they often voice to me is about whether they are getting sufficient notice or whether the tiller is yanked too quickly. Obviously, from a business planning point of view, that can create challenges in itself. It is important that we get the right balance when we look at the timing of these decisions.

- Q44 Mrs Murray:** I have just one more question, Chairman—thank you for allowing me to come in and ask these questions. Secretary of State, are you aware of the abundance of bass during the closed season, which everyone agreed with?

I have had vessels tell me that they have tried to move areas, but when they have shot their nets, they are still catching bass, and of course they can't, because it is closed season. That really highlights the fact that fisheries science is sometimes not precise. Of course, bass and pollack have swim bladders, so they die when they are caught. Are there any plans to introduce emergency measures at short notice when this sort of thing happens?

Steve Barclay: I absolutely accept, Mrs Murray, that the science is not precise. That is partly why, through the various marine plans that the Department is working on, alongside looking at the pressure on space due to offshore wind and other competing factors, we are investing significantly in improving the science.

Indeed, the response to pollack, and the change there, includes some funding to improve our data. More widely, it is important that we get the balance on the various committees right, so that the fishing voice is fairly reflected. Again, a concern raised with me by the industry is that while



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that is the case on some committees, it is not always the case; so we need to look at how we ensure that those who have perhaps the strongest interest in sustainable stocks—because that is core to their long-term business interests—are fairly reflected on committees, and perhaps tweak to get it right.

- Q45 Mrs Murray:** I have one very last supplementary question. Obviously, you can have naturally occurring disasters, which we saw with the shellfishermen in the Tees area last year, but you can also see imposed impacts on fisheries, like the pollack situation, where decisions taken at very short notice could, without some assistance, cause a very viable fishing vessel to go into bankruptcy.

I know that you have talked about the help that you have given some fishermen for diversification. You have also introduced various methods of capture, with assistance to participate in a scientific study. But that leaves an awful lot of fishermen who could face bankruptcy if they are not helped, so will you please look at speaking to the Treasury to find a way to perhaps financially compensate these vessels when people rely on them for their income in January and February? There are not many of them, but they really need some help, so will you look at that, please?

Steve Barclay: I am very happy to take that away. You have set out a powerful case about the interaction between the late notice and the question about compensation. Obviously, there are always issues to be weighed about precedent risk, value for money and the sort of considerations that you would expect any Department also needs to weigh, but alongside that, we need to consider how we ensure that, moving forward, we get the right level of notice, particularly depending on what level of impact there is. Where there is a very significant impact on the business, that obviously can be particularly harmful to those sectors. I will take this issue away and come back to you on it.

Mrs Murray: Thank you very much, Minister. Thank you, Chairman, for allowing me to come in and ask those questions.

Chair: Thank you, Sheryll. We are told that there may be votes, so we will try to make a bit more progress if we can, but Cat, you wanted to come in on an allergy issue.

- Q46 Cat Smith:** Yes—two issues, one being allergies and the other being a thank you, Secretary of State, for your answer to my colleague about shrinkflation, although I want to stress that for those who have diabetes, when the grams of carbs in products go down, that can lead to it being more difficult to manage blood sugars. I wanted just to give you that piece of information to help you to pursue that. On food allergies, yesterday I met Paul Carey, who is the dad of Owen Carey, whom Owen's law has been named after—

Mrs Murray: And my constituent.

Cat Smith: He is my colleague's constituent and he asked me to ask you today about the progress that your Department is making on



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implementing Owen's law to make sure that no more tragedies happen when people who have food allergies, who make up about 1% to 2% of the UK population, are eating out in restaurants. How quickly can we see change here?

Steve Barclay: Ms Smith, may I come back to you on that? The importance of the issue is clear when, as constituency MPs, we meet those who have been directly affected, so first I want to put on the record just how important an issue this is.

In terms of the exact progress, quite often these issues are more for the Department of Health and Social Care, through the food standards regulations, and that usually falls within Lord Markham's portfolio, so if it helps the Committee, I will pick up the issue with him and come back to you with a fuller answer. Given the sensitivity, I don't want to give an answer without fully checking what the latest progress is on Owen's law.

Cat Smith: I would be happy to have an answer in writing.

Mrs Murray: If I could come back in briefly, Secretary of State, I have been dealing with this particular matter. The Food Standards Agency has made a recommendation, and I have written to your colleague about it. I would not name my constituent normally, and I would like to apologise to him for naming him in a public forum like that, because I do not really think it is correct. Thank you.

Q47 **Rosie Duffield:** Moving on to labour shortages, which is one of the many issues that my farmers have had many sleepless nights about in the past few years, John Shropshire's review of labour shortages in the food supply chain was published in June, and your response has been delayed several times. Given the acute shortages in many agri-food sectors, why has the Department not published the response, and when can we expect to see it?

Steve Barclay: That is a very fair point. To reassure the Committee, I have met John Shropshire and discussed his report with him. I think it is an extremely important report. Obviously, what Mr Shropshire was focused on was the long-term position, not the issue in terms of this year—when I say "this year", I mean 2024, so going into the year ahead. It is about the longer-term position.

To give reassurance, if one looks at the number of visas used, I think the last number I had was 34,000 out of an overall quantum of 45,000, with an option for a further 10,000 on top of that. That, in turn, excludes the 2,000 for poultry, so actually there has been an over-supply in terms of the available visas compared with what the need has been. Hopefully, that gives reassurance that one of the things we are absolutely clear on is that we don't want a situation where there is not sufficient labour to harvest crops. I come back to my key strategic objective being food production and food security, and labour is a part of that.

The reason for the delay, which I will be very up-front with the Committee about, is that there is an opportunity within certain sectors—not all, but



certain sectors within the farming sector—to do more on automation, such as automating within packhouses. We need to get the balance right in terms of the grants and the financial support we give to facilitate that, but there are areas where we can automate more, bring down our labour requirement, and increase our productivity and therefore our profitability.

That is what we are trying to do through the various grants, and that is why it has taken a little longer, but in terms of the overall commitment, we have significantly more visas than are needed. Seasonal agricultural workers, of course, are not part of the immigration figures—they are outwith those figures—but it is important that we automate more and bring the numbers down, and that is what we are trying to do.

Q48 Rosie Duffield: The only problem for my fruit farmers is that you cannot really train machines to pick raspberries and things like that. They have always said that they really need those seasonal agricultural workers, and it has been an issue for a good couple of years now. They just have not got the numbers through, but thank you; you are obviously really on top of this. As my colleague Barry said, we are not quite used to having such full answers, but I will just stick with the questions that the Clerks have prepared for us.

We recently heard that the skilled worker visa immigration reforms that will come into force in April will severely hamper our ability to attract and retain skilled agricultural workers and veterinary staff, particularly meat hygiene inspectors. Do you agree with that assessment, and what representations are you making to the Home Office to address those shortages in key sectors?

Steve Barclay: If I may, I will disaggregate the SAWs. I think we have sufficient visas, but quite understandably, businesses wanting to make long-term capital decisions want some reassurance about the long-term picture, and while I think there is broad reassurance we can give, the question of absolute numbers is an ongoing discussion with the Home Office. Hopefully, I have addressed that.

On meat and vets, that is a more challenging situation. In an ideal world, one would look at the legislation around veterinary surgeons; one particular issue that the BVA and Dr Hudson have raised with me is that of veterinary nurses more generally, and some changes there. When it comes to abattoirs, we have allocated £5 million through the smaller abattoir fund. We are flexing the criteria on that to make it more permissive, to try and encourage more applications. We have always been willing to take a targeted approach.

You might recall that when I was in a previous role, there were a lot of scare stories saying that we were going to run out of turkeys for Christmas. We did a huge amount of work and had plenty of turkeys for Christmas, at which point no one had any interest in it at all because the scare had been dealt with. There were loads of stories about the scare, but when we got to Christmas and had plenty of turkeys there was hardly any coverage whatever. We were willing to be flexible around what was



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needed in the slaughterhouses. So we look at these things on a case-by-case basis.

On the risk of automating certain areas, I agree with you on raspberries; that is very challenging. But if you look at the fact that controlled environment growing can be up to 250 times more productive at sites like Fischer's in Norwich, where 4 acres is equivalent to 1,000 acres of conventional growing, one of the good things about the glasshouse or vertical farming is that often the labour conditions are more attractive. Things can be at chest height. It is a warmer environment. You can have automation not to replace individuals, but to make them more productive. So there are opportunities there, and those are the things that we are looking at more widely in the context of the land management strategy.

Rosie Duffield: I think Dr Hudson wants to jump in about vets.

- Q49 **Dr Hudson:** I just wanted to go a bit further on vets. I should declare my personal and professional interest in this as a veterinary surgeon. EFRA had a special session a couple of weeks ago on the shortage of vets in this country and we raised concerns about that. The chief vet told us that we do not currently have a standby vet surge capacity in the event of a significant disease outbreak.

I was involved in what happened in 2001. Vets were called from all aspects to go into the frontline. What is the Government's view on that? If, heaven forbid, we had something like foot and mouth or African swine fever, where are we at in terms of the Government keeping a watching brief on how many vets we have? What will we do in terms of recruitment and retention if that happens and we need more?

Steve Barclay: That is a fair challenge, not least because AI showed the pressures on the system. First, to reassure the Committee, work is ongoing. In 2020 the Animal and Plant Health Agency introduced a specialist pay allowance with non-consolidated allowances at three levels, so there has been work there. We are working on a cross-Government veterinary framework for pay and to consolidate capability pay. So there has been work ongoing. The legislative changes that the British Veterinary Association have asked for are difficult this side of an election. I think it was in the 1950s when that framework was put in place.

- Q50 **Dr Hudson:** It was 1966. It is difficult in the current time, but in the next Parliament, could a Government commit to redoing the Veterinary Surgeons Act, which would cover a lot of these issues? Is that something that you are minded to do?

Steve Barclay: No Secretary of State will come to a Committee and pre-empt the manifesto, which will need to go through the usual write-round process. First, I recognise that the legislation dates back to the mid-'60s, so it is not surprising that there is some strain around that. Secondly, I can reassure the Committee that there has been work ongoing in this space.



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Thirdly, one of the questions that I discussed with the chief vet was bringing my experience from Health. When we did the long-term workforce plan for the NHS, we looked at more flexibility, for example, for retired people to have roles where they can come back in a more flexible way—not working full time but coming back to perhaps do some mentoring of the next generation and work a more limited number of hours.

There are lessons from what has been done on health around skills mix, having a ladder of opportunity, and looking at retirees and retention policy. We can apply some of those to the veterinary science field.

- Q51 Dr Hudson:** You said you would look at this on a case-by-case basis. With the changes to the minimum salary threshold coming up in April, it will go to £38,700. We know that recruitment and retention is not going to be an instant fix, so looking at things urgently would be helpful. In the veterinary sector, under the skilled worker visa system the occupation-specific thresholds are raised to the median salary threshold, so for a vet working full time that would be £48,100.

In terms of the veterinary sector, meat hygiene and abattoirs recruiting vets from, say, the European Union, that is okay if you have experienced vets who will be attracting that sort of salary. There are dispensations if the vets are younger—under 26 years of age—but certainly the veterinary profession has said that the £48,100 salary threshold will be problematic, and that they may struggle to fill the vacancies in key sectors such as public health, meat hygiene, and companion and farm animal practice.

Is that discrepancy—that salary threshold—something that you could take away and look at on a case-by-case basis? If there is an issue, could the Government—Defra working with the Home Office—address it?

Steve Barclay: I am happy to take it away and look at it. Obviously, there is a Home Office equity around that, but I hope, Dr Hudson, that you can see from the conversations we have had on the XL bully dog extension that, where we can make a strong case collectively, we are very willing to do so with Government colleagues.

Chair: We are very fortunate this afternoon to have a guest cameo appearance from the Chair of the Environmental Audit Committee, Philip Dunne, who comes hotfoot from the Liaison Committee, where he has been asking the Prime Minister about the very point we started on—some of the changes to the support scheme. Philip, you are going to talk about plastic waste.

- Q52 Philip Dunne:** Thank you, Sir Robert. I should declare to the Committee my interest as a farmer. Thank you for inviting me to join you. Secretary of State, I apologise for arriving late, but Sir Robert has explained why.

I would like to ask some quick-fire questions on the deposit return scheme, because I am conscious that we may be heading to a vote, and I would like to get them all in first. It was about a year ago that the Government announced how they intended to introduce a deposit return scheme in England, Wales and Northern Ireland. Since then, there have



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been issues in Scotland, which I will come back to. Could you please indicate when we can expect implementing legislation to be laid?

Steve Barclay: I am not in a position to give an exact date today, because one of the things that has been very important to me, as a Unionist, is that we have an approach that is interoperable across the UK. It is right, therefore, that we work closely with the devolved Administrations to have a scheme that aligns. That is also important to business, because it would be hugely frustrating to business if we had different schemes in different parts of the United Kingdom.

The wider point—Mr Dunne, you have championed this—is the importance of the fact that 55% of litter falls within the DRS. This is high-quality product that can be recycled. The importance of policy is there, and that is why we have been working so closely with the DAs on it.

- Q53 **Philip Dunne:** The Scottish scheme wanted to include glass, and as a result of the representations under the UK Internal Market Act, that has not proceeded so far. The Welsh Government are proposing to include glass in their scheme. Would it be fair to assume that the UK Government will use the same mechanism to encourage the Welsh to become more interoperable?

Steve Barclay: Yes.

- Q54 **Philip Dunne:** Thank you. You have covered three of my questions in that answer, which is excellent. If you cannot tell us when you are going to lay the legislation, can you tell us when we can expect the schemes to be implemented? The industry originally expected this to be introduced next year. What can you indicate to industry as a reasonable timeframe?

Steve Barclay: Again, it is a very fair point. This is why we have been working with industry closely on it. We have a deposit return scheme industry forum, and we have a sector-specific series of subgroups that are working on that. Given this balance between the benefits of the scheme versus the benefits of having something interoperable, I don't think 2025 is now realistic, and certainly I don't think business would view it as a realistic deadline.

It is an issue that is still an ongoing area of discussion within Government, but I suspect, if I was pushed on it, that a 2027 deadline is probably more likely. But it is an area that is being discussed in Government, so I am not in a position to give a date for it. Certainly, I don't think that 2025 is realistic.

- Q55 **Philip Dunne:** Finally, you touched on the land use framework in an earlier answer. The Environmental Audit Committee, on which two members of this Committee sit, has been pressing for clarity as to when we can expect a land use framework. Can you share any thoughts on that?

Steve Barclay: Both that and the labour review are two hugely important documents. There is always a trade-off between pace and getting things right. I am very aware of the importance of getting the land management



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document out. I am not in a position to give a date on that, but it is something that we are engaging heavily on. So that is not through omission; it is because we want to get this right.

As you will be well aware, there is a range of competing equities between food production and food security, which, in my personal view, has not been given as much cross-Government weight as it should have been. I want to be able to have those discussions, not least with colleagues in the Department for Energy Security and Net Zero, who understandably will look at issues like pylons going across rural areas, among other things. Obviously, it is about getting the balance right on the environment; I have given a direction of travel, and I think there is scope to do that.

I mentioned, as part of the land management strategy, the opportunities around controlled-environment growing, and the huge productivity gain, but also how that is beneficial in terms of labour. You can site things near major cities, making the labour accrument easier and the jobs better. You can tie that in with energy policy in terms of grid connection.

That opens up some other questions around things like solar on farmland. Personally, I am very sceptical as to why we are putting solar on grade 1 and grade 2 land, for example. The land management strategy needs to consider those sorts of issues.

So there is a trade-off between the pace of this and the fact that it is something multiple Departments quite rightly have an interest in. I want to get that balance right, but it is something that we are very much working on.

Q56 Chair: Thank you, Philip. The “Not for EU” labelling has been described by some people as a bit crazy. I will give you two examples of companies that I have spoken to recently. One company, which is more famous for its chocolate bars, but which also makes pet food, makes a cat food in France to supply the UK and has to label that “Not for EU”. Another is a company that supplies Northern Ireland via the Republic of Ireland with chocolates that are famous for being served at various ambassadors’ events, if you get my drift.

We have goods produced in the EU, to EU standards, which are going to have to be stamped “Not for EU”. There is even some talk that legal action could be taken by some of those manufacturers. Do you agree that some of those labelling requirements will come with high costs that will have to be passed on to consumers? How would you respond to criticism levelled at the proposed scheme of “Not for EU” labelling?

Steve Barclay: First, as you know, Sir Robert, part of the Windsor framework, on which the House voted, included that we would have a consultation on that. The *Safeguarding the Union* Command Paper on 31 January this year also confirmed the Government’s intention to legislate.

At the same time, we have a consultation. Part of the consultation on “Not for EU” labelling is understanding with colleagues in the food manufacturing sector what the regulatory burdens and costs are that



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would be imposed. There is then an opportunity to look at the policy in that context and understand the original concern within the Windsor framework, which was whether parts of the United Kingdom would not get goods—namely, Northern Ireland. The original intention of “Not for EU” labelling was addressing how one safeguards against that. Clearly, through the consultations, we want to look at what the costs to business are and what other proposals they might come forward with.

- Q57 **Chair:** This seems to be a particular hobby-horse of the European Commission. I had a meeting with my opposite number in Rome, and they are as perplexed about the whole thing as we are, and do not see why we should have this labelling requirement. Is it possible that we could have a more proportionate approach, with more flexibility, or maybe even a carton-stamping system where you do not have to put this on the label of every product, but just ensure that the boxes are stamped with an indication that the product is coming to the United Kingdom and is, therefore, not able to be exported to the Republic of Ireland, even though most of these goods are available in both places?

Steve Barclay: I absolutely hear the concern, Sir Robert. That is why we had the consultation that closed on 15 March. We have a 12-week period to work through that and respond, so that is something we are actively considering. I met the Secretary of State for Business and Trade this morning and we discussed this issue, and we will look at it in the context of the responses to the consultation. However, we are also cognisant of the fact that the Windsor framework made certain commitments, and we need to be clear-sighted on those.

- Q58 **Chair:** Would you perhaps agree that some bilateral discussions with capitals around Europe, rather than people in Brussels, might yield a little progress in the Council of Ministers?

Steve Barclay: It is a while since I was Brexit Secretary, so I do not want to stray into old turf. With all policy, it is about understanding what the concern was in the provision in the Windsor framework. If, through the consultations, there are constructive suggestions from industry, I am sure Foreign Office colleagues and others working with us will be keen to explore those as required.

- Q59 **Chair:** Do you share my concerns that the definition of food that is within scope is entirely defined by reference to EU rules and would therefore be vulnerable to any unilateral changes in the EU’s food safety rules? We could find that things change without us having any ability to really make any representations in that regard.

Steve Barclay: These are exactly the issues that come out in the full impact assessment that we are working on. It is very much why we have been consulting closely with business, which as a Department we very much have done in response to this issue. As I say, Parliament voted for the Windsor framework, which includes certain commitments, but the reason we had the consultation is to tease out exactly these sorts of issues and how we ensure that we get the policy right.

Q60 Chair: Could any financial assistance be available to companies to deal with some of these additional costs?

Steve Barclay: I think we indicated and gave a commitment that there would be financial support in respect of this.

Tamara Finkelstein: Yes, there is support for that labelling for goods moving into Northern Ireland at present.

Chair: Okay. Thank you. I am not sure if we are going to have a Division in the House. In case we do not, Rosie has a question on mental health that she will come in with.

Q61 Rosie Duffield: We did our inquiry into rural mental health, and one of the groups that we consulted and that gave evidence to us was the Royal Agricultural Benevolent Institution. It is the largest charity provider of financial and mental health support services to the farming community in the UK. Through its Big Farming Survey, it heard from 15,000 farming people about their rising mental health needs and the financial pressures they face.

The survey showed that almost half—about 47%—experienced anxiety, and over a third—36%—are possibly or probably depressed. The tractor protests in London yesterday and in Kent two weeks ago demonstrate the uncertainty that farmers face. How do you respond to their concerns? Do you have plans to meet them about those issues?

Steve Barclay: This is one of the things that I am most concerned about when one hears particularly about suicide within farming communities. I spoke with the widow of someone who had tragically taken their own life after a very, very minor issue that was picked up in an inspection, but which had a catastrophic effect.

What is very much shaping my approach is, first, what direct support we can give to the relevant charities. At the NFU conference, the Prime Minister announced additional funding directly to three key mental health charities working with the rural community.

Secondly, I have had meetings with the Rural Payments Agency to discuss how we change the relationship from one where many farmers feel that it is based on suspicion, and they almost have to prove before they get paid, to one based on trust. Rather than people feeling as if someone is trying to catch them out, it becomes more advisory and supportive.

A specific change there is to stop the unannounced farm visits, so that people have 48 hours, and to change those visits to ones where the agency are seen as giving advice so that people can do the right thing, rather than as seeing if someone can be caught on a technicality and not paid. At a time of volatility, that causes huge amounts of distress.

We are looking at what specific changes we can make to statutory instruments. Sheep tags, for example, have recently been covered in the news, and we are looking at what we can ease from a regulatory point of



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view. We discuss more widely with Natural England and the Environment Agency how the RPA can change its relationship.

There is the wider package of support in terms of productivity and grants, and speeding those—looking at whether we speed up payments. One of the issues, which the Committee might be interested in exploring, is that when I challenge why farmers must sometimes wait so long for their grants—one of the causes of mental distress is that they have had to pay up front—it is explained to me that this is often because of the National Audit Office rules around fraud and error and 1%, and therefore a risk-averse approach is taken by the arm's length bodies.

As a Committee, Sir Robert, you might wish to look at that. Just as we get our risk appetite right collectively, if we can speed up payments, that, in turn, at a time of volatility, would help hugely with some of people's mental health issues. It is sometimes the uncertainty that causes the distress.

So that is specific funding for mental charities, work on grants, work with the arm's length bodies, and statutory instruments being changed. There is a range of things we are looking at, but obviously there is more to do.

Q62 Rosie Duffield: Thank you for that really comprehensive answer. For my farmers, I know that the changes in all the hurdles they have had to jump over since Brexit and all the laws changing over has created so much pressure. Things change so fast, and the payments are taking ages to get through, which you mentioned.

I was really surprised to see that this survey also found that young women aged 25 to 34 have the lowest mental health and the highest depression levels. Can the Department look specifically at supporting those women and having those conversations, perhaps with the Royal Agricultural Benevolent Institution as well?

Steve Barclay: I would be very happy to. If there is some specific data you are able to share with us after the hearing, I would be extremely keen to follow that up. When you raise that, having previously been Health Secretary, it immediately makes me think about whether we could connect that with the NHS app.

One of the challenges in rural areas is often isolation. One of the big changes that has had probably very little coverage, but that I thought was hugely important as Health Secretary, was the growth of services we are going to deliver through the NHS app, and how we then use that to connect into mental health apps and other support that can be very targeted to people.

I think there are big opportunities there, working with health colleagues, and if there are some specific schemes that we can target in a data-driven way, I would be very interested to follow that up.

Q63 Barry Gardiner: Defra has updated the insolvency legislation. You have announced that you would block bonuses for water companies that are



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regularly in breach of the laws protecting our rivers and seas. All of us were gobsmacked to find that £26 million had been given in bonuses to the directors and chief executives of water companies in the last five years. We would commend your efforts to curtail those bonuses where those companies are not performing. So, to start on a very positive note, we recognise that.

Do you share Ofwat's view that proposals to raise customer bills by 70% by 2030 are unaffordable for most people? How do you think that we can balance the much-needed financing of investment in water in this country, and in the infrastructure required, with affordability for the public?

Steve Barclay: This is a hugely important area. I would disaggregate two different things. First, there are commitments the water companies have already made that are within the current five-year plan but that, too often, they are not meeting. On those—particularly given that these are, in essence, monopoly businesses, which are not competing for customers in the normal way—I am very keen to ensure that we hold the water companies to account.

I have been clear on that, and that is why we are massively increasing the number of inspections. While we have stopped the unannounced inspections on farms, I take the opposite view with the water companies, so we are increasing unannounced inspections. We are having a fourfold increase in inspections to address the concern that the likes of "Panorama" raised about companies marking their own homework.

Q64 **Barry Gardiner:** I understand it is a 470% increase that you have announced. May I check whether you have also announced the money and the resources to go with it?

Steve Barclay: Yes.

Q65 **Barry Gardiner:** You have. Where has that money come from? Is it new money, or is it money that has been taken from another part of the budget?

Steve Barclay: We reprioritised to make sure that we are funding it.

Q66 **Barry Gardiner:** From where?

Steve Barclay: Within the Department budget, so it is something that we have reprioritised.

Q67 **Barry Gardiner:** Can we be more specific? Is it from other aspects of the EA's budget, water or whatever?

Steve Barclay: No, it is not from—

Barry Gardiner: We are not robbing Peter to pay Paul, so whom are we robbing? Whom we are deprioritising is always the question.

Tamara Finkelstein: We have been able to find that money from within the budget.



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Q68 **Barry Gardiner:** I recognise a stone wall when I see one.

Steve Barclay: No, quite the opposite, Mr Gardiner. First, if your concern is that we are robbing Peter to pay Paul within the Environment Agency, no. This is additional money for the Environment Agency. Secondly, within any Department budget—as a former Chief Secretary, you would expect me to say this—there are programmes that are underspent or where we might want to tweak the prioritisation—

Q69 **Barry Gardiner:** I will not press you further. I am happy that you are doing it.

Steve Barclay: The point is that we are doing it.

Q70 **Barry Gardiner:** I am happy that you are doing it.

Let us come to the serious and difficult problem that you face—that we all face, and that 25% of all customers in England are going to face—which is the future of Thames Water, and of Kemble Water as its holding company. We are looking at a possible special administration, with three possible outcomes: sale, which is most likely; nationalisation, which is possible; or, perhaps more innovatively, an IPO and a refloated Thames Water. We are talking about a regulatory capital value of about £19 billion.

It is possible, but not certain, that current shareholders and creditors agree a restructuring. A special administration is likely to end in the sale of the business, which would probably be to a similar consortium of investors. However, that would risk ending up with the same problems as currently—namely poor governance and limited transparency, and recourse to shareholders for more equity would be in the hands of a very small number of funds.

How do you propose to deal with what I think all of us would recognise is a very difficult situation? You will recall that the chair of Kemble Water Holdings and Thames Water, who I understand has now resigned, came before this Committee a few months ago and said that they would be able to meet the restructuring of the debt before April. You will know that Ofwat said that it would not allow dividends to be paid out, but of course since then the company has paid what is, in effect, a dividend to the holding company of several million. It is a very big mess, and I think everybody wants to know what plans your Department has to transition this company to a future where it can function in the way that we all want to see.

Steve Barclay: Let me pick up the specific question on Thames Water, but also your earlier question around the impact on consumer bills and the wider pressure for the industry. On Thames, obviously there is new management in place. It is for shareholders to put in the equity that is required. The Government have put in the legislation for a special administration regime—as insurance, if that is required—but it is an issue for the shareholders and the new management team.



On the wider question around PR24 and the impact on consumer bills, the business plans that were submitted are the opening pitch in terms of the investment that those water companies feel is necessary. It is absolutely right that we have an independent regulator. It is right that we give that independent regulator the opportunity to fully scrutinise those plans. That is what Ofwat will do to ensure that they are efficient and that customers are not paying twice for that investment. That is a well-established process. That is something that they will do. Of course, it is the case that, for new infrastructure, water companies can attract private investment. That is all part of the determination that Ofwat will go through.

Q71 Barry Gardiner: I am not sure that you have charted a plan in what you have said. You say, "It is for the shareholders to come up with the additional investment in this company." But the very complex structure, on which this Committee has challenged the chief executive and the chairman before, has to a very large extent replicated what went on and what was condemned roundly on all sides in the Macquarie years, when effectively Thames Water as a company was raided to boost the funds of Macquarie.

A similar structure has happened with the Kemble Water Holdings company, even though this Committee was assured on a number of occasions that that would never happen under the watch of the current chief executive, the former finance director, a former director of Ofwat, and the chairman, who has now resigned.

I think we need to see from the Department a much clearer and structured way forward, which could lead either to an IPO or perhaps to a sale in which the Government held a golden share. I am conscious that you will be reluctant to do anything in advance of April—one has to respect that, because those are the deadlines for the capital that needs to be raised, and obviously it will be incredibly market sensitive. None the less, I think you can indicate to this Committee more clearly than you have been prepared to so far exactly how you see the options that are available to lead us forward.

Steve Barclay: I will try to give some greater clarity, and then the perm sec may wish to add. First, to reassure the Committee, there is very regular engagement between not just the Department but the relevant areas, including Treasury and UK Government Investments, and the relevant company.

Secondly, as you yourself said, Mr Gardiner, one has to be very mindful of the fact that there are market sensitivities around these things. Thirdly, it is for the company to come forward with the investment. Fourthly, a fair challenge to us as Ministers would be whether we had taken steps in advance to put in place the legislative framework required, which, as I indicated, we had. Those things are happening, and I would not want to stray beyond that.

Tamara Finkelstein: I don't have huge amounts to add. Our confidence is that Ofwat is having the conversations that it should be having and that it would have with any company with which it has concerns. It is doing



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that. As you have discussed, there are a range of avenues open to the company to explore, and we have ensured that there is contingency in place with the SAR, which has been in place for some time, but which we ensured was updated. So we have contingency in place. More detailed conversation and pathways are not so appropriate for a public conversation.

- Q72 **Barry Gardiner:** Let me try to skin this cat from the tail to the head, rather than from the head to the tail. When you look at the way in which Ofwat has allowed this situation to develop over many years, and the way in which it has failed to use its powers, or perhaps has not had sufficient powers, to reprimand companies for their poor performance while not endangering the viability of those companies by the penalties that it might impose, what are you prompted to do in looking at Ofwat, the industry, the sector as a whole and the regulation and regulatory powers available in it?

It seems to me that, whatever happens after April, we have had what is in effect catastrophic failure. That must have prompted the Department to look very carefully not only at why that failure has taken place, but at how it can be avoided in the future. So far we have not had from the Department the wholesale strategic restructuring plan for the control of the sector that one might have imagined.

Steve Barclay: Some may feel there is a debate to be had on past regulatory decisions, the amount of debt that was leveraged at a time of low interest rates, before covid, before the war in Ukraine, some of the changes that flowed from that, and so on. Those are past discussions. As far as I am concerned, it is important that the regulatory standards that are in place to protect water quality are enforced. Those are statutory commitments.

As part of that, we are putting in place the framework of the 470% increase in inspections and linking that to unlimited fines. We have an independent process with the regulator. We need to respect that. What we are doing as a Department is putting in place a much more robust regulatory regime so that where there are serious criminal breaches, we hold those companies to account.

- Q73 **Barry Gardiner:** I understand entirely that you are not the regulator. What I am saying is that, in effect, the regulatory regime has failed. I welcome what you are doing at the other end to say that when those failings manifest themselves in pollution events, you are going to tighten up on that, but that avoids the big strategic problem of why the regulatory regime has failed so badly and how you need to change that to make sure it operates properly.

Steve Barclay: As I say, we have an independent regulator. We are respecting that. We have put in place, from a Government point of view—

- Q74 **Barry Gardiner:** But as the Government, you can change its remit. You can do things to alter the way in which it regulates the industry.



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Steve Barclay: Yes, and one of the things I am signalling is the importance of enforcing regulatory standards. Linked to that, we have a very clear plan: the plan for water that was set out by my predecessor last April. That sets out that there needs to be significant investment in terms of the infrastructure. There is then a question of how much investment that is and how that is split between the private investment versus the impact on consumers. That is what we have a process for to work through.

Barry Gardiner: I will leave it there, Chair.

- Q75 **Chair:** I suppose the questions that most citizens want to know the answers to are: do you have a plan in every eventuality—will the water keep coming out of the taps and will sewage keep getting treated?

Steve Barclay: Yes and yes.

Chair: Selaine, I think you have a point to make about bathing waters. We have saved the best till last.

- Q76 **Selaine Saxby:** Thank you. It is on a slightly more niche area initially, which is coastal bathing waters. I will declare a mild interest, in that I do surf—badly—and was in the water on Sunday. What is actually going to be done to increase the monitoring of our bathing waters along the coast, particularly linked to storm overflows, because during the winter months there is no testing taking place on a regular basis, which means that there is no data for that period?

We have data from the water company and you are advised not to enter the water for one full tidal rotation afterwards, which is 13 hours. Then we have campaign groups that advise that we have a sewage alert, without any data being collected or any testing taking place, and they hold that sewage alert in place for 48 hours—so, four times the length of the Environment Agency's recommendation. What will be done to address this, because it is decimating tourism areas and terrifying people in an area where, as in my own constituency, we have many beaches with outstanding water quality. I just wondered what will be done to address this data situation.

Steve Barclay: First, if I may, I will pay tribute to the work that you have done, because I know that this is something that you have hugely championed and I think that has had an effect, certainly when I see the discussions, and very much brought this to the fore.

Of course, I think there is a slight distinction when we are talking about this issue. What gets conflated, in terms of beaches, is that it tends to be more about the risk around sewage and, in terms of rivers, often it is the impact of farming and some of the changes that we are making around slurry storage, anaerobic digesters, buffer strips and so forth. When I look at the likes of the River Wye, they are particularly important there, when dealing with the likes of the chicken litter and so forth. The risk isn't the same everywhere, in terms of bathing.

There is also a paradox, as you touched on in your question: the more transparency that we have brought through the data, to some extent the



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more that brings very good scrutiny, but sometimes that data can be misinterpreted or exacerbated. We are bringing more transparency and more data through. There is a significant amount of work, as you know, on storm overflows.

Part of the reason for the plan for water and the wider investment with the 2024 price review, or PR24, is how we raise the game of the water companies, in terms of their regulatory obligations. The big thrust of the announcements that we made at the Oxford Farming Conference and with the NFU is this: how do we create the incentives within the farming sector to improve the risk from run-off? That is why we have this package of grants, particularly on slurry, where we have seen a doubling of the grants.

Q77 Selaine Saxby: I very much appreciate the work that has gone on within this space, but are there any plans to tackle a sewage alert that has no definition in science and, having asked the parliamentary Library, no definition at all, which is allowed to be issued along our beaches without anyone knowing what is actually coming out of the pipe? Obviously, in an ideal world, we would know what came out of the pipe, but we do need more regular testing of that water, so that we can say with certainty that you can enter it. Is there a plan to bring that forward?

Steve Barclay: I know that it is something that the Minister for Water is personally engaged on, not least because before he joined the Department he championed, in his constituency capacity, a bathing water scheme in his own constituency.

Chair: Ilkley.

Steve Barclay: Indeed.

Selaine Saxby: Good.

Steve Barclay: You will also have seen the recent announcement we made in areas like Harrogate and some nearer to you, Sir Robert, around bathing water. I know that it is something that the Minister for Water is looking at and I will perhaps suggest that I ask him to drop you an update in terms of where the thinking has got to.

Selaine Saxby: Thank you, because that one is obviously a freshwater scheme, whereas when you have got salt water it behaves very differently when some of these pollutants hit it. I think that the one thing that hopefully we do all agree on is that with the extreme rainfall this winter, eventually—unless we put tanks right the way round the coast—it is going to get into the sea, whether it comes out of an overflow pipe or comes from a river on to a beach.

There is concern. We have had a huge amount of emphasis on just one pollutant, and I am glad to hear you touch on slurry. However, as we tackle those combined storm overflows, when it rains, that water is still heading to the sea. What the data is initially showing is that some of the streams running on to beaches are actually more polluted than what is coming out of the overflows. As we tackle the overflow situation, will



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there be a focus on that bathing water quality and not just on stopping the overflows, because actually stopping the overflows may make the bathing quality worse, perversely?

Steve Barclay: My understanding is that the Minister for Water is looking very actively at that. I know there is also an issue around the impact on run-off from our highways network, so I have asked officials to engage with the Department for Transport more actively on that. There is the role of the water companies and the role of farming, but there are also other factors at play. I think it is right that we have more transparency, but we have seen a significant increase in the interest in bathing waters, and we need to ensure that the policy reflects that.

Q78 Selaine Saxby: Moving on from there into the area of flooding, which is very closely related in many ways, I think one of the hopes, from looking at some of the work that has gone on locally in my own constituency, is that we have taken a whole catchment area approach. When you have the sea just there you do not flood in quite the same way as other places, but what steps are you taking to encourage more investment into natural flood management, sustainable drainage and whole catchment approaches to deliver property flood resilience measures at an individual and a community level?

Steve Barclay: A huge amount of work is going on with that, not least from the Minister for Nature, including our landscape recovery schemes and looking at a catchment approach. I mentioned the River Wye a moment ago, and we have been looking at that again from a catchment point of view. There is a question around catchment champions and having people that can help facilitate among the various stakeholders.

As I have touched on, it is about looking at the different factors that are at play and bringing our nature work together. For example, where a waterway has been straightened, putting some bends in it is one of things that slows the flow down. Obviously, upstream there is work with our tree planting and environmental schemes that can bring flood prevention benefits. There is no one single approach, but it is about bringing the wider portfolio of the Department to bear, given that flooding is obviously devastating for the communities concerned. It is bad for the bathing water, and it is causing huge problems within the farming community, but it is also hugely damaging to nature—often it is the bird-nesting sites and others that get flooded. It is a key area of our focus.

Q79 Selaine Saxby: ELMS are obviously one of those ways of incentivising landowners to provide those natural flood management systems. Are there going to be changes within that scheme, and is it going to be adapted to ensure that it covers urban as well as rural communities, so that both are better protected?

Steve Barclay: One of the things we announced at the Oxford Farming Conference was 50 new actions under SFI. I think that indicated our willingness to look at schemes and to flex them. Within ELMS, I think we



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are already doing a huge amount around local nature schemes and landscape recovery. I was down in Kent looking at chalkstream restoration and those sorts of issues. There is a lot already happening within the nature space, and many of those schemes are already looking at flood prevention as one of the benefits, but we are always open to look into what else can be done.

Q80 Selaine Saxby: Moving into the urban environment, urban green infrastructure can obviously be a great support for flood mitigation. Is that something that is being prioritised within the Department, and how?

Steve Barclay: Probably the most important thing is what more we can do around new housing development and the grey water from those. We are at an advanced stage of our discussions with DLUHC colleagues on that, and it was in the "Plan for Water" from last April. There are also fairly straightforward things; Parliament has debated wet wipes in the past and what more we can do there. There is a range of issues around how we take action that not only has an impact within urban areas but also has benefits downstream when it goes into the sea.

Tamara Finkelstein: I would like just to add that this is the whole range of measures that we are taking on surface water flooding, which is the responsibility of local authorities but the Environment Agency and the Department very much play a role in supporting them. We have made improvements so that they can access partnership funding for some of the surface water schemes, such as better risk mapping that tells you when surface water flooding might happen. There is better forecasting, better maps and a whole range of things to improve the support on surface water flooding.

Q81 Selaine Saxby: While many areas of England have had access to the flooding recovery framework, some areas where it has not been activated, such as Yorkshire, or that exist across local authority boundaries are still suffering. Do you think that the criteria for activating this network are fully working, and are you going to be assessing the overall effectiveness of the scheme?

Steve Barclay: Given the extent of flooding we have had, there are parts of my constituency that have surface water on them where I have never previously seen water during my 14 years as an MP. I was very struck, as was the Minister for Water, when we went up to Lincolnshire after the flooding and saw just how extensive it had been, and particularly how damaging it had been within the farming sector. So, of course, we keep these issues under review.

The key focus for me was to get speed into our response, and I think that people were kind enough to recognise that the announcement of the support came out very quickly from Defra. I think that is a tribute to the officials who were working with the Environment Agency at real pace to get a quick response out. Of course, wherever one draws the boundary, there is often a desire to slightly stretch that a little further, but I think it was particularly beneficial this year that we got the response out so



quickly to give people the comfort, particularly for uninsured losses, that there was some provision available.

Chair: I think Neil had a quick supplementary question.

- Q82 **Dr Hudson:** I represent an area that frequently floods, and the Government is very good in terms of prevention and the response when floods happen—in terms of the Environment Agency, the emergency services, councils and volunteer groups. However, I want to touch on points that have been made about the mental health implications of flooding, both the anxiety of communities worrying about being flooded—whether that is in urban areas or for farmers as well—and the trauma when the flood comes.

We found in our mental health inquiry, and in previous flooding inquiries, that communities are looked after in the immediate term, but the minute that the blue lights leave and the waters subside, communities are left to fend for themselves. Is that something that you are looking at across Government—what we can do to support these frequently flooded communities to help them move forward?

Steve Barclay: There is specific funding for frequently flooded communities. That is the first thing. Secondly, as part of the wider capital programme—the £5.2 billion that the Environment Agency has—I am looking at how we streamline the approvals process in terms of those schemes? How do we better use modern methods of construction? How do we better leverage partnership funding? Are we using technology, around computer simulations and things, to predict the flows of water and how that varies? Again, speaking in a constituency capacity, I was always struck by the advanced modelling that the Dutch had around their flood risk and some of the lessons we can learn there.

Equally, in terms of streamlining our approach, I went up to one area where, every year, they put in temporary barriers. When I said, “Well, why is it railings and not a wall?”, it was because the local authority did not want to replace the railings, so they put temporary barriers up there. That was because, aesthetically, they thought that that was in keeping historically with the town landscape, when actually a wall would have provided a much better solution.

As climate change puts greater pressure on our flood defences, we are rolling out the capital programme, but I think that there is scope for us to look at that partnership funding, the streamlining and the use of technology, and perhaps then take stakeholders with us on some of the changes that they need to make.

- Q83 **Dr Hudson:** Just quickly, you have held a number of portfolios, but, from your experience as Health Secretary, in the Cabinet Office and cross-Government working, is supporting the mental health of the people who have been flooded something that that can be looked at across Government to support these communities? Yes, there is the technology and things like that, but supporting the people is one of the things that we have been looking at as a Committee.



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Steve Barclay: Of course, and I think that part of the reason that the Prime Minister announced the money for mental health charities was looking at that specifically. That was directed at farming charities. Obviously, flooding, by its nature, can flood a row of houses. It affects not just those working in farming; it can flood lots of stakeholders. Therefore, there is a role for DLUHC colleagues, in terms of how they are supporting those communities, what information we are giving people, and what levelling-up funds are available.

Q84 Chair: Secretary of State, I was very pleased to hear you mention grey water harvesting, which seems to have been the poor relation of measures you can take to improve the environmental performance of a property.

Would you agree that one of the problems is that clean water is metered into housing, but sewage isn't metered out? If there were to be new developments with a lot of grey water harvesting, would there need to be a conversation with Yorkshire Water and other companies around the country to determine how you would meter the clean water in, given that you are reducing the water bill but not the sewage treatment capacity need?

Steve Barclay: I will have to look at the detail of it. People always used to talk to me in the Treasury about dealing with the stop then the flow. If there is a problem with the new housing and we can take measures to avoid exacerbating that, we should be looking very actively at that. That is the discussion that we are having with DLUHC colleagues. That is in the plan for water, so it is not a new thing; it is something that the Government has already signalled.

More generally, it is about having a range of measures. We have not touched on farm reservoirs, for example, which have a hugely important role to play. We have not talked about drainage boards, which are not universal but are extremely important in certain parts of the country. The Minister for Water has announced £75 million of funding for drainage boards next year. That is particularly an issue in areas like Lincolnshire, but also in Somerset and elsewhere. There is a range of measures, but I want to signal that the point about new development in the plan for water has not been lost. It is something that we are talking to DLUHC about.

Q85 Chair: Your Department and its agencies obviously have contracts with various organisations to provide them with goods and services. I am sure you would agree with me that companies that show honesty and integrity in the way they conduct business will be the sort of companies that you would deal with. Following the Horizon Post Office scandal, we have seen the behaviour by Fujitsu, which was running the Horizon computer system, being exposed for what it is. Do you share concerns that the recent contract for the Environment Agency, which was extended, might raise a few eyebrows?

Steve Barclay: Sir Robert, I am not particularly sighted on that extension. The Permanent Secretary wants to come in. The Post Office



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scandal shocked us all in Parliament. We all found it deeply disturbing to see the distress it caused. I am not particularly sighted on that contract.

Q86 **Chair:** There has been a ban on new Government contracts with Fujitsu, and this is an extension of an existing contract. Is that right?

Tamara Finkelstein: Yes. The extension happened relatively recently. There isn't a Government requirement not to contract with Fujitsu, and it is quite a large contract, but obviously we keep all these things under review.

Steve Barclay: Let me take it away and come back to you. Part of the question is always how quickly one can transition, given the other priorities we have with the Environment Agency, particularly on flood protection. It is not always the case that one can simply lift and drop from one major supplier to another, so one would want to understand the extent to which the board has considered alternatives, and the extent to which that is practical, given how deeply ingrained that IT system is in their operational delivery. Perhaps, with the Permanent Secretary, we can come back to you on that.

Chair: Okay. Thank you very much indeed, Permanent Secretary and Secretary of State. I think it is fair to say that you have actually answered our questions, which can't always be said following these sessions. Thank you very much indeed for coming along and being so well briefed and honest with us on a number of issues. We appreciate that.