

Environment and Climate Change Committee

Corrected oral evidence: Secretary of State, Department for Environment, Food and Rural Affairs

Wednesday 27 November 2024

9.45 am

Watch the meeting

Members present: Baroness Sheehan (The Chair); Lord Duncan of Springbank; Lord Frost; Lord Grantchester; Lord Jay of Ewelme; The Earl of Leicester; Lord Ravensdale; Earl Russell; Lord Trees; Baroness Whitaker.

Evidence Session No. 1

Heard in Public

Questions 1 - 12

Witnesses

[I](#): Rt Hon Steve Reed OBE MP, Secretary of State, Department for Environment, Food and Rural Affairs; Sally Randall, Director-General for Environment, Department for Environment, Food and Rural Affairs; Emily Miles, Director-General for Food, Biosecurity and Trade, Department for Environment, Food and Rural Affairs.

Examination of witnesses

Steve Reed MP, Sally Randall and Emily Miles.

Q1 **The Chair:** Good morning and welcome, everyone, to the Lords Environment and Climate Change Committee. We are very pleased to have with us this morning the Secretary of State for Defra, the right honourable Steve Reed MP, and two of his senior departmental colleagues.

Before moving on to introductions, I remind everyone that the session is broadcast live and a transcript will be taken and made public. Witnesses will have the chance to review the transcript and, if necessary, make minor amendments. Members are reminded that they should declare any relevant interests before speaking for the first time. It is appropriate at this stage that I say that my husband and I jointly own grazing land in south Oxfordshire which is managed to encourage species-rich wild

flowers. I am a director of Peers for the Planet, which is an unpaid role.

Secretary of State, for the benefit of the record may I ask you and your colleagues from Defra to introduce yourselves?

Steve Reed MP: Thank you for your welcome, Chair. I am the Secretary of State for Defra.

Emily Miles: I am director-general for food, biosecurity and trade in Defra.

Sally Randall: I am director-general of environment in Defra.

Q2 **The Chair:** A big thank you to you all for being with us today. We appreciate how busy you must be in the aftermath of the dreadful flooding caused by Storm Bert at the weekend. As a committee, we express our deep sympathy to all those who have suffered as a consequence. We will of course look at flooding more closely in upcoming questions.

However, let us make a start on today's proceedings. Secretary of State, this Government come in at a time of great environmental challenges on both the domestic and international front. May I invite you to introduce your ambitions and priorities for the department you now lead?

Steve Reed MP: It is a pleasure to appear before the committee. Can I first echo your condolences to those who have been affected by the flooding? I have made sure that I am kept regularly updated about what is going on. I can answer questions on the flooding, if the committee chooses to ask about that subject later.

A new Government have come in. I am the new Secretary of State for the Department for Environment, Food and Rural Affairs. We want to take the department in perhaps a different direction from where it was going before. I have tried to do that by outlining five priorities for the department. Through the spending review process and other mechanisms, we are making sure that we align our resources with the priorities on which we are telling the public we want to make an impact. I will take the committee briefly through each of those subject areas. I am sure we will get into it in more detail in further questioning.

The No. 1 priority is the issue in my department that is of most concern to the public, as expressed during the many visits I made during the general election and in polling focus groups: the state of our waterways. The public are furious that we have rivers, lakes and seas that currently have the highest level of pollution on record. In part, that is to do with failings in the water sector itself where the state of our water assets—the sewerage system—has become so poor that there are now high levels of illegal and unauthorised sewage discharges into our waterways. That is of huge concern to the public. Around 40%—

The Chair: We will come to water in our questions.

Steve Reed MP: Fantastic. About 40% of the pollution is agricultural run-off and another 10% is from other sources, including highways run-off. I have appointed Sir Jon Cunliffe, former deputy governor of the Bank of England and Second Permanent Secretary at the Treasury, who understands investment and regulation, to lead a review—a commission that is reviewing the sector focusing particularly on regulation and governance, as well as on other aspects of how we can improve our water sector and ensure that it works for the public and the environment. That is our top priority.

The second priority is the move to a circular economy. The United Kingdom was falling behind many of our competitors in the world in our ambition to recycle and reuse materials. There are many reasons why you would do that. Industry is pushing us to do more on that, but by moving to a circular economy we can more quickly meet our net-zero obligations. Reusing metal creates 90% less carbon than mining it fresh and importing it into the country. It creates jobs and investment up and down the country, funded by the private sector building new facilities to reuse materials. That creates new jobs, which will be welcome at a time when we need to be growing the regional economy. If we use more materials that are already in the country it will reduce reliance on international supply chains, which are becoming increasingly volatile, and give our industry and businesses a profitability boost. Ultimately, it will be cheaper to reuse materials than to use new materials. There are many reasons why we would seek to pursue a circular economy.

The third priority we have outlined—these are not in order of importance—is food security. If anybody was unaware that food security is national security, global shocks such as the pandemic, what happened with Russia’s illegal invasion of Ukraine and incidents around the Middle East and the Red Sea have shown us why we need to focus more on food security in our country, so a priority for us is supporting those who are responsible for providing our food domestically.

The fourth priority is nature’s recovery. Our country is one of the most nature-depleted countries in the world. Half our bird species and a third of our mammal species are at risk of domestic extinction. There is a desperate need for us to do more to help nature recover. We have to do that in a way that also supports the Government in meeting our other ambitions, for instance the huge housebuilding programme we have outlined. We need to do that while we also help nature to recover, and our ambitions around biodiversity net gain are intended to help us achieve that.

The fifth priority, underscored over the past weekend, is to protect the public, the country and businesses from the devastating impacts of flooding. We saw with Storm Bert the importance of that, and the fact that our flood defences are currently in the worst condition on record is a concern to the Government. We are looking at how we can focus much more on maintenance as well as building the new flood defences that the country needs. Cleaning up the waterways, circular economy, food

security, helping nature to recover, and protection from flooding are the five priorities we have outlined for the department.

The Chair: I understand that one of your priorities is reducing greenhouse gases. Is that the case?

Steve Reed MP: Yes; that fits in with protecting nature.

The Chair: With respect to reducing greenhouse gas emissions, you will be working across government departments. How do you co-ordinate that work? To deliver all these priorities you will need to work across government. How that work takes place would be of interest.

Steve Reed MP: A lot of our mechanism for meeting those objectives is through the Environment Act targets and the environment improvement plan, which we inherited from the previous Government. There is a series of targets in that for how we can help to reduce greenhouse gases, as well as achieving other benefits and improvements for the economy, including supporting and nurturing landscapes that can help to capture and store more carbon. The environment improvement plan we inherited did not have a delivery plan attached to each of those targets, so quite early after my appointment I instructed that there be a rapid review of the EIP. I asked the department to work with stakeholders, including environmental NGOs, on attaching delivery plans to them and making sure the targets themselves were fit for purpose. I am due to receive the report on that by the end of this year.

The Chair: I think we will come to that in a later question. So that I can finish my line of questioning, I want to introduce you a little bit to the work this committee has been doing in the last several months. Just last week we signed off on a report on methane. What is the department doing to bear down on methane emissions from the agriculture sector?

Steve Reed MP: I am very aware that agriculture is one of the main sources of methane emissions. We are currently looking at what more we can do with animal feed that will reduce methane emissions from livestock. That piece of work is currently in train, and I would be happy to update the committee when we have further information on that. The second source is from biodegradable material that goes to landfill. We are looking to eliminate that by 2028 and are making good progress on that particular front. It is a target we are working towards, and I am sure the committee will want to keep an eye on how we are doing on that.

Q3 **Earl Russell:** Good morning, Secretary of State. It is a pleasure to have you before us. I declare my interest as set out on the register. I am a non-executive director of the Water Retail Company.

I want to ask a couple of questions on resources and finance for your department. Given the range of priorities that Defra must cover with its budget of £7.5 billion, how confident are you that the department and your associated agencies and public bodies have sufficient resources to meet all your priorities? I note that the money available is half what is available for DESNZ. How confident are you that you have the financial

resources you need to fulfil all your obligations?

Steve Reed MP: The budgets available to any department will always be a function of the financial circumstances in which the Government find themselves. Those are well known. I will not rehearse the difficulties that the Chancellor has had to confront in trying to plug the black hole in the finances to stabilise the economy and reinvest in public services. We all accept that.

Given those circumstances, the fact is that this year's budget settlement gave Defra a total of £7.5 billion. That is the biggest budget the department has ever had and is to be welcomed, given the difficult circumstances. Of that, £2.7 billion is capital, or CDEL as they call it here, and £4.8 billion is RDEL. Of that, the bulk—about £5 billion—goes to supporting farming and agriculture. Incidentally, it is the biggest budget in the country's history for sustainable food production and nature, because the ELM schemes, as well as supporting farming, are our main budget for supporting nature's recovery as we help support farming to transition to more environmentally and, I hope, financially sustainable models of farming.

The second biggest chunk of that—£2.4 billion—goes to flooding over the next two years. That is an increase per annum on the amount available this year, which is £1.05 billion. I think that is entirely the right thing to do given that over 3,000 of our flood defences—our key flood assets—have been assessed as below the required standard. It is not acceptable that home owners, business owners, property owners and indeed farmers should not be supported better in the face of the consequences of flooding.

Earl Russell: On the issue of flooding, obviously I share in sending this committee's condolences and sorrow to everybody who has been affected by Storm Bert. Under the previous Government we saw a 40% reduction in the money available for flood defences and a number of projects were dropped. Considering the rapid pace of climate change, are you confident that the budgets you have are sufficient to meet the rapidly changing climate, in particular in relation to surface water run-off and the problems that we have?

Steve Reed MP: Given the circumstances, yes. If we were in different economic circumstances we would seek something different, but we have to take account of the economic circumstances; otherwise, we can never fix the causes of financial uncertainty, which damaged the previous Government's ability to invest more in things that are important to all of us, like flood defences.

I was pleased that we were able not only to protect the flooding budget but to increase it for the next two years over what we have this year. We have to look at different and better ways to manage things. We are always looking in government at how we do better for less. We have to do better for less. That is effectively productivity gain. We need to make every pound work better for the taxpayers we seek to serve. For

instance, I think there is more we can do through the ELM schemes to promote natural flood management; planting more trees, but other things further up stream that help the land hold more water so that when we get heavy rain—we have another storm on the way now and had Storm Bert at the weekend—the land will hold more water. There is less coursing through the waterways and less flooding downstream, so it is not just flood defences, important as those are; we will be focusing particularly on maintenance over the coming year, given the high state of dilapidation of some of those assets. It is also about how we can look to do things differently through other budgets.

Earl Russell: In terms of future budgets, can I take it that flooding and flood defences is one of the areas you will continue to fight for?

Steve Reed MP: It is one of the areas I will continue to fight for. Absolutely. The first round of the spending review led to the recent Budget. Of course, the spending review continues towards the spring statement and beyond with a multiyear settlement in prospect. Flooding and the need to strengthen our flood defences will be a priority for me to push for through that process.

The Chair: There are two supplementaries, one from the Earl of Leicester and one from Lord Grantchester. Can I remind both members that the following question is on farming schemes and incentives?

The Earl of Leicester: My interests are as set out in the register. I have a large mixed farm, arable, cattle and sheep; I am a landowner and have farm tenants. My organisation runs the largest national nature reserve in the country at Holkham in Norfolk.

My question has been part-answered by you, Secretary of State. I want to know at this stage whether you have any idea what percentage of money for flood defences will be directed at hard defences and what percentage will be directed at nature-based solutions.

Steve Reed MP: I do not know entirely at the moment. My colleagues might have a view on that. Currently, we are rolling out the ELM schemes. We have changed some of the SFI schemes to increase the number of actions that can be funded, from about 23 previously to just over 100 different actions now. That will include more natural flood management approaches as well. We are increasing that, but it is still rolling out, so I cannot tell you precisely how many are being funded right now, although my colleagues, who tend to have more detail in front of them than I do, may be able to add something helpful on that point.

This year, we are focusing on maintenance in particular. As I say, we have over 3,000 assets that are below the standard they should be at. It is important that we better maintain those assets. It is cheaper to maintain them now than allow them to fall to a greater level of disrepair and then we have to pay more to get to the same point further down the line. We are very aware too that there is a need for more and new flood defences. As a result of climate change, we see more severe weather

events, including flooding. That is causing more problems for home owners, business owners, farmers and landowners, and we want to make sure we are putting in place the defences they require. Would you like one of my colleagues to answer the point?

The Chair: Very succinctly.

Emily Miles: I do not have loads to add, other than that under the sustainable farming incentive there are 102 actions available and it is for farmers to choose those at the moment. The scheme has been open only briefly. The Secretary of State is planning to do a farming road map, which will set out for the future how we might want to target those actions more specifically, and we will be doing that bit of thinking in the next few months.

The Earl of Leicester: You do not have any broad views on percentages—for example, 70% hard and 30% other measures.

Emily Miles: Not that I can say off the top of my head. I can find out more.

Steve Reed MP: It may be helpful to add that the Environment Agency has not yet allocated the funding. It will be doing that through its usual processes with regional committees engaging with local stakeholders over the next few weeks.

The Chair: Excellent.

Lord Grantchester: Welcome, Secretary of State and colleagues. I declare my interest as having a dairy holding in Cheshire.

I have a very quick supplementary. Noting the budget of £7.5 billion, presumably that is per annum. Aware as I am that the Treasury does not like multi-annual budgets, you made mention of agriculture having £5 billion. I understand that is over two years.

Steve Reed MP: That is correct. You are absolutely right to pick that up.

Lord Grantchester: I wondered whether in terms of funding packages ahead and the long-term nature of the investments and programmes needed, especially in farming and agriculture, you might set out a little bit of your thinking, and whether there can be multi-annual commitments in the move towards the programmes. Maybe you could outline them for us, perhaps in a supplementary note rather than now.

Steve Reed MP: Yes.

Lord Grantchester: It depends on multi-annual—

The Chair: Secretary of State, before you answer that, may I bring in Lord Jay because his question will also touch on it? Maybe you can take the two together.

Q4 **Lord Jay of Ewelme:** I declare an interest, too, as I saw Sir Jon Cunliffe

at a meeting yesterday, but I am not going to ask about water today. I want to ask about agriculture and sustainability. I do not want to go over the rather lengthy evidence you gave to the House of Commons last week, but you said that, so far, £5 billion of Defra's budget for 2025-26 would be spent on supporting "transition towards a more productive and environmentally sustainable agriculture". How do you balance the need for greater productivity and environmental sustainability, or do they go together? Does one lead to the other? What is your thinking about that rather difficult balance?

Steve Reed MP: It is a great question that goes to the heart of the challenge in agriculture. I am grateful for the correction. The £5 billion was a two-year budget, and I am glad that you have given me the opportunity to correct that.

The Chair: I remind you, Secretary of State, that if there are questions that have not been addressed please feel free to complete your evidence in writing after the meeting.

Steve Reed MP: Thank you very much. The Chancellor has expressed her ambition to move to multiyear settlements. It is more predictable and, therefore, easier for everybody to manage. That would affect Defra too, and it is something I would very strongly support.

The question about supporting farming and transitioning to a more sustainable model of farming is that I do not see those two things as opposed; I see them as having necessarily to work together. I have spoken up and down the country to farmers who are in a way pioneering more environmentally sustainable approaches. They demonstrated to me how they had increased their profitability by doing that and are increasing their yield for the long term. If farming were not to transition and we kept depleting soil rather than seeking to replenish it, it would, for instance, require farmers to pay for more fertiliser to put on the soil and then dump it on the soil. A lot of it runs off because the soil is of poor quality and cannot hold it. That leads to water pollution. That is just one example of how the old models of farming are not sustainable in future.

By moving to a more environmentally friendly model of farming, where you would use green fertiliser, for instance, and grow things that you could plough back into the soil to increase its organic content and its nutritional value as well, the farmer would pay less for fertiliser, which is a financial benefit to the farmer. Crop yields can be just as good, or even better, by farming with the new methods. There would be far less running off into our water and, therefore, less need to clean the water from the pollution running into it. If we do it that way, it is benefit, benefit, benefit across the system.

My view in coming in—I think this is a bit different from where we were before—is that I do not think it is appropriate for Defra, or a government department, to tell farming how it needs to transition. The experts are the farmers. I am very keen that we have a farmer-led model of transitioning to the new scheme. We are launching a consultation on the

farming road map, as we call it, and inviting the sector to tell us what it needs in order to transition to the new models of farming. I am determined that it will be farmer-led because that is where the expertise is. As time goes on, we will look at how we can adjust the ELM schemes and other funding pots that we have to support the transition in the way farmers see best. I think we will get better outcomes that way; we will get to the destination, if that is the right term, more quickly, and I think the farming sector is much more likely to adapt to the road map if it feels ownership and control of what it is being asked to do.

Lord Jay of Ewelme: You talked about the need, which I completely understand, for a farmer-led approach. We have the Earl of Leicester on the one hand, and on the other I spend some time in the Pennines with small sheep farmers there. If you are a small sheep farmer in the Pennines, worried about run-off and so on, will ELMS help you? How will you help them, or how will they seek help for the sort of sustainability bit of their farms?

Steve Reed MP: ELMS can help you because they can help you manage your soil differently so that the land holds more water; they help you reduce your use of fertiliser so there is less to run off in the first place. They can help you to build barriers or to plant along rivers. That will stop things flowing into rivers, so there are things already in ELMS. As we said earlier, we have increased the number of actions that can be funded through ELMS and SFI from 23 to 102 now. That is not the endpoint; we can keep adjusting it to help support farmers to do the things that farmers need to do. I do not know whether my colleagues want to add to that.

Emily Miles: For sheep farmers, there are also approaches where density of grazing can be adjusted and there can be financial compensation for that through one of the schemes. The other thing I want to mention is that, while the bulk of the budget that we spend on farming is for environmental land management schemes—this year it is about £1.1 billion—we also have some moneys that we put into the productivity and innovation side. The £1.1 billion is the RDEL, so overall with capital as well it is £1.3 billion. On the productivity and innovation side, including the farming recovery fund, which is compensation for flood damage, we are putting in about £290 million. That includes funding for things like the Institute for Agriculture and Horticulture and growing skills for producer organisation support so that they are thinking about productivity in a deeper way. We are trying to do both through the funding, and there is the environmental regulation as well.

Lord Trees: Thank you very much, Secretary of State, for giving us your time and coming here. You mentioned sustainability transition. One of the important ones in farming is net zero. Coming back to the Chair's original question about emissions and so on, and agricultural greenhouse gas emissions, particularly methane, there appears to be very little, if any, priority given in ELMS and the SFI to incentivise farmers to mitigate methane emissions in particular, even though the Agriculture Act 2020

gives the Secretary of State powers to provide support for climate change mitigation. Would you agree that that is a fair comment, and could you do more?

Steve Reed MP: I think that is a fair comment. We are aware that we need to do more on methane. For instance, with feed, currently we are still working with stakeholders in the industry to explore the best way that we can increase the use of methane-suppressing food products. Many of those are still in development. It is an agenda that we are aware of and where we know we need to push harder, and we are talking to stakeholders and the sector about what more we can do. I invite my colleague to come in on that point.

Emily Miles: There are a couple of things that we fund through the SFI that would help with methane emissions: slurry management, which we fund through the broader environmental schemes; and if we are funding things for cover crops to maintain soil cover in fallow periods, that would also assist with reducing methane emissions. Overall, we have identified about 25 measures that we think could make a significant difference to methane emissions in agriculture. The one that would make the biggest difference is something that would suppress methane emissions from livestock with feed products, which is what the Secretary of State just referred to. Other things like conventional breeding, more precise use of fertilisers, cover crops, fixing nitrogen with grass-legume mixes and so on are all the sorts of things that we are looking at how to incentivise better, some of which can be done through the grants at the moment and some where we could amend how we approach the funding to incentivise them better.

Lord Trees: Improving health and productivity would also be a major tool.

Emily Miles: That is on my list as well, in the 25 things. Improving animal health makes a huge difference.

Lord Trees: Thank you.

The Earl of Leicester: Secretary of State, I am glad to hear that you understand the brief about regen farming and the increased profitability, and indeed time, available to farmers who take this up. Yield has not necessarily, from my own experience, increased, but profitability and improved soil health have. My concern about referring to the Budget is the huge reduction in BPS, which, frankly, if I am being cynical, would equate to the £5 billion that you have promised over the next two years. It really has created a timing issue. Upland farmers, who are at the vanguard of environmental improvements and already are fairly marginal, will be hit very hard by the timing. I know of another farmer who has 1,500 acres. His money that has been taken away from the BPS was budgeted purely to provide for the salary of a farm worker to provide all the environmental benefits. A lot of damage has been caused by the Budget vis-à-vis farmers' ability to enact environmental works.

Steve Reed MP: I will not shy away from the fact that the Budget involved a lot of difficult decisions, and you have just described the impact of some of them. To go back to why that was, in order to seek to stabilise the economy, plug the multibillion pound gap in the public finances and find money to invest in broken public services, particularly the NHS, which farmers and people in rural communities use, of course, every bit as much as everybody else, we have had to take some difficult decisions. In Defra, looking at the farming part of the budget, the farming budgets, it seemed to me better to focus on the ELM schemes and protecting those because those are the levers we have to support farming to transition to models of farming that will be more sustainable financially as well as environmentally in the future. Therefore, something else had to give, and I am afraid it was the basic payments scheme, which in the round offers less value for money than the SFI or other ELM schemes.

In managing that reduction, we sought to protect the smallest farmers the most because we were aware that they were the ones who would be most reliant on that source of income and find it harder to be able to adapt. We sought to protect those people through the scheme. I was encouraged that Tom Bradshaw, the president of the National Farmers' Union, said publicly that he thought we had done the right thing in the balance we had found between the two for the reasons that I just outlined. I do not resile for one moment from recognising the difficulties that these decisions have caused to some farmers, particularly smaller hill farmers, in the way you described.

The Earl of Leicester: Is it fair to say that the Treasury made those difficult decisions without a great deal of reference to Defra?

Steve Reed MP: No, that is not true. The Budget is an iterative process. I am sure you all know that. It would be inappropriate for me to go through those conversations in detail. The whole Government endorse the Budget before the Chancellor announces it. I thought in looking at the balance between the ELM schemes and the basic payments scheme that the best thing to do was to protect the ELM schemes and therefore ask basic payments to take more of the strain. The fact that that was then endorsed by the president of the National Farmers' Union helped reinforce my view that we had done the right thing.

The Chair: Lovely, thank you very much. We move on to Lord Frost, and I think it is on nature still and ELMS. Oh, you have a question, Lord Duncan. Do you think it could wait?

Lord Duncan of Springbank: It really follows on from the ones we have just had if that is all right.

The Chair: Okay. If you can ask your question quickly, that would be great. Sorry, Lord Frost. You will have to wait a little bit longer.

Q5 **Lord Duncan of Springbank:** Sorry, Lord Frost. Secretary of State, the department has paused the capital grant scheme that underpins the ELMS, and there is some unease among the farming community about

that. Can you comment on when the pause will be lifted? You also talk about rationalising and simplifying the scheme. Can you give some insight into what that would mean?

Steve Reed MP: Yes. I will invite my colleague to come in on that. It is a decision that was taken very recently because the number of applications was higher than anticipated, and it is important that we manage our budgets and do not overspend those budgets. Pauses have to happen if the number of applications is higher than anticipated and more money is likely to go out. I am very determined that Defra will remain within its budget constraints within the year, because if we overspend it only causes other problems for other parts of our budget or for the Government more widely. My colleague will have something to say on the detail of that.

Emily Miles: We have temporarily closed it to new applicants. There are applicants this year who applied and succeeded in getting money. Then we were oversubscribed, and there are some who are now sitting there who put in an application and for whom we have had to pause those applications. In early 2025, we will review the situation and get in touch with the existing applicants, and then we will take a decision before the beginning of the next financial year about when to reopen. It is just about managing budgets.

Lord Duncan of Springbank: In some respects, of course, those grants are at the very heart of what you are trying to do, which is improve through their use.

Steve Reed MP: That is absolutely right.

Emily Miles: Yes, it includes things like the agroforestry actions that we had added. There are some that are still open. We are keeping the peat grants and woodland health stuff open. There is a bit more detail in our press release yesterday about that. The main 75 capital items that we had offered have been paused for now.

Steve Reed MP: The SFI schemes more widely are open now, and people are applying for those. It is disappointing whenever you have to pause something, but it is important that we remain within budget. Given the financial circumstances that we are in, we cannot allow some parts of the budget to overspend and cause knock-on effects on other budgets that we would then have to cut. We are simply trying to manage the budget within the financial year.

The Chair: Before I move on to Lord Frost, I will use Chair's prerogative and ask a quick follow-up question about the grant for farming in protected landscapes, the FiPL, which is due to end in March 2025. What are the Government's intentions with respect to that?

Steve Reed MP: We have extended the advice support beyond next March. We have not made announcements other than that. That will come in due course. We recognise the importance of FiPL to the farmers and others who are interested in those landscapes, and of course the

contribution those landscapes make to our wider environmental ambitions, including 30 by 30. It is something that we are keeping a very close eye on.

The Chair: You are very mindful of the success of that scheme.

Steve Reed MP: Yes.

The Chair: Thank you. Lord Frost, I apologise.

Lord Frost: That is all right. Thank you, Chair, and welcome Secretary of State. I declare an interest—I am not sure that it is entirely relevant, but I declare it anyway—as a trustee of the Global Warming Policy Foundation.

I want to ask a bit further about the question of the trade-off between the ELMS paying for public goods and actual food production and security. If I understood you rightly just now, you were rather denying that there was such a trade-off, at least in the medium and long term, but I must say that certainly farmers I speak to around the country say there is a trade-off and there are different incentives on them. I note that the NFU vice-president said some time back that for arable farmers some of the best-paying options are where you take land out of production. I just want to ask a bit further. Are we sure there is not a trade-off between public goods and food production and the connected food security issues?

Steve Reed MP: A lot of what Defra does is actually about trade-offs. We are always balancing different interests there. There is a trade-off, but it can be managed and balanced. That is the best way to put it. As originally envisaged, the ELM schemes were paying farmers to do things to promote the restoration of nature. Growing flowers is how some of them describe it to you. It goes way further than that, of course. It was always intended to then move towards supporting a transition in farming to more environmentally and financially sustainable models for the future. My view is that that got lost a bit along the way. What we are trying to do with the farming road map is restore it as the vision of where we want to get to. We balance what you are describing as trade-offs because they can work well together in the interests of both food production and nature restoration. They did get a bit out of kilter, if I am really honest.

The increase in actions that you can be paid for through SFI is a move in that direction, but the purpose of the farming road map will be to go much further down that road. We are not clear about where we want the sector to get to, or when. If you are not clear about your destination, who knows what destination you might end up at? I am very keen that we should work with the sector in a way that co-produces the whole programme so that we can be much clearer for ourselves, for them and for the public about what that money is doing and how it is supporting farming to get there and how it supports food security. You are right; there are trade-offs. We are trying to balance them, and this new co-

produced approach to defining the farming road map will mean that farmers can feel and be in the lead about the journey that we all know we need to go on. Does that help?

Lord Frost: Yes, thank you. It is encouraging as far as it goes. One of the big factors as you develop policy in this area—maybe I am anticipating the road map—is to what extent the Government think that the country should aim at food self-sufficiency. Obviously, we will never get 100% food self-sufficiency or probably even close to it, but do the Government have a view on whether we should be trying to increase self-sufficiency? Is there a target number, or is food self-sufficiency and security just a function of lots and lots of other policies, and out of the end of it comes a food production number?

Steve Reed MP: You raise really interesting points. I will point to two things. One relates a bit to what you said earlier, and then I will come straight on to the point you raise now. Early in the new year we will publish a land use framework, and that will look at how we balance the use of land for food production with the use of land for nature recovery, as well as working with colleagues in the Ministry of Housing, Communities and Local Government and DESNZ, and how it takes account of the energy infrastructure, spatial plan and development spatial plan. We have a limited amount of land for the many uses that we demand of it. Without some kind of guiding strategy, it is very difficult to make sure that we achieve all the things that we ask of the land as a country. Our land use framework will be published. You made a comment earlier about agricultural land being taken out of production. The framework will help us to ensure that agricultural land is protected for food production.

The second point you moved on to was about food security. Food security is about security of supply of high-quality, affordable, accessible food. There is a balance between what we produce domestically and what we import. We cannot produce all the food that we want to eat because of the size of the land available or the kind of food that we want. Some of it just will not grow in this climate, so of course we have to import some things. It will always be about a balance. A land use framework could help with that, and so could a much more explicit food strategy. The Government have not had an explicit food strategy. It is something that we are in the very early stages of working towards. It will not be about telling people what they can and cannot eat; it will be much more about ensuring that people have information to allow informed choices and then access to high-quality, affordable and accessible food where they need it. We are working across departments, particularly with the Department for Business and Trade, the Department for Education and the Department of Health and Social Care as to what that food strategy would need to look like.

The Chair: Thank you. I see that Earl Russell would like to come in. Do you think you could hold your question, Earl Russell, because at the moment I think Lord Trees's question on land use strategy would be very

useful?

Q6 Lord Trees: Thank you, Chair. I am sorry I did not mention declarations of interest, but I have none specifically regarding this, other than that I am a passionate naturalist and a veterinarian.

Following up on the land use framework, I am very pleased to hear that it is to be published early next year. Regarding food security targets, somewhere in our paperwork we read that your target is that we produce in the UK 50% of what we consume in the UK, which is a fairly ambitious but realisable target, I am sure. One of the concerns is that it is not just traditional farmers producing that. At the minute, we see a lot of land bought up by investment companies and others for various land use purposes without, at the minute, any strategic and coherent plan. Could you comment on that and whether one can put any sort of brake on it until there is a land use framework in position?

In developing the land use framework, are there some evidence-based targets for the amount of land we will need for food production versus energy production versus nature recovery and so on, or is that a bit simplistic? I notice in some of the papers that it is estimated that 3% of utilised agricultural area would be required for a grass buffer strip or flower mix. Somebody has obviously gone into some detail to try to quantify roughly the land needed.

Steve Reed MP: We will be launching a consultation on the land use framework initially, rather than just coming out with the land use framework itself. It will be intended to cover precisely the points that you make: how much land we need for food production compared to how much land we need to put aside to make sure that we help nature to recover, meeting our 30 by 30 obligations, which are the subject of international treaties to which the UK has committed. It will be seeking to do those things as well as working with full sight of the spatial plans for energy infrastructure, housing and other development, and our biodiversity net gain ambitions, because our intention is to work with developers to provide funding to pay for not just the restoration of any nature that is lost as a result of that development but a net gain, an increase in the amount of nature that will be available. There are a lot of interacting strategies. The consultation on the land use framework will be going out early in the new year, and it will be an important piece of work. It is important that we get it right because it will be fundamental to balancing the trade-offs, the different interests that you are talking about, all of which are of vital interest to the country.

You asked about investors coming in and buying up agricultural land, often, not always, with the intention of avoiding an inheritance tax liability. The changes that the Chancellor has announced to inheritance tax are intended in part to start to tackle that. Some of the changes we have made to basic payments as well are driven by the financial necessities of the circumstances we find ourselves in. Speeding up the tailing off of basic payments means that payments are not just going for owning land any more. That should put downward pressure on land

values. For me, it is desirable that we should be helping to put downward pressure on the price of land because it stops farmers who want to expand buying the land that they need to increase the size of their farm. It stops younger farmers realising their dream of owning a farm. Land price inflation is escalating way above general inflation and has done for many years, and that is to the detriment of farming and food production in the country.

Lord Trees: Will Defra own the framework? It will obviously need a lot of cross-departmental collaboration.

Steve Reed MP: We own the land use framework that will be looking at food production and nature. DESNZ will own the energy infrastructure part. MHCLG will own the spatial development. The three of them will be sighted of each other and operate together.

The Chair: I am conscious that Lord Ravensdale's question is on the very issue of competing priorities. I have first Earl Russell, then Lord Duncan, and then the Earl of Leicester. Please be aware that the following question from Lord Ravensdale is also on this issue.

Earl Russell: Very briefly, Minister, going back to the trade-offs between food security, could you comment very briefly? We have had the lowest harvest since 1988 this year. Could you give us a comment on that side of the trade-off as well and what your department is doing to continually monitor our food security and predictions going forward for the impact of climate change?

Steve Reed MP: Absolutely.

The Chair: We need quick answers now.

Steve Reed MP: Okay. Quickly, the flood defences that I talked about earlier would help with that. I was very pleased that in the Budget we were able to allocate £60 million to the farming recovery fund, which is to help farms that were devastated, which is not too strong a word to use, by the floods earlier this year. Similar things may happen over the coming winter. We hope not but we do not know. It is important that we are all focusing on the flood defences, the maintenance of the existing assets and the building of the new assets that we need to help farmers as they adapt to the impacts of a changing climate. As you say, the harvest this year demonstrated the problems that that started to create for us and the need for a balance between domestic food production and what we import.

Emily Miles: Can I answer the question about what we monitor? We produced a food security report, which looks at the five issues that were set out in the Agriculture Act: the question about global food availability; UK food supply; supply chain resilience, which looks at the physical economic human infrastructure sitting behind food; household level food security—not just national, but what in individual homes they can afford and access—and the question of food safety and consumer confidence in

the food. If the food was fraudulent or if it was filled with E. coli, we would not have food security either. We collect all that information, and we are due to publish it in the next month or so for the next iteration of the report. That is the big-picture piece. Day by day, we monitor in the department particular supply chain shocks or particular commodities or issues that we are using in a much more tactical fashion as well.

The Chair: Thank you. If there is any further information you would like to submit to the committee, please can you do so in writing? It is an important issue. Lord Duncan, then the Earl of Leicester, and then it will be Lord Ravensdale. We must pick up the pace, colleagues.

Q7 **Lord Duncan of Springbank:** This is a very quick question. Are you comfortable that no land will be taken out of productive farming as a consequence of the inheritance tax changes?

Steve Reed MP: The measures that we are putting in place through the land use framework will help to ensure that land is kept in agricultural production. The biggest source of land going out of agricultural production is not the changes that have just been made; it is the fact that there is too big an incentive to non-farmers, wealthy people, to come in and buy land as a means of reducing their inheritance tax liability. Last year, the majority of agricultural land that was sold went to non-farmers, and the circumstances I just described would be a big driver of that. The changes to inheritance tax actually reduce the incentive to wealthy individuals to do that. It may well end up that less land is taken out of agricultural production as a result of the changes.

Lord Duncan of Springbank: Your argument is that this should be good for productive farming. It would actually be a benefit to the farming community rather than a loss.

Steve Reed MP: If we can stop the upward pressure on land price inflation that stops farmers buying land, either existing farmers or young farmers who want a farm of their own, and reduce the incentive for wealthy individuals from non-farming backgrounds to buy land to avoid their own tax liabilities, that has to be good for farming and for food production.

The Earl of Leicester: Secretary of State, following on from that, let us say that these rich people who buy land to escape inheritance tax get other people to farm the land, so that land is still farmed. I think you missed the point that Lord Trees made when he talked about large investment trusts coming in and corporates coming in to buy. Those large organisations have something in common with other large organisations and landholders such as the MoD or the National Trust. It is that they do not die. There is a distinct disadvantage being placed on the private landowner. For you to believe that what you are proposing to do or trying to do will reduce land values significantly, to allow new entrants into farming as somebody who is actually going to buy land, is for the birds.

Steve Reed MP: I do not agree with that. I will not rehearse the arguments I made before, but I stand by them. The more general points you make about inheritance tax apply generally, not just to farming and agriculture.

The Chair: Thank you. We will move on.

Q8 **Lord Ravensdale:** Thank you, Chair, and welcome, Secretary of State. I first declare my interests in the register, including as a chief engineer working for AtkinsRéalis in the energy industry.

One of the biggest obstacles to the Government's No. 1 mission of economic growth is getting stuff built—getting large infrastructure built. That is well recognised by the Chancellor. Growth is the problem. Investment is the solution. There are a number of examples where environmental permitting and regulation have made it very difficult to get large infrastructure built. There are lots of examples, such as the £100 million bat shed on the High Speed 2 line and the acoustic fish deterrent system at Hinkley Point C. Everyone has their favourite examples. Some of these things have a direct impact on other areas of our environmental targets such as net zero and the ability to build energy infrastructure. Obviously, environmental regulation is important. It is there for a reason, but there is an argument that it has gone too far one way. Often, the problem is that the regulators consider the impact on specific sites of the infrastructure but not the broader benefits to climate and the environment. I am interested to get your views on that and what work is ongoing in the department to try to swing the balance and allow large infrastructure projects to get through the planning system and through environmental regulation.

Steve Reed MP: Thank you for the question. I recognise the problem that you describe. I asked Dan Corry, who is the former head of the No. 10 Policy Unit and who has a lifelong interest in regulation, to lead a review for me of Defra's regulators. The two things I asked him to look at were fitness for purpose, whether they are doing what they should be doing, what they were set up to do, or whether their reach has grown since they were set up; and, secondly, whether they promote the Government's wider missions, particularly the growth mission. I think I am due an interim report early in the new year and then a final report later in the spring. I very much look forward to receiving that because I think it will answer, or help to answer, some of the questions that you asked me.

My instinct, without having had the benefit of seeing what Mr Corry is going to recommend, is that we need a model of regulation that is sensible. Of course, we all want to protect our species and help species loss to stop and reverse. There are plenty of good reasons why we would want to do that, but we also need to allow growth to happen and development to happen, whether it is transport infrastructure, which you referred to, housing development, manufacturing or whatever else it might be. All of that needs to go ahead as well. Lord Frost talked about trade-offs earlier. These are trade-offs. Sometimes the balance becomes

a bit wrong over time and we need to adjust it. We will be looking, with Mr Corry's review in part at least, to make sure that that balance is in the right place. I have invited the environmental NGOs to work with us on it as well. I do not want people to think that we are in any way trying to reduce the scale of our ambitions on habitat or support for habitats or species, but it is important that periodically you look at the balance to make sure that it is right.

Lord Ravensdale: Thank you. It is really good to hear that that review is taking place. I look forward to seeing its outputs as well. I want to pick up on the point the Chair made earlier about join-up between government departments because clearly this is an area that affects DESNZ, MHCLG in terms of planning, your department Defra, and the Treasury in terms of economic growth. What mechanism is in place to get systems-level join-up across government in these kinds of areas?

Steve Reed MP: We have a cross-departmental group that looks at precisely that. One mechanism that is coming up the tracks quite fast is the planning and infrastructure Bill. Some of this can be located in that, and the various departments that you described all have an interest in it and are all speaking together to make sure it comes out in a way that optimises all the outcomes that we can hope to achieve.

Sally Randall: In very practical terms, in my team we spend much of our day sitting with colleagues from the energy department and HCLG working through the detail of the planning and infrastructure Bill, working through the spatial planning aspects of the clean energy mission in particular, working through the details of where there are regulatory barriers and where those can be addressed through better mechanisms without reducing environmental protections. It is very much a focus of our day-to-day work.

The Chair: Thank you. We will move on to a question on targets. I will take Earl Russell's and Lord Grantchester's two questions one after the other because I think the answers will overlap. Earl Russell first and then Lord Grantchester, and then you will have opportunities to come in with supplementaries.

Q9 **Earl Russell:** I would like to ask you, Secretary of State, to provide an update on your review of the environmental improvement plan. How do you ensure that progress will be made on any imminent 2028 and 2030 targets, particularly in light of recent spending cuts that have been announced? Related to that, I want to ask you about the Office for Environmental Protection, which was very critical of the environmental improvement plan. When do you feel your department will be able to respond to its January 2024 report on that? Obviously, these are crucial, important, big and challenging targets for the Government, and were for the last Government, so I am really interested to hear from you generally on that.

Steve Reed MP: Do you want me to answer that straightaway, Chair?

The Chair: No. I will go to Lord Grantchester.

Lord Grantchester: Following up on the fourth priority, on the environment, my specific follow-up question was going to be in two parts, but I am very happy to roll them up together. The 30 by 30 target is contained very much within the EIP, coming from the global biodiversity framework agreement of December 2022. In answering both these questions, can you update us a little bit on the new criteria that would count towards 30 by 30? How will you take that forward with all the—should one say?—grey areas around 30 by 30? What comes? What does not? Following on from that, the role of Natural England within it was severely curtailed under austerity. Are you confident that Natural England will be resourced to really get a grip of it and to be able to inspect and then draw up plans for 30 by 30 in those specific areas?

Steve Reed MP: Thank you for the questions. I am sure that my colleague will want to add something further to my response if that is okay with the Chair. When we came into office and I looked at the environmental improvement plan, I discovered that it did not have delivery plans attached to the targets. If you do not attach delivery plans to targets, you never achieve them, which is why the OEP in its last review of the environmental improvement plan found that something like 95% or 96% of targets were being missed. That is inevitable if you do not have a delivery plan. I ordered what I called at the time a rapid review—but I will not get it until the end of the year—of the targets and how we can start to attach delivery plans to them. We invited the environmental NGOs and other stakeholders to participate in developing those delivery plans. You will have something much more robust, and so will I and the OEP, once those are available. Indeed, the OEP has been extremely helpful in providing advice and guidance to us on how to make the delivery plans robust. I have spoken with Dame Glenys Stacey directly about it. She is very supportive of the approach, and the OEP's advice has been invaluable. I hope it will be of interest to the committee when we are in a position to publish it.

We remain committed to the 30 by 30 targets. The EIP will be one of the means by which we can ensure that resources are allocated to delivering them. Our work on protected landscapes is important in that regard as well. The previous Government included all land that was within SSSIs as land that met the 30 by 30 criteria, but of course it did not because some of it is not recovering or is not in a good state. We have shifted the baseline so that it no longer includes land in SSSIs that is not up to the standard required, and we have a more realistic view of the targets that we need to achieve. That makes achieving them more ambitious, but I hope the realism of attaching delivery plans to them will help. The revised EIP will be published at the time of the spending review in the spring, because it is important that we do not publish ambitions and delivery plans that do not have resources attached. We will delay it slightly to coincide with the next phase of the spending review, so that you and other people who are interested can see that we have allocated

appropriate resources to the delivery. I hope that makes it more realistic and more robust.

Lord Grantchester: And include resources for Natural England to be able to get—

Steve Reed MP: For Natural England. Yes, that is part of the spending review as well. I will hand over to my colleague.

Sally Randall: Earl Russell asked when we would reply to the OEP's annual report. We will do that before the deadline in January 2025, but of course alongside that we have proactively invited the OEP to be part of the review that the Secretary of State has commissioned, which goes beyond its statutory remit. As part of its statutory remit, we are able to ask it for proactive advice, and that is what we have done in this circumstance.

Earl Russell: A very final point from me. Why were there no delivery plans attached under the last Government? What is the impact on budgets of your review? How will you assess that process?

Steve Reed MP: You will have to ask them. I do not know why previous Ministers produced targets that did not have delivery plans attached. It seems like folly to me. I do not know why.

The Chair: Thank you. We move on to a very important topic now—adaptation.

Q10 **Baroness Whitaker:** Thank you. Good morning. I declare that I live in a national park. As a matter of fact, Defra's maintaining of the flood defences on the riverbank at the end of my garden is extremely energetic. It is working there.

Adaptation is not listed among your priorities, Secretary of State, but presumably it goes across all of them. Can you tell us how adaptation is being considered within the department and what you are doing to embed adaptation in other government departments? As part of that, I hope you will be able to tell us how effective the Climate Resilience Board has been in pushing for cross-departmental working on interdependent climate risks and how this is being co-ordinated with the devolved Administrations—the whole national picture.

Steve Reed MP: Yes, in two minutes. It is a huge agenda, absolutely, and it is an important one. Defra has a lead role in co-ordinating on adaptation across government, but that of course means that a lot of the work is not just within Defra. I am sure my colleagues will want to comment on what they are doing with other departments as well.

Within the department, some of the work I described earlier around improving our flood defences is helping to adapt to the greater frequency of severe weather events that we get as a result of climate change and the damage that that is causing to food production or to people's homes or businesses being kept safe. Looking forward to the housebuilding

programme for 1.5 million homes during the lifetime of this Government, some of those will need to be built in flood plains. We are aware that we need to increase capacity for building skills that are adapted to the needs of a wetter climate as well as a warmer climate. Some of those skills do not exist in sufficient quantity in the country at the moment, so we are working with the Department for Education through its skills work to ensure that we train up people to have the skills that will be required to build those new homes and other developments in a way that meets the very challenging demands of a changing climate.

We talked about food production earlier. We have allocated £60 million to help farmers who were affected by the floods earlier this year. We will need to look at something like that longer term, I am sure, because floods are, sadly, not going to reduce. Water infrastructure is important. The department will be making a huge contribution to economic growth at the end of the current price review period for water, which we anticipate will unlock upwards of £88 billion of private sector investment, starting next April, in improving our water infrastructure. That is not just upgrading the existing crumbling infrastructure that is largely responsible for the state of illegal sewage discharges; it is also building the new infrastructure that we need to allow development to go on around Cambridgeshire where there is insufficient clean water supply and Oxfordshire where there are insufficient sewerage systems. All of that needs to work much better if we are to adapt to the climate.

We are getting more rainfall in some parts of the country than in others. We need to put in place the infrastructure that can transport that water from where it lands to where it needs to be used. We have very interesting models like the Thames Tideway tunnel just outside this building. It is not visible because it is underneath the river, but it is a really interesting and very successful collaborative project between different tiers of Government and the private sector, where a huge and ambitious scheme was delivered on budget and on schedule. There are models like that that we can look to for some of the other infrastructure. Within our urban areas, as temperatures are rising, we can provide more canopy cover as part of our tree planting programme. Sheltered spaces for people who are walking around outside will help to maintain communities and businesses as the temperature keeps increasing. That is some of the Defra work that I am more aware of. My colleague will be able to talk more about some of the cross-government work.

Sally Randall: I will be really brief. There are two things to mention on cross-government work. First, the national adaptation programme is the mechanism that Defra owns on behalf of Government to track each of the 61 risks in the risk register and to make sure that there are plans and processes in place to adapt to a changing climate. Probably some of the more important things we do are where we do not just go through individual risks but try to build climate adaptation and resilience into the everyday work of departments. Now, with the Treasury Green Book, when you have to assess a spending proposition, you have to take into account climate risks, and whether the project that you are putting

forward will work in 20 years' time. It is through those structural ways that we are trying to embed it across government.

Baroness Whitaker: Thank you. Before you tell me about the Climate Resilience Board and the devolved Administrations, could you say a very brief word about the mechanisms? Is it all done official to official and at what level? Do you have a Cabinet committee?

Steve Reed MP: We have the Net Zero Mission Board as well, which I am attending later today as it happens, chaired by my colleague, Ed Miliband. A number of us are permanent members of that, and that is where we talk about climate adaptation at ministerial level. Inevitably, a lot of the detailed work is done by our officials who take direction from the work of the mission board. It is opportune that you ask that particular question because we are meeting pretty much straight after this committee this afternoon.

Sally Randall: You just mentioned the devolved Administrations. The national adaptation programme is a UK Government document, so we work closely with the devolved Administrations on that.

Baroness Whitaker: Thank you very much. The Climate Resilience Board?

Sally Randall: The Climate Resilience Board is one of the official-level structures that sits underneath the ministerial mission boards.

Baroness Whitaker: How do you work with the other national Governments, the devolved Administrations?

Sally Randall: Our team pulls together their contributions. Obviously, we have a degree of adding up to do to make sure that we put in place the same structures and processes, and that is one of the things that our team pulls together. We can certainly give you more information.

Baroness Whitaker: It would be helpful if you could do that in writing. If you have something a little bit more specific on objectives and targets, the sort of the thing that the Climate Change Committee got a bit aerated about, that would be very helpful.

Sally Randall: We can say a little more about what the future approach might be to that when this Government review the next adaptation programme.

Emily Miles: There is also a standing meeting that the Secretary of State has with his counterparts in devolved Administrations where they cover all issues related to Defra.

Steve Reed MP: We are very aware of the Climate Change Committee's concerns about this area and are seeking to address those.

Baroness Whitaker: We shall hear more about that from you, I hope.

Steve Reed MP: Absolutely.

Baroness Whitaker: Thank you very much.

The Chair: That is indeed very good to hear. It would be good if you could write to the committee about those concerns and how you are addressing them.

Steve Reed MP: Happily.

The Chair: Excellent. Earl Russell, do you still want to ask a supplementary?

Earl Russell: Yes, very briefly. I really welcome all the work that is being done across government on this. It feels at the moment that, as we are in danger of breaching 1.5 degrees and that for every one degree rise in temperature we can have 4% more moisture in the atmosphere, we no longer have the luxury of talking about climate change. We are being directly impacted regularly by these events. The Climate Change Committee has been quite challenging of government in the past about the need to have more joined-up policy on adaptation and resilience, and that is obviously a very complicated bit and it is ongoing work. Does there need to be a named person in Cabinet as we move forward and these things continue to impact on us across government and across departments? Is a named person in Cabinet for adaptation and resilience a direction of travel?

Steve Reed MP: That would be a matter for the Prime Minister, which of course is above my pay grade. The fact that we now have the mission boards gives us a means of bringing together the Secretaries of State and other senior Ministers from the relevant departments to focus on the issues. I will not go over again the board that we are having later, but it takes a lead on those issues and is focused on what targets and objectives we need, what better processes for monitoring of progress, and what better mechanisms for assessing the evidence that we need to meet the concerns that were raised by the Climate Change Committee. It would be that subgroup. Effectively, it is a subgroup of the Cabinet that would be focusing on that. It feels to me that it is working, but I suppose we will see the proof of that over the coming months.

Earl Russell: Thank you.

The Chair: Thank you. Before I move on to the Earl of Leicester for his question, could I ask you, Secretary of State, whether you have to have a hard stop at 11.30 or whether you could give us a few minutes extra?

Steve Reed MP: I do because I am afraid I have other items in the diary. I am really sorry. I am more than happy to come back any time you choose to invite me, of course.

The Chair: It may be that we will write to you with the questions that have not been addressed, and I hope you will be able to respond to that.

Steve Reed MP: I will try to speed up the answers. I know we are taking a bit longer.

The Chair: Thank you very much.

The Earl of Leicester: Chair, you have been chairing this so efficiently that unfortunately I missed a question prior to Baroness Whitaker, and it is quite an important one. It is more important than my later question. Going back to environmental improvement plans and 30 by 30, 70% of the UK or of England and Wales—I forget the designation—is farmed, primarily by private individuals, so I was a bit disappointed to hear that with regard to the environmental improvement plan you said you had called in environmental NGOs to help deliver—

Steve Reed MP: And other stakeholders.

The Earl of Leicester: I think that is important. You did not mention other effective area-based conservation measures. How do you think they can help? Would you bring them in to help the delivery of 30 by 30?

Sally Randall: Sorry, do you have something specific in terms of the other schemes and other protected landscapes?

The Earl of Leicester: Yes, other effective area-based conservation measures are areas of land that are not designated. It is clear, and a point we need to make, that just by Natural England designating some land does not mean it is in good condition.

Sally Randall: We are developing our analysis of 30 by 30 to work out what is legitimate to take into account. We would not want to just count anything that takes part in any scheme. We expect that some of the measures where we might have people participating in landscape recovery schemes or in higher-tier Countryside Stewardship, depending on the activities that are taking place on those lands, may well count towards activity under 30 by 30 even if they are not a designated site and an SSSI or within a protected landscape. It will be looking at what is happening on the land: whether it has the management measures in place, whether it is protected, and whether it is protected for a significant amount of time. Some of the schemes, particularly if they have already been under that kind of management for a period of time, may well contribute to 30 by 30. That is the detailed analytical work that is going on at the moment to make sure that we are broad enough that we recognise where a contribution is being made outside a designation and we are willing to stand by it and we have confidence that the land really is protected and managed. The criteria that were set out in the summer are critical to making that assessment.

The Earl of Leicester: But you are aware of those other areas.

Sally Randall: Yes.

Q11 **The Earl of Leicester:** Good. Okay. The main question is all about nitrogen. Reactive nitrogen in the atmosphere has more than doubled since 1970. We have a 120% increase, whereas the world's population has only increased by 78%. We are beginning to have quite a problem with the amount of nitrogen. What plans do you have to reduce excess

nitric nutrient pollution in waterways specifically to meet the 2030 target to halve excess nitrogen pollution?

Steve Reed MP: I will start off on this and then I will invite my colleague to come in. Nutrient neutrality issues of course were in the Lords, were they not, about a year or so ago when the previous Government were seeking to reduce some of the environmental standards to allow development to go ahead? It would have further worsened the state of some of the waterways if housing had been built in some of the estuaries where we had nutrient neutrality as a problem.

Our approach is different. We want to allow development to go ahead, but we do not want to weaken our environmental protections. The way to do that is to work with the water companies—the £88-plus billion-worth of private sector investment that will be coming on stream subject to the successful conclusion of the price review 2024 process in December—to look at how we can better manage a catchment-based model of water, and then prioritise investment in the areas where we can clean up the water to reduce the level of nutrient pollution and then enable development to go ahead while still maintaining our, rightly, very high environmental standards. That is the approach we want to take. It is supporting development because we recognise the importance of that for all sorts of reasons, as well as maintaining and protecting our environmental standards, which are in place for a reason, and which the public were promised in the general election and in our manifesto. That is the approach that we are taking to the issue. Did you want to add any more detail?

Sally Randall: The other aspect is agricultural pollution, where we are looking at what we are doing through incentives and what we are doing through regulation and through the reviews that the Secretary of State has already mentioned, making sure that both of those are playing their right part.

Steve Reed MP: The ELMS of course will encourage food producers to use less fertiliser of that kind because they will be managing their soil in different ways that will maintain a higher level of nutrient in the soil.

The Chair: Thank you. We have five minutes and quite a lot more to cover. I note, Lord Duncan, that you want to ask a further supplementary on adaptation, so I will come to that in a minute. We will move on to the water security/water question, but we have a whole series of questions following on from the Earl of Leicester's on chemical pollution. That will take us more into the reach of the PFAs and the for ever chemicals and might actually tie in better with the circular economy question as well. I wonder whether we could write to your department, Secretary of State, so that you can provide us with fuller information on all of those.

Steve Reed MP: Please do. We are happy to respond or for me or any of my colleagues to come back and answer questions directly at the committee.

The Chair: Okay, excellent. We will move on to Lord Duncan, thank you very much, and then Lord Trees to hopefully bring us in on time.

Lord Duncan of Springbank: Secretary of State, you mentioned earlier that you anticipate building on flood plains, and I was surprised to hear that. Even allowing for technological innovation and adaptation, that is still quite a bold thing to state. There are two questions. How much building do you anticipate doing on flood plains? Are there unintended consequences from that—things that you cannot anticipate from that activity?

Steve Reed MP: It is kind of an inevitability, because so much of the land where development could happen is flood plains. Currently, one in every six homes in the UK is at some risk of flooding. Adaptation is what we need to focus on, and building in a way will be flood resilient. Other countries do it. I am due to visit the Netherlands to have a look at how, world-famously, it manages developing and building in areas that are prone to flooding.

Lord Duncan of Springbank: My concern is that, if one in six are in flood plains and at risk now, might it not be better to focus on making those resilient through adaptation rather than building on fresh flood plains? That was my thinking.

Steve Reed MP: It is very difficult not to because of the make-up of the country. It is manageable if you have appropriate flood defences in place, and you are building in a way that will be flood resilient. As I said earlier, we know that we need to develop more building skills within the workforce so that we have the people who will be able to do that. The planning and infrastructure Bill will address it in more detail as well, so you will be able to see more of it coming through that way. It is difficult to see how you could do the scale of building that the country needs without some of it at least being on flood plains.

Lord Duncan of Springbank: What is the proportion you anticipate on flood plains?

Steve Reed MP: That will depend on where the applications come in. That will be subject to the developers and then the planning authorities.¹

The Chair: Thank you. Before I move on to the Earl of Leicester for water security, I have a very quick question on housebuilding. You mentioned the 1.5 million target. Can you reassure me that those houses will be future-proofed and they will be net zero-ready, particularly in terms of heating and energy provision and solar rooftops?

Steve Reed MP: That would be for my colleagues in the Ministry for Housing, Communities and Local Government, who are leading on the planning and infrastructure Bill.

The Chair: With whom you work closely on this.

¹ Note by witness: this includes the application of the floods sequential test.

Steve Reed MP: I am more than happy to work closely with them on that. I have spoken both to the Minister for planning and to the Secretary of State in the department about precisely those points. We are very keen to be as ambitious as we can be, but I should leave it to my colleagues in the departments who lead on those issues to make their own announcements.

The Chair: Excellent, thank you very much. We will move to the Earl of Leicester on water security. I understand that we may not be able to cover much of it, so the Earl of Leicester will indicate whether it is appropriate for you to answer in writing.

Q12 **The Earl of Leicester:** Secretary of State, I suspect you are going to say that the previous Government's plans for water proposals were not sufficient, so what will you be doing in the future to secure water supply?

Steve Reed MP: That is a very concise question for a very big issue. It seems to be self-evident that water supply and water infrastructure are inadequate. I mentioned already the fact that we cannot proceed with planned development in Cambridgeshire because of a lack of supply of drinking water, and we cannot proceed with planned development in Oxfordshire because of a lack of sewerage systems. Those are just two examples of many across the country. The key to resolving it is the successful conclusion of the price review 2024 process, which should conclude before Christmas. That, if it is successful, will unlock upwards of £88 billion of private sector investment over five years, starting next April, to upgrade our water supply and sewerage systems across the country. That is essential to driving growth. It is why I keep insisting to colleagues and beyond that Defra is a growth department. That upwards of £88 billion will be the single biggest investment in our water system in its history and the second biggest private sector investment in the entire economy for the lifetime of this Parliament, with jobs up and down the country and rebuilding a vital infrastructure that is sadly currently not adequate to the purposes and interests that the public and others have of it.

The Earl of Leicester: Will you be arguing—

The Chair: It is 11.31. Last question.

The Earl of Leicester: Will be you arguing in government for regulation to be reduced or planning regulation to be eased to allow for these big infrastructure projects for more reservoirs, and for more water to be piped from the north to the south, for instance?

Steve Reed MP: That will be addressed in the planning and infrastructure Bill, but we have made no secret of the fact that it is not acceptable that we have had no new reservoirs built in the country for over 30 years when, by the middle of the 2030s, we will be facing a situation where, current levels of consumption being as they are now, the supply of clean drinking water will no longer meet demand. We cannot go into a situation where that is the case, so we intend to take appropriate

action before that time so that we can guarantee clean drinking water for this country decades into the future.

The Earl of Leicester: Thank you.

The Chair: Thank you, colleagues, and thank you, Secretary of State, Sally Randall and Emily Miles. You have been most generous with your time and very informative, and it will really help us. We look forward to the land use framework being presented sooner rather than later. That will inform quite a lot of what you are hoping to achieve. We also look forward to Sir Jon Cunliffe's commission on water. Both those two pieces of work will be important going forward. Thank you once again for your time.