

# Environmental Audit Committee

## Oral evidence: Biodiversity and Ecosystems, HC 636

Wednesday 13 January 2021

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Members present: Philip Dunne (Chair); Duncan Baker; Barry Gardiner; Mr Robert Goodwill; Marco Longhi; Caroline Lucas; Cherilyn Mackrory; Jerome Mayhew; John McNally; Dr Matthew Offord; Alex Sobel.

Questions 169 - 216

### Witnesses

**I:** Rt Hon George Eustice MP, Secretary of State for Environment, Food and Rural Affairs; Rt Hon the Lord Goldsmith of Richmond Park, Minister for Pacific and the Environment, Department for Environment, Food and Rural Affairs; Rt Hon Christopher Pincher MP, Minister for Housing, Ministry of Housing, Communities and Local Government; Richard Pullen, Head of National Biodiversity Policy, Department for Environment, Food and Rural Affairs; Cheryl Case, Deputy Director for International Environmental Negotiations, Department for Environment, Food and Rural Affairs; and Simon Gallagher, Director of Planning, Ministry of Housing, Communities and Local Government.

Written evidence from witnesses:

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



## Examination of Witnesses

Witnesses: Rt Hon George Eustice MP, Rt Hon the Lord Goldsmith of Richmond Park, Rt Hon Christopher Pincher MP, Richard Pullen, Cheryl Case and Simon Gallagher.

Q169 **Chair:** Good afternoon and welcome to the Environmental Audit Committee. We have the fourth session of our inquiry into biodiversity and ecosystems today, and I am very pleased that we are joined by a triptych of Ministers with supporting officials. I would like to start by asking the Rt Hon George Eustice, Secretary of State for Environment, Food and Rural Affairs, to introduce himself, his team of officials and his supporting Minister, Lord Goldsmith. You are very welcome to join us.

**George Eustice:** Thank you very much, Philip. I am George Eustice, Secretary of State at DEFRA. I am joined today by Zac Goldsmith, who is the Minister who leads on all of our international biodiversity work, and also Cheryl Case and Richard Pullen, who are our two officials leading on these matters.

**Chair:** Thank you. We are also joined by the Rt Hon Christopher Pincher, Minister for Housing. Welcome back to the Committee, Chris. Perhaps you could introduce yourself and your official.

**Christopher Pincher:** Thank you, Mr Dunne. It is a pleasure to be back. I have with me Simon Gallagher, who is the director of planning in MHCLG and who, with his team, has been working closely with the teams in DEFRA.

Q170 **Chair:** Thank you all very much indeed. It is very fortuitous timing to have you in front of us this week, given the significant announcements made on Monday at the One Planet conference by the Prime Minister. I would be grateful if we could start the session, Secretary of State, by you providing some context to the lamentable performance of the UK in achieving the Aichi targets set 10 years ago, which were reported on for 2020, where the UK has not met 14 of the 19 targets on biodiversity. How do you see things changing so that we can make a much more powerful contribution over the next 10 years?

**George Eustice:** I think the key thing is that we have made progress on some of the Aichi targets, in particular those that relate to, for instance, the marine environment—there has been some progress there—and those that required Government to better integrate certain aspects of policy. We have made progress there.

Stepping back, the real challenge here is that what you need is the policy levers to drive that improvement in biodiversity. While we have made progress in some policy areas—for instance, we have gradually improved the environmental stewardship schemes that we had under the common agricultural policy—they remained a very small part of the overall CAP budget under EU law. We have an opportunity now to do things quite



differently to change the policy interventions that can drive some of those improvements.

Alongside that, the criticism of the Aichi targets is that they were a commitment to processes rather than outcomes. I know that Lord Goldsmith is working on this in the run-up to the CBD COP 15 this year when those targets are going to be replaced so that they are more meaningful targets to work towards. Fundamentally it is about making sure you have the policy interventions to drive the change, and that is what we have been focusing on now.

**Q171 Chair:** We will come on to the international context in questions a little bit later. Looking at the way in which we measure progress against targets, three years ago the NCC called on DEFRA to develop baselines as a matter of urgency. As I understand it, three years later we still do not have any. Could you or your officials in DEFRA explain why not?

**George Eustice:** I might ask Cheryl or Richard to come in in a moment, but we are doing some work on data around biodiversity. We have commissioned a study to look at the economics of biodiversity, and we obviously have the environmental improvement plan, that first 25-year environment plan, on which we give an annual update on certain key indicators. We are able to monitor those trends, which is in many ways the most important thing to do. I might ask Cheryl or Richard, whoever is best placed to do it, to say a bit more about what we are doing in response to the particular point raised by the Natural Capital Committee.

**Richard Pullen:** Thank you, Secretary of State. The Natural Capital Committee is not directly within my purview, but I would say that we have recognised that there is work to be done here. I would particularly draw attention to the fact that DEFRA is supporting and has funding for taking forward the natural capital and ecosystem assessment approach, which is very much in line with what the NCC is looking for. We recognise that there are some gaps in data, and the NCC has particularly highlighted soils and marine.

**Q172 Chair:** One of the criticisms levelled against the baselines and the indicators is that there are far too many environmental indicators set out in the framework and the 25-year plan, but—possibly as a consequence that there are so many—only 18 have so far been developed. Might it not be better to focus on a smaller number of indicators and targets, and make real progress against those rather than have this extensive wish list?

**George Eustice:** I would say it is quite important to be able to capture the environment in all its complexity. This is never going to be easy. The issue with natural capital is that everybody can agree with the concept, but it is not long before economists cease to be much use to you and what you need is ecologists, entomologists, biologists, people who understand what kind of interventions will turn the tide for a particular species. We have seen this as well in other spheres such as fishing, that



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you have maximum sustainable yield that started as an economics concept, but very quickly you need marine biologists to make sense of it and move it forward.

The environment is always going to be complicated, and you are always going to need a wide range of indicators in order to capture trends. That is not to say that within that you could not identify certain keystone indicators, that if you get a movement in a particular species it is an indicator for a general improvement in the ecosystem that is likely to mean other things are recovering as well.

**Q173 Chair:** You referred to the 25-year environment plan, and clearly the Environment Bill is an important influencer in delivering that plan. Can you first of all tell us, on the Environment Bill, when you expect it to return to the Commons for its Report stage? We were expecting that before Christmas and unfortunately, for reasons we can all understand, that has not happened.

**George Eustice:** Obviously business managers are having to contend with the new situation, the new lockdown and the complexities that poses, but legislation is continuing. My understanding from the Leader of the House is that it is possible the Environment Bill will resume its Report stage in perhaps a couple of weeks' time, although that is not yet fixed. We hope it will resume as soon as possible.

**Q174 Chair:** That is good to hear, because you have now appointed, I think, the chairman of the Office for Environmental Protection that we helped to approve. Glenys Stacey clearly needs to get on and get her organisation up and running, and it cannot be effective until you have the legislation to underpin it.

Last August, under the Environment Bill, you published some draft quality targets on air, water and waste. How will those targets be used to promote biodiversity? I have a particular interest, as you know, in water quality. Clearly the state of our rivers is appalling, and the aquatic species that depend on them are one of the groups of species that are most under threat at the moment. Can you enlighten us as to how you see these targets interlinking with biodiversity targets?

**George Eustice:** We published an initial paper to start engaging both the NGOs and other interested parties in the targets that we will set, obviously in those four areas as you highlight. Following that, we intend to consult, again probably this spring, in a bit more detail about what those targets will be.

In the context of water, my view on this, as in the biodiversity target more generally, is it probably makes sense to have several targets rather than a composite target so that you can track progress in individual areas and you do not create the perverse incentive of just focusing on a small number of areas at the expense of others.



In water, to give you an example, we currently have the good ecological status target that we have inherited from the European Union. If you focused on just getting a few more watercourses into that status, you would probably focus too much attention on a small number of watercourses, when what you need to do is to unpack that composite target and look at things such as the impacts of sewage, the impacts of diffuse pollution from agriculture, some of the contaminants you can get from pollution from old mines, for instance, as another issue, and phosphates in water. You have to unpack all of the various components of that water quality composite target we currently have and track improvement on each and every front. That is how you move the dial right across the landscape.

**Chair:** As you know, the Committee has decided to launch an inquiry specifically into water quality, so I am sure we will be pleased to talk to you in more detail about that. I very much hope that the business managers do not knock my private Member's Bill out of the schedule, which at the moment they are proposing to do later today. Thank you very much, Secretary of State. I am going to move on now to some questions on public funding for biodiversity with Duncan Baker.

Q175 **Duncan Baker:** I want to come on to public funding for biodiversity, and all these questions lead to the Secretary of State. I think it is particularly important, certainly in my constituency, which is a rural area—and it is no surprise that I have had a fair number of interactions with Natural England in my short time of being an MP—that if we do not fund organisations appropriately we cannot expect them to deliver the work that they need to do. First, can you tell me why public sector expenditure on biodiversity, as a proportion of GDP, has fallen by over 40% in real terms since the peak in 2008-09? Many point to these cuts as being responsible for affecting the quality of information and services that the organisation can provide.

**George Eustice:** Mr Baker, as you will no doubt know, in the aftermath of the 2010 election the public finances were in a desperate state, a dire state. The then coalition Government took quite a clear position of trying to reduce the deficit, not eliminating it, but trying to reduce it and head towards a more balanced budget. There were certain Departments that had protected expenditure, notably the NHS and the Department of Health, for that reason. It meant that those Departments that did not have that protection did have some quite significant reductions in public spending and that did affect the whole DEFRA family of agencies, including Natural England. That is the honest answer as to why funding for some of those agencies has reduced in real terms since the peak in 2009. It is down to the public finances.

Much more important is what is going to happen in the future. Obviously we have a number of different funds. There is the Nature for Climate Fund that is going to support some highly ambitious tree-planting projects that we have and peatland restoration. The Prime Minister earlier this week announced that 30% of our ICF fund internationally will now go



to nature-based solutions. That is all about supporting biodiversity and the role of nature in tackling climate change around the world. We are completely reorienting our agriculture policy. That means there is some £2 billion per year that is going to be refocused through the course of the agricultural transition. We have biodiversity net gain in the planning system that we anticipate will release probably another £200 million a year to support local nature recovery strategies.

In terms of the agency in question, Natural England, yes, there are still some quite tough financial settlements to try to constrain public finances where we can while dealing with this appalling coronavirus pandemic. Against that backdrop, we have increased the budget for Natural England by around £150 million.

**Q176 Duncan Baker:** I accept some of what you say. However, I would push back slightly to say that we have still been able to spend lavishly in a number of other Government Departments, so I would say that moreover it is a question of priority. Where there is a willingness there is often a way. We have certainly spent millions on other green initiatives, so I would still say it is a question of priority. What concerns me is that Natural England has stated that its current funding is below the level to deliver on its statutory duties to a good standard. That clearly has knock-on effects. If you take just SSSIs around the country, 47% of those English SSSIs have not been reassessed in the last six years. What can you reassure us that you are doing to have discussions with the Treasury to ensure that Natural England has the funding just to be able to fulfil its statutory obligations?

**George Eustice:** Obviously I had discussions with the Treasury at the spending review period. As I said, through that we got an increase in funding for Natural England to support some of its work. The more important thing to recognise is that in those protected sites, the SSSIs, national parks and other designations such as the inherited EU sites, the SACs and special protection areas for birds, what we do is to support nature and a recovery of those habitats. The critical tool in that will be the future environmental land management scheme.

**Q177 Duncan Baker:** I think we can all appreciate that, certainly within the pandemic, Government spending will be materially affected, but the last question is to have some assurances. The current funding Natural England receives—if we consider that even though you said, yes, there has been some increase—is still not adequate and it needs consistent investment, not just for a one-off year, but across the forthcoming three or four years in front of us, certainly as a start point, if we are to meet any of our national ambitions on nature recovery. Can you assure us that you will be ensuring that the funding bids are fully reflected in DEFRA's submissions in the next multi-annual spending reviews?

**George Eustice:** We always do that, yes. We work very closely with Natural England and our other agencies, such as the Environment Agency, to understand their needs and to understand where there may



be pressures. Of course, where we have judged that there is a case, we make that case to the Treasury. It is also possible for us in some areas to look at more of a cost-recovery model, and that has been done in the past. It may be appropriate in some areas here, particularly where Natural England, for instance, is providing advice around local nature recovery strategies or, indeed, planning around biodiversity net gain. We are exploring all these things, but in this first one-year spending review it is important to note that we did get an increase in the budget for Natural England to do some of those statutory duties.

**Q178 Duncan Baker:** Just before I finish, while that is welcome, if you look at the reports that we have been studying, the shortfalls that they are asking for goes into the hundreds of millions, not the tens of millions. I think that is particularly important as we look at it going forward.

**George Eustice:** We will of course look at that going forward. We will also be looking, as we roll out the future agriculture policy in particular, but also biodiversity net gain, at what the roles of the respective agencies are. It will be a different landscape in a post-EU world, and working out what the right role is for different agencies and different arm's-length bodies is certainly something we will be looking at.

**Chair:** Thank you. We are now turning to some of our international responsibilities with Matthew Offord.

**Q179 Dr Matthew Offord:** Lord Goldsmith, I do not know if it is poacher turned gamekeeper or gamekeeper turned poacher, but it is very good to see you in front of the Committee today. You will, from your time as a member of the Committee, be aware of the overseas territories and the amount of biodiversity that is contained within the overseas territories. We also conducted an inquiry back in 2015 in which comments were made from many of the overseas territories about not only responsibilities that they held towards the natural environment but also about the funding opportunities they had to address their areas of responsibility.

One particular area is the Convention on Biological Diversity. They are not under the mandate of the overseas territories. Today I would not just ask you to commit to working with the OTs before COP 15 to secure their agreement to the 2030 biodiversity framework, but I would ask you to lay out some steps as to how you can ensure that that happens and ensure that many of the participants or authorities within the overseas territories are signed up to that agenda.

**Lord Goldsmith of Richmond Park:** Thank you very much. The first thing I would say is that the overseas territories are a huge part of UK biodiversity: 94% of the UK's endemic species, as you know, live in the overseas territories. There are real problems there in relation, for example, to invasive non-native species. I think that is probably one of the main threats to the land biodiversity on the overseas territories.



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Of course the overseas territories are surrounded by enormous areas of water as well. In that, we have probably the best conservation story that I am aware of anywhere, and that is the Blue Belt. You will know that just a couple of months ago we worked with Tristan da Cunha on an announcement that they will now protect 700,000 square kilometres of incredibly biodiversity-rich waters around Tristan da Cunha. That means that we are protecting, in all, an area significantly bigger than India, around 4 million square kilometres. I think the Blue Belt programme is a jewel in the British conservation crown. It is an amazing success story, and I am very much hoping that we can go further still in various different ways.

In terms of land biodiversity, there has been lots of very good work, a lot of it funded through Darwin Plus. As opposed to the Darwin Initiative, Darwin Plus funds those overseas territories that are not ODA eligible. It is specifically for them. We have given £22 million since 2012. I was thrilled that last year the Treasury agreed to up that to £10 million per year through the Darwin Plus scheme. There is more money there, significantly more money through Darwin Plus, for conservation work on those ODA non-eligible overseas territories. We have also committed—although I cannot put a number to it yet because there are all kinds of reviews happening, as you will be aware—to significantly uplifting the Darwin Initiative as well, to which the ODA-eligible overseas territories can apply. I think that Darwin Plus and the Darwin Initiative, between them, are responsible for funding some of the most cutting edge and exciting conservation work in the world.

That is where we are at the moment. My view, and it is shared by Ministers across Government, and do not forget there are many Departments that have an interest in the overseas territories, is that partly as a consequence of Brexit, where various EU nature funds are no longer available to the overseas territories—as it happened, they were not particularly able to tap into them but there was always that carrot dangling, the opportunity that they might one day be able to tap into them—they no longer exist, so we are internally looking cross-departmentally at how we can improve our offer for the overseas territories.

It is a discussion that I am very closely involved in, as are colleagues in the Foreign Office, DEFRA, the Ministry of Defence and elsewhere. I cannot give you details as to where that is going to end up, because we are not there yet, but there is a recognition that we need to improve our offer. Alongside that, we are developing at the moment a new stream of activity through the FCDO towards support for SIDS, small island developing states, around the world, which obviously includes our overseas territories. We think Covid has massively exposed their vulnerabilities on so many different levels, and we feel that there is a very strong case for us to step up and provide more support.



The last thing I would say on this is that you are right about the CBD. The overseas territories, however, are chomping at the bit to be part of the global endeavour to reverse these depressing trends in relation to biodiversity loss. They are absolutely committed. As far as I can see, all of the overseas territories are committed to doing their bit. For example, they are enthusiastic supporters of our 30 by 30 campaign, the Global Ocean Alliance, the High Ambition Coalition, which is to protect 30% of the world's land by 2030, by the end of this decade, and we are working very closely with them and aligning as much as we possibly can with them in our own endeavours. We are very much partners with the overseas territories. What their final legal formal status will be in the context of CBD, I am afraid I cannot answer that question, but in effect we are working together.

**Q180 Dr Matthew Offord:** Do you have any kind of timeframe for when that will be achieved?

**Lord Goldsmith of Richmond Park:** Which part?

**Dr Matthew Offord:** The agreement to the biodiversity framework by the overseas territories.

**Lord Goldsmith of Richmond Park:** No, I am afraid I can't give you a timing on that. It is a discussion I had a couple of weeks ago with a whole bunch of representatives from the OTs, but I do not know where that is going to end up, I am afraid. I am very keen for us to work as closely together as possible, but I cannot pre-empt, I am afraid, or predict where we are going to end up.

**Q181 Dr Matthew Offord:** Certainly I cannot push you any further on that. It is just an area that we continue to monitor.

I want to ask you about the FCDO and why you do not require international development projects to account for natural capital gains and losses.

**Lord Goldsmith of Richmond Park:** It is a very good question. It is a topical question as well. The reality is that after Paris, before I was a Minister, so I cannot remember exactly when, there was a commitment made by DfID, as it then was, that all new funding from DfID would be Paris compliant, Paris aligned. It was only looking at the carbon component of the environmental crisis we face. I was absolutely delighted that the Government committed very recently, in the last few weeks, that we would do the same in relation to nature. We will nature-proof all ODA expenditure. It is more complicated than carbon; it is multidimensional. It is much easier to measure carbon than it is to look at all the various impacts that can result from investments in relation to the natural world, but it is imperative that we do so.

On the back of that, as part of our presidency of the COP and also as an enthusiastic member of the CBD and as a country pushing for the strongest possible outcome, we are very keen to use our leverage as



major donors to the multilateral system to get the MDBs to do the same, not just to align their portfolios with Paris but to nature-proof their portfolios as well. It is a huge undertaking, an incredibly difficult and important but nevertheless unavoidable piece of work. I think that is an exciting part of the agenda. I have spoken to many counterparts around the world, including France, Germany and other countries as well. There is a sense of shared responsibility to shift the MDBs in the right direction. If we do that, we are not just talking about nature neutral; we are hopefully talking about a situation where the MDBs become part of a net gain global endeavour.

**Dr Matthew Offord:** Excellent. Thank you very much.

**Chair:** We are now going to go to Caroline Lucas, who has some questions about consumption and trade deals.

Q182 **Caroline Lucas:** Yes, my first question is for the Secretary of State. The 25-year environment plan makes reference to leaving a lighter footprint on the global environment, but it does not specify any particular action to achieve that, and the Environment Bill itself is silent on it. Given that consumption of commodities like food and timber are one of the biggest drivers of biodiversity loss, I wanted to ask you why the Government have not adopted a global environmental footprint target and why they have made no clear commitment to reduce the UK's overall environmental footprint.

**George Eustice:** We have looked at this and, particularly in the context of carbon, there is a growing recognition that simply measuring emissions as a country isn't necessarily the right thing to target, and looking at a consumption-based measure probably does make more sense in the longer term. The reason we have not done it yet is, as with all things in the environment, it is complicated to measure and to perfect to make it something that could be a target that you would work to. We have had some initial discussions with the Treasury. There is an openness in Government to move, over time, towards more of a consumption-based target rather than an emissions-based target, but we are not at the position yet where we would be able to do so with confidence that we have the right data going in to be able to measure it in that way.

Q183 **Caroline Lucas:** I would just underline the fact that it is urgent, given that the footprint is growing. We know it has grown by about 15% in the last five or 10 years. One thing that maybe you could do quite quickly that would not need greater research would be to reverse the decision of 2016, where the mandatory requirement to report against the Greening Government Commitments was dropped. Is that something that you would look to reverse, so that at least we have that basic transparency?

**George Eustice:** I think that, in the future, the provisions of the environmental governance that we are setting out in the Environment Bill will set the structure, and that includes annual reporting updating on the environmental improvement plan, with that being scrutinised by the OEP



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and no doubt others, such as this Committee, as well. That gives the scrutiny and the environmental governance in the future.

There are things that we are doing quickly and immediately, and that includes, for instance, in the Environment Bill we are now adding the provisions on due diligence in the supply chain. There are interim steps, interim measures, that we can and are taking to reflect that international dimension and that consumption does matter.

**Q184 Caroline Lucas:** Thanks. I will come back to that. I have a question for Lord Goldsmith first, but I will come back to that supply chain issue because I think it is crucial. If you could look again, it does seem perverse to have dropped those mandatory reporting requirements back in 2016 on the Greening Government Commitments.

Lord Goldsmith, on trade deals, the Government state that they advocate that environmental sustainability should be at the heart of global trade. In order to be sure that is the case, will the Government support the long-championed idea of having a sustainability impact assessment of all new trade deals? Picking up the point that you made in answer to Matthew Offord when you were talking about net gain, do you think there is scope there to ensure that all trade deals not only do not do environmental harm but have net gain as a central part of those trade deals?

**Lord Goldsmith of Richmond Park:** I am not alone in Government, and it is the position of Government that trade is not just about the exchange of objects for immediate economic gain. We recognise that the process of negotiating free trade agreements offers all kinds of opportunities to project values, to move the market in particular directions. We want to create, and it is an express aim, a stronger market signal through our free trade agreements for sustainably produced commodities, for example. The free trade agreement negotiating teams have been instructed to pursue a range of different mechanisms for achieving that in the design of new free trade agreements, to secure high-ambition sustainability provisions, for example, enhancing co-operation in areas such as biodiversity, forestry and supply chains.

I believe it is currently the case that we have used our position as a newly independent trading country to reduce import tariffs on over 100 environmental goods entering the UK. We have put the environment as one of our top three priority areas as a new member of the World Trade Organisation. We don't yet know how we are going to be able to use that forum to push the broad green agenda, but we are committed to doing so.

**Q185 Caroline Lucas:** Wouldn't you start with a sustainability impact assessment? That is a good place to start, isn't it, because then you know what damage might be being done?

**Lord Goldsmith of Richmond Park:** I cannot unilaterally make commitments on behalf of Government, but certainly an understanding of



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how any free trade agreement will impact on the environment is essential, whether or not that is through the mechanism you have described. The process, I agree with you, absolutely must happen.

The only thing I would add is that this is uncharted territory. I am not aware of free trade agreements having been designed in the past where the environment has been an express priority. What is very exciting, I think, is the process of negotiating with countries like New Zealand, for example, who have very high ambition when it comes to using free trade agreements, or indeed trade itself, to push the environmental agenda. We are very much on the same page and that allows us an opportunity to do something that could provide, if we get it right, a model for future negotiations.

**Q186 Caroline Lucas:** Thank you. I would love to do more, but I am going to be stopped by the Chair. I quickly want to come back to the Secretary of State to pick up the question about supply chains. Of course I welcome the fact that the Environment Bill now has a new provision to say that deforestation, in so far as it is illegal, should not be part of supply chains, but you will know that there is a formidable coalition of extraordinary interests coming together, everyone from Nestlé on the one hand through to Friends of the Earth on the other, who are all pushing you to say that if you limit the provision only to what is locally defined as illegal, then you are missing around half of all the deforestation that is happening.

Given that there is such a wide coalition of groups urging you to go further, why would you not do that? Why would you not properly make sure that we get rid of deforestation in all of our supply chains?

**George Eustice:** Zac might want to add to this, because I know he has looked at it a lot. You have to start somewhere, and the track record of countries in the world like the UK lecturing other countries about what their laws should be does not always have a very good—

**Q187 Caroline Lucas:** That is not what we are doing. Can I just pick you up on that, because that is what was said in the Environment Bill Committee as well?

**George Eustice:** No, sorry, it is what you are doing. If you are saying that it has to be legal in terms of where it comes from—

**Q188 Caroline Lucas:** What we choose to import is my point. Sorry, Secretary of State, but this is the response we have had before saying, “We can’t lecture other countries.” This is not about lecturing other countries; it is making our own decisions about what we want to import, and it is our choice then. It is not an infliction of some exterior standard on another country; it is saying that we choose, as a sovereign nation, only to import products that we know have not led to deforestation. It is nothing to do with imposing our standards on other countries.

**Lord Goldsmith of Richmond Park:** First of all, I agree with you that this does not solve the whole problem, and I do not think anyone would



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pretend that it does. If we were to get to grips with illegal deforestation, that would be taking an unprecedented gigantic bite out of one of the world's greatest problems. Almost 90% of deforestation in Brazil, for example, is illegal. Globally it is around 50%.

First, we are not pretending this is going to solve the whole problem. Secondly, and I think this is more important, we in the UK are a big market but we are not a gigantic market. We can get our house in order, but deforestation is still going to be running rampant, out of control, globally. The purpose of what we are doing here is not just to begin to get our own house in order; it is about creating a global coalition. If we can get other countries like China, the biggest importer of commodities of all, to join us in a global coalition committed to dealing with cleaning up our supply chains, that alone will have the biggest impact in terms of stopping deforestation than anything that has happened in my lifetime.

**Caroline Lucas:** Why would you—

**Lord Goldsmith of Richmond Park:** Can I just finish this point? I have to say I started out when I began with this initiative, before the legislation was drafted, very much taking the view that we should be pegging this to some kind of international standard. But it was very obvious to us, unambiguously obvious, that if we did that, we would be doing it alone. We would be sending a fantastic signal but we would be on our own. We would have a massive standoff with some of the producer countries and we would not have been able to get consumer countries to join us in this coalition. Choosing the route that we have—and this is a fact, not my opinion; it is borne out by the facts—if we want to build a global coalition, pegging to legality is the way to do it. There are risks. One—

Q189 **Caroline Lucas:** Can I say one thing, sorry? I know I am going to be shut down any second; I can see the Chair. If you are going to invest all of that time, resource and diplomatic effort in getting other countries to come with you on an important initiative, why would you do that on something that you yourself admit is not anywhere near getting as far as it needs to be? As I say, it looks as if it is going to cover around half of the deforestation in question, so why would you expend so much energy on doing something that is not going to be the answer when you have companies like Nestlé who will go ahead?

**Chair:** You have made your point, Caroline.

**Lord Goldsmith of Richmond Park:** I will answer the question. The answer is because I would not want to spend any energy at all, or any Government time at all, doing something that I know would not succeed. I know from the discussions I have had, including with quite tricky countries, that by choosing the route we have chosen we have a very good chance of building a proper international coalition.

I can tell you that the signal we have sent already to countries—I probably ought not to name countries individually, but to serious



producer countries—that are engaging in massive illegal deforestation has been noted. There has been an extraordinary backlash from some of those countries against the initiative that we brought forward, but there is no doubt that the market is going to have to respond. If we want China on board, which imports around 65% of all the world's commodities and therefore is a major part of the problem at the moment, and if we want them to become part of the solution, we have to peg our standards to legality.

The risk is that countries might then be tempted to devalue their protections, to legalise things that are currently illegal, and that is why we have a review mechanism. If that were to happen, if we found that countries were trying to avoid this by devaluing their laws, we will revisit this immediately. Personally, if the Government, through having done what they have done, succeed in building a global coalition that deals with only half of the problem of deforestation, I would be able to retire pretty happily with that.

**Chair:** Thank you very much. I think that is very helpful, and it is a nice segue into questions on China and COP 15 from Barry Gardiner.

Q190 **Barry Gardiner:** Minister Goldsmith, can I pick up from there? If you are pegging everything on legality, would it not make sense to move to a Lacey-style Act? Caroline was the rapporteur, I think, on the FLEGT programme, which has been disappointing, to say the least. Would it not make sense to move to a Lacey-style Act and use that as the measure by which everything is recorded down the supply chain and the penalties applied appropriately?

**Lord Goldsmith of Richmond Park:** That is a major undertaking, and it is very much worth considering. I half share your views on FLEGT. FLEGT has not been an unmitigated disaster. There are examples, such as Indonesia—

**Barry Gardiner:** Disappointing, I think, yes.

**Lord Goldsmith of Richmond Park:** Disappointing, but the trend in Indonesia, a country in which, as you know, a vast amount of forest has been cut down, is that the process has been slowed down considerably as a consequence of FLEGT. It has a value. Of course it has not delivered all the solutions that you and I would like.

Q191 **Barry Gardiner:** Let me move on to the area that the Chair allotted me. That of course is to look at the COPs. The two S's come to mind in which the zero framework for COP 15 is much less ambitious than Aichi, and that is on species and on subsidies. Can you tell us what the UK is doing to improve the ambition in those two key areas?

**Lord Goldsmith of Richmond Park:** As you know, there are three big conventions coming up this year: on deserts, on biodiversity and on climate. Our view very strongly is that you cannot tackle one without tackling the other two. A good climate COP is going to have implications



for biodiversity, and vice versa, and both of them have a direct impact on desertification. We are trying to treat them as if they have a common framework as much as possible. On the back of that, our nature strategy, which is fairly simple and obvious, is first genuinely meaningful, ambitious targets to turn the tide in terms of biodiversity loss and nature destruction—

**Q192 Barry Gardiner:** Sorry to interrupt you, Minister, but my point was that the framework for COP 15 is desperately lacking in ambition precisely on biodiversity of species and also on subsidies. It is those two things in particular where I feel sure you would want the UK to go further and encourage others to do the same.

**Lord Goldsmith of Richmond Park:** Yes. Briefly, the three things we want to do through the CBD but also, partly at least, through the climate COP and our presidency of it is, first, to get those targets right. You are right, we want them to be more ambitious. We have been leading the global coalition to protect 30% of the world's ocean by 2030. We have just become co-chairs of the High Ambition Coalition of countries calling for the same in relation to land. There are now over 60 countries between those two coalitions all on the same page. We want that to translate into agreement at the CBD. There are other targets that we want to strengthen as well through the CBD.

None of this means anything if we do not have finance, so that is why the Prime Minister made the commitment he made a couple of days ago that around 30%—the actual number is £3 billion—of our international climate finance would be spent on nature-based solutions. On the back of that, France has already made the same commitment. We think Holland, Canada and Norway are going to align their policies with ours, therefore immediately a hugely significant increase in the amount of money for nature-based solutions.

The third part, which is a prerequisite for having anything useful come out of CBD, is accountability. This session began by looking at the failure of the Aichi targets. It is not just a UK problem; it is a global problem, as you know. One of the reasons for that is that unlike with carbon, where countries produce their NDCs and they are held accountable to it, you do not have that for nature.

One of the things we want to do, and I am probably using clumsy language here, is to create a nature version of the NDCs and have them signed up so countries can be held to account. Yes, some countries will miss their targets, but at least they can be held to account. At the moment it is like pinning jelly to a ceiling knowing what each country has to do. Although we have failed to meet many of our targets here in the UK, we have taken the process of measuring progress, or lack of it, more seriously, I think, than any other country. We need to see that replicated around the world.

**Q193 Barry Gardiner:** Just to pick you up on that, of course there is



underperformance in target 2 about incorporating biodiversity values into national accounting systems. Thinking of that, there are two things: first, when will the Dasgupta Review, the final version, be published? It was supposed to be this month. Do we have a date for that?

Secondly, how are you as a Department linking with the Treasury and the ONS to ensure that this does become the way in which we measure our national accounting systems?

**Lord Goldsmith of Richmond Park:** I cannot give you a date, I am afraid. I wish I could, but it is imminent. I don't think there is an agreed date; Cheryl might want to correct me.

DEFRA has worked very closely with the Treasury, and I have to say, as a relatively new Minister, I have been surprised by the enthusiasm within the unit of the Treasury whose job it is to look at this. Treasury has historically always been a block on any kind of progress in relation to nature, biodiversity and climate. That does not appear to be the case. There is a real sense of enthusiasm about this, a recognition of the importance of this document, but translating it into measurable outcomes or, more importantly, translating it in such a way that it genuinely colours decisions that are made at every level of Government is going to be a huge challenge. We all have to do our bit to make sure that happens.

Q194 **Barry Gardiner:** Sure. Let me refer you then to the National Audit Office report on achieving the Government's long-term environmental goals. You will know that that report is highly critical of the lack of cross-departmental engagement. It points out that there are no regular formal arrangements for DEFRA to engage with other Departments with regard to goals to protect and restore wildlife in England on the 25-year plan. I know you established the new cross-governmental board in September 2020, chaired by the Cabinet Office, to oversee international work, but that report is excoriating. Not just on DEFRA—DEFRA obviously is keen to do this—but other Departments are not keen to co-operate.

What more are you doing to ensure the sort of co-operation that we need across Government in order to deliver not just on things like the Dasgupta Review, but also on the domestic and the international targets, on sustainability, looking at this in the round, whether it is transport—which I think is probably the better example of a Department that has worked with DEFRA—to perhaps planning, which might not be considered to have worked so favourably?

**Lord Goldsmith of Richmond Park:** George might want to come in on this, but I think the international bit is working very well. There is total alignment between DEFRA and the FCDO, and we have huge opportunities ahead. We are positioning ourselves in a place where we are world leaders. No Government in the world is doing enough, but I think we are genuinely leading the way in many of these areas.

The board is international, as you point out. However, there is a Prime Minister-controlled process for ensuring delivery of net zero. As part of



net zero, we recognise there is no pathway to net zero without a massive increase in our efforts to protect and restore nature. Nature is a major part of our journey towards net zero. The process that is governed by the Prime Minister, or occasionally in his absence by Alok Sharma as COP president designate, has a direct impact on the issues that you are describing here.

For example, one of my jobs is to massively increase the amount of tree planting, or natural regeneration of land, we are doing in this country. We cannot do that on our own; it is not possible. We need our friend Chris, who is on the panel here, to help us with that through planning. We need other Departments of Government that own public land to make that land available for the purpose that we need. The cross-departmental stuff is happening much more now than it was even a year and a half ago, since we decided, rightly, that nature has to be at the heart of our approach to tackling climate change.

**Q195 Barry Gardiner:** Minister, I know you are committed to it. My fear, and what the NAO report reflected, is that others in Government are not. I just highlight it. As I say, I know you are committed to it.

You talk about what we need to get these things done. One of the elements that we need, of course, is financial resource. Let me ask you about the Global Environment Facility, the GEF. Ten years ago, in 2010, we were giving £328 million to the GEF for its replenishment fund. I think that was the fifth replenishment fund. On the current replenishment fund, 2018-22, we have committed just £336 million. If we had kept pace with inflation and the devaluation of our currency, the £328 million would have become £424 million. If we are going to exercise the clout that we want on the international stage, do you not think that our financial contributions need to reflect the importance that we place on it?

**Lord Goldsmith of Richmond Park:** My understanding is that we remain the third largest donor to the GEF.

**Barry Gardiner:** Fourth.

**Lord Goldsmith of Richmond Park:** Okay. I have been told the third; I did ask that question. We are also, if not the first, then the second biggest donor to the GCF. On the back of the Prime Minister's commitment a couple of days ago, obviously the world is our oyster. We have the opportunity now to massively increase our expenditure on these issues. Whether that should go through the multilateral—

**Q196 Barry Gardiner:** Sorry, but that has come out of existing money. The £3 billion is out of the original £10 billion allocated.

**Lord Goldsmith of Richmond Park:** Yes, that is correct, it is out of ICF, but this is specifically for nature-based solutions. If you consider that only 2.5% of global climate finance is spent on nature, we are moving that closer to 30% here. France hopefully will be doing the same, and other countries as well.



The question is whether we should continue to put that through the multilateral system, and the answer is a mixed one. There are certain areas where I believe we are best placed to create UK packages, UK programmes, to help reverse biodiversity loss and tackle climate change in other countries. We are creating a £500 million Blue Planet Fund, which is launching in a couple of months' time. We have created a new £100 million landscape fund to help link different countries and their conservation works and create jobs on the back of them in some of the most vulnerable parts of the world—Cheryl Case is on the panel that helped to design that—and various other programmes that are currently in the pipeline at the moment.

I am hugely excited by this. It is not to say I don't want us to continue to put money through the multilateral system. We do, but the reality is, I would say, that even though we are one of the biggest donors to the multilateral system, we have not flexed our muscles as much as I think we should. As major contributors to the World Bank development fund, for example, should we not be doing more to use that leverage to require the World Bank to align its portfolio with nature and with Paris? My view is that we can be much more robust than perhaps we have been in recent years. That does not require us to put in more money. We are already significant donors to the multilateral system; we are one of the biggest in the world. We could use that leverage a bit more effectively, and perhaps more bravely than we have.

**Q197 Barry Gardiner:** There we are absolutely agreed. One final question to you then, Minister, and that is, as the Chair indicated at the beginning of this question, the relationship between COP 15 and COP 26. The importance of that relationship you have already highlighted. What impact do you consider yesterday's statement on China will have on our ability to leverage the outcomes of COP 15 and the outcomes of COP 26, which are so integrally linked, as you said?

**Lord Goldsmith of Richmond Park:** It is a difficult question, and there are people who spend their lifetime trying to understand Chinese politics who know much more about this than I do. I do know that we will struggle to deliver, or to help them to deliver, a successful CBD without very close working together. I was thrilled that, despite all kinds of disagreements between the UK and China, President Xi was nevertheless willing and able to stand with Prime Minister Boris Johnson and commit to that very close working relationship in the interests of sustainability.

I might invite Cheryl in, because she has much more direct experience of negotiating with, talking to and comparing notes with officials in China than I do. For my part, I believe it is fair to say that, despite some of those difficulties and despite disagreements on a whole range of issues, it is proving possible for us to work closely together with them in the interests of delivering a powerful CBD outcome. If you are happy for me to introduce Cheryl to that discussion, she can give you a much more personal insight.



**Barry Gardiner:** Please.

**Chair:** Thank you. I am just going to jump in and ask Cheryl to make a quick contribution. We have only half an hour left and a lot of other questions to go. Thank you very much, Barry.

**Cheryl Case:** Absolutely, I will keep it very brief. Yes, it can be challenging when there are bigger political issues going on between countries. However, we have been continually in touch with China and I have only recently, at the end of last year, had a further conversation with China about our joint working with them as presidents of UNFCCC COP and also as CBD COP. We continue to develop our ways forward to talk about things such as nature-based solutions and how both countries are going to work together to ensure that we make the most out of the super year 2021. We are continuing to work with the Chinese negotiators and the presidency, and that will continue even under these challenging situations.

**Chair:** Thank you very much. That is very helpful. We now have a couple of questions from Jerome Mayhew.

Q198 **Jerome Mayhew:** Lord Goldsmith, picking up on the penultimate point that Barry Gardiner made about the financial contribution of the United Kingdom to the Global Environment Facility, could you please expand a little bit on the Prime Minister's announcement on, I think, Monday this week of an extra £3 billion of support provided by the UK for international assistance in this area?

**Lord Goldsmith of Richmond Park:** As Barry said, this is not new money, but crucially it is about spending more of our climate finance on nature-based solutions. Our view is that about a third of the most cost-effective solutions to climate change can be found in nature—forests, mangroves, seagrass, et cetera—yet, despite that, globally less than 3% is spent on nature. There is no pathway to net zero here or internationally without a massive increase in that focus on nature. We know that we can deal with carbon as effectively as we want, but without tackling some of the drivers of nature destruction and nature destruction itself, then it will be for nothing.

The significance of the Prime Minister's announcement is that we are seeking to redress that balance, and we did it on the back of discussions, some of which I have had and some of which other colleagues in Government have had, with other donor countries with a view to trying to get them to align their approach with ours. Although announcements are yet to be made, it feels that that is working, that there are other countries now grappling with this issue, looking at their own climate finance with a view to shifting more of it towards nature-based solutions. I hope we will hear more about that in the next couple of weeks. France, incidentally, has made the same commitment. We talked about £3 billion; they have talked about 30%, but it is more or less the same thing.

Q199 **Jerome Mayhew:** That is very good to hear. Secretary of State, turning



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back to the United Kingdom, towards the end of last year—I think it was in September or so—the Prime Minister made an announcement that we are going to protect 30% of the UK’s land by 2030, so a domestic version of the marine 30 by 30. Currently we already have protection designations for about 26% of the land surface, so we are talking another 4%, which I think is about 400,000 hectares or getting on for 1 million acres.

My concern is about what impact this kind of designation has for the protection of biodiversity. Among those classifications you have ones like the AONB, which has done very little historically to support the recovery of biodiversity. Since 1970 we have lost 68% of our biodiversity, despite having all these large designations in place. How are you going to make that announcement meaningful in terms of the recovery of biodiversity?

**George Eustice:** On one level you are right. Obviously just drawing lines on maps and having additional designations, in and of itself, does not improve things. You have to see it in the context of all the other things that we are doing. If you look at the Glover Review, for instance, one of the key recommendations from that, which we accept and will be taking forward, is that rather than just seeing these as landscapes and about public access, we should be looking at more opportunities to build back nature in those designated protected areas, so in our national parks and AONBs. Then of course you have the other designations such as the SSSIs, SACs and special protection areas as well.

There are also, beyond that, other sites like some of the county wildlife sites, which have probably not had the recognition or protection that they should have had in the past. We will get to that 30% target through a combination of probably some additional national parks alongside additional SSSI designations, but the more important thing is what we do differently in those areas. This is where the environmental land management scheme, the change in focus of agriculture policy, is going to become so important.

Q200 **Jerome Mayhew:** You have mentioned SSSIs, and that was picked up in part by my colleague, Duncan Baker, earlier in this session, where he pointed out in a discussion about the Environment Agency that over half of SSSIs have not been reassessed in the last six years, and those are the highest level of classification in terms of biodiversity and environmental protection. What are you going to do when you have less than 40% of our existing protected areas in favourable condition, and those are the ones we have actually got around to measuring in the last decade or so? I am still struggling to see where that next step is going to come from when we have an Environment Agency that, on its own case, is very significantly underfunded even to provide its statutory obligations.

**George Eustice:** As part of the environmental land management programme, one of the things that we are also looking at is the possibility of payment by results. That is a complex area, not something you would be able to deliver immediately, but it would be quite possible to be able



to bring in private sector expertise to help build that data and build that understanding in some of those areas.

In addition, we have also secured some funding from the Treasury to run a pilot on basically natural capital accounting and how we can assess the state of nature and build a better baseline understanding. We are doing this. It does not necessarily have to be Natural England that would always do that. It could bring in other resources and other expertise, and that could even be linked as an incentive for landowners to engage in it themselves, particularly if there was a component of the payment that was a payment by results.

**Q201 Jerome Mayhew:** That brings me on to my final question: is there a more productive relationship between ELMS and the Agriculture Bill that will deal with agriculture across the country, rather than looking at perhaps rather notional and slightly meaningless protection designations?

**George Eustice:** It is absolutely the case that when we set our biodiversity targets, it cannot just be a target that looks at good or favourable status in protected sites. What we need to do is to get a recovery of nature and find space for nature right through the farm landscape, whether there is a protection or not. In some of those protective designations you might have different types of interventions, different sorts of schemes, depending on the landscape, that seek to achieve more. It is absolutely the case that we also need to be doing more for biodiversity in the rest of the farmed landscape as well, and making sure that the targets regime we have captures that, otherwise you would get the perverse incentive of piling all the money into certain sites and neglecting the rest of the farmed landscape. You have to raise the tide for nature right across the landscape.

**Jerome Mayhew:** I am very glad to hear you say that.

**Chair:** I hope in that context, Secretary of State, you will take on board the need for coherence between the ELM scheme and other schemes for supporting land use, whether it be the tree strategy that I was discussing with Lord Goldsmith on an APPG meeting yesterday or some of the water schemes being put forward by water companies to improve water quality as part of the green recovery proposal.

We are now going to talk about biodiversity net gain, and Cheryl Mackrory has some questions. I hope we will be able to bring in Minister Pincher, who has been sitting very patiently thus far.

**Q202 Cheryl Mackrory:** Good afternoon, everybody. I was very lucky to sit on the Environment Bill Committee, and we drilled down very hard on the 10% net increase of biodiversity for building. What has not been answered is the question of the nationally significant infrastructure projects. Upon reading the report, Natural England itself is calling for the NSIPs to be included in net gain. Even Balfour Beatty, which is in charge of quite a lot of these projects, has said that it would welcome being part of such a scheme. HS2 has committed to no net loss of biodiversity, but



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that is slightly different from committing to any biodiversity net gain. First of all, Secretary of State, could you comment on why nationally significant projects have not been required to adhere to biodiversity net gain?

**George Eustice:** To be honest, it is because they are often large projects that can span multiple local authority boundaries. They are quite complex and usually developed over many years. The concept of biodiversity offsetting is already quite embedded in those national infrastructure projects.

What we are doing is exploring how we can move that from the concept of environmental offsetting, which is there now, or biodiversity offsetting, to one that is much more around net gain. For now, because the biodiversity net gain approach is very much linked to the local planning system, local authorities and their own local nature recovery plan, we decided to exclude it at this point. We are exploring how the concept could be embedded in some of those nationally significant infrastructure projects in future.

Q203 **Cherilyn Mackrory:** Turning to net environmental gain for development, the NCC has highlighted that, while the Government have committed to this, policy documents have focused purely on biodiversity net gain. When will the Government move to a policy of delivering net environmental gain for development?

**George Eustice:** When you think about and consider the impacts of, say, a housing development, it is very much about looking at the impacts on habitats and species. That is what we are focused on through biodiversity net gain, making sure that you replace those habitats and make space for nature elsewhere.

If you take the wider environmental space, there are other legal provisions that we have in place to deal with that. On water quality—and I see you pointed out the Chair has been doing quite a lot of work—there is a question there around the legal requirement for water companies to plan properly for the infrastructure that they need for the houses that are developed. That has an impact on water quality. That is an area currently picked up through the Ofwat pricing strategy and through some of the other bits of legislation that exist, but it is an area that we are looking at and that the Environment Bill provides some powers to strengthen.

Likewise, on air quality, again there are legal requirements there at the moment. There will be new legal targets set through the Environment Bill, and those will drive local authority behaviour when it comes to air quality. We did not want to dilute the impact of this by taking it wider and making it more complicated. I think people understand biodiversity, habitats and species, and that there is a direct correlation between that and new developments there might be.

Q204 **Cherilyn Mackrory:** Turning to Minister Pincher, who has been waiting



very patiently, and looking at local authorities and the planning authorities within those, the LGA will say that nearly 40% of funding lost has been from planning authorities. It is very difficult for them to necessarily enforce what the Environment Bill will be producing. Local authorities are saying that they have neither the funding nor the ecologists to implement the biodiversity net gain. How is MHCLG looking to rectify that? Is it going to be a case of just introducing more money and throwing more money at the project? How are we going to make sure we have the right people in the right places so that enforcement can take place?

The Secretary of State will know that, certainly in Cornwall, this is very much a hot potato topic. People want to know that they have a say over the planning and, if things have not gone to plan—if we are not seeing the biodiversity net gain—they need to know that the local authority can enforce on this and ensure that those things happen.

**Christopher Pincher:** There are a number of points that can be made. The Secretary of State has already referenced the £200 million that has been made available for the local nature recovery networks.

With respect to planning particularly, with the 4.5% increase in the most recent local government settlement, which I think is worth about £2.2 billion across the local government estate, we increased planning fees by 20% back in 2018. That increased income to local authorities in the region of £75 million for the purposes of planning. We have said that, as part of our proposals for planning reform, we will undertake a complete review of the resources and the skills required in local planning authorities to execute the responsibilities that they have. Part of that will be looking at the digitalisation agenda, a very important part of the agenda, which we think, in conjunction with reducing a lot of the administration in the planning system, will allow planning authorities to spend much more time more effectively being strategists rather than tacticians. Taken as a whole, the funding and the reforms will enable the planners to do what we want them to do.

Q205 **Cherilyn Mackrory:** Before I hand back to the Chair, Minister Pincher, is the digitalisation and the time saving something that we are expecting to be introduced rather quickly in relation to this, or is it something that needs to be developed and will come down the line?

**Christopher Pincher:** It is part of the consultation on our White Paper. It will take some time to digest the feedback on that White Paper. We had 44,000 responses to it across the board. What we want to do is to make sure that we work with local authorities to make sure that we develop the right sorts of platforms with them that will enable them to most effectively use digitalisation to better organise their planning systems, which will make those planning systems much more accessible to everybody who wants to be involved in planning, be they, for example, local communities, interested stakeholders or environmental groups local or national. If we have a digitalised planning system, it will be much more



straightforward for people to access it, make use of it and, therefore, get better results.

**Q206 Cherilyn Mackrory:** Just to conclude before I hand back, that means that should this all go to plan, in theory, planning departments should have more resource to enforce? Is that what we are hoping?

**Christopher Pincher:** The objective will be to ensure they have the right skills and the right space in which to execute those skills.

**Cherilyn Mackrory:** Thanks very much.

**Q207 Alex Sobel:** All my questions are for Chris Pincher. I am sure he will be delighted. Just to start, local government obviously have had a very difficult time recently. They have had a lot of cost pressures due to Covid and ongoing issues with budgets for a number of years. We all know that.

How are you expecting local government to deliver nature recovery networks? Will there be a funding settlement around this area, or particular targeted funding for them to be able to deliver this new responsibility? Or are you expecting this entirely to come out of existing council resources?

**Christopher Pincher:** What we have said is that, as part of the White Paper that we have consulted on—we are, as I say, digesting the responses to that consultation—we will explore opportunities to create a new planning fee infrastructure, which will help to fund the planning system in local authorities. However, we should not overlook the fact that local authorities have had the largest funding settlement increase in the last 10 years, a 4.5% increase, which equates to something like £2.2 billion, as I said. We have increased the planning fee regime, which has increased the income for local authorities, and we will want to look with local authorities at the skills they have and the resources they need to undertake their responsibilities.

We recognise, too, that there will be some local authorities that have very particular needs. The geography of the country is different in different places, and therefore there may be cases where some short-term exceptional funding will be required in those authorities. We will address those on a case-by-case basis.

**Q208 Alex Sobel:** As well as the Environment Bill, we have the planning reform White Paper. There does seem to be in that White Paper some contradiction with local nature recovery strategies. How will the planning reform White Paper be reconciled with local nature recovery strategies to ensure that there is not any biodiversity loss and, in fact, that we get the net gain?

**Christopher Pincher:** If we step back a moment and just look at what the planning system and planning policy is there to do, it is there to do a number of things. It is there to build the right number of houses to the right quality in the places that we need them. It is there to ensure that people are able to access it and engage with the planning system, and it



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is also there to ensure that we protect and, indeed, promote our environment.

What we do not want, as a result of our planning reforms, is in any way to demote the importance of the environment and biodiversity, quite the opposite. That is why we have been working very closely with DEFRA to ensure that we are able to bake in its biodiversity net gain proposals to our planning reforms, and the proposals for local nature recovery networks, for example, are spatial toolkits. They map very effectively to our plans for spatial toolkits in the planning system. We have been working closely with DEFRA to make sure that we can make those a reality.

Mr Gardiner, quite understandably and properly, questioned whether MHCLG is working closely with DEFRA. I can assure you and him that it is. I have had meetings with Lord Goldsmith to talk about some of the issues in his area and how we can engage them in our planning proposals. I have talked on at least two occasions with Rebecca Pow, and I am meeting her again on 19 January, I think. Simon Gallagher has been dealing very directly with DEFRA as well. It might be useful, if the Committee will indulge me for just a moment, for Simon to say a little word about what we are doing official-to-official between MHCLG and DEFRA to demonstrate that we are closely engaged to deliver bio net gain through our planning reforms.

**Simon Gallagher:** Thank you, Minister. I will just say it very briefly. First, the clause in the Environment Bill currently before Parliament very much reflects the joint working between my team and the DEFRA team. One of the virtues of being based in Marsham Street, when we were able to do that, was that we could shuttle along the corridor and work on that one. That is an amendment to the Planning Act through the Environment Bill, reflecting joint working.

We have some professional planning expertise now in DEFRA, and there are some colleagues from the Department there. We are also using some of the environmental expertise in DEFRA and its agencies to work with us on developing the planning reform White Paper proposals that the Minister discussed. There are some very good conversations. In fact, in an hour's time I have a meeting that my counterpart at DEFRA and I are jointly chairing to review some of the collective work that we have been doing.

Q209 **Alex Sobel:** This is my final question. The planning White Paper seems to indicate that it will be possible to develop in protected areas, and some of these protected areas have fairly unique biodiversity. It would be good to get some reassurances around protected areas and whether there could be an allocation of a fourth area where development is strictly not allowed, particularly to try to protect the biodiversity.

**Christopher Pincher:** I do not want to second guess the outcome of our deliberations on the consultation feedback, but we will certainly look at



that proposition. What we feel, as a result of local authorities being able to strategically map the entirety of their geography and their estate into one of three or possibly more areas, is that certainty as to what is proposed in areas, and therefore what is designed for them, will be much greater. It also means that, for areas of national designation or, indeed, areas that are important for local wildlife habitats, local authorities can designate those places for their protected areas. In those, where any proposal might come forward, it would have to go through the existing planning system and framework.

Equally, in growth areas or in renewal areas, where proposals come forward that deviate from the already agreed local plan, they will also need to go through the present planning system. We want to make sure that there are sensible controls in place to protect and promote the environment while also giving certainty to everybody in the planning system, be they planners, communities or developers.

**Simon Gallagher:** Perhaps I can give you a specific example to illustrate what the Minister is saying. One of the types of area that we had envisaged might be within the “protect” category would be national parks. As the Secretary of State was saying earlier, there is a very urgent need for some sensitive, well-designed and very important community infrastructure development within those national parks, if you speak to any of the national park authorities. We would not want to stop that very important and community-supported development coming through this. The intention of this “protect” category is to be a broad umbrella for a number of land uses, rather than where, as the Minister says, individual case-by-case planning applications could be considered as now.

**Alex Sobel:** Thank you. I am not completely reassured by that. We will have to see the detail when the proposals come through. I am going to hand over to Robert, who has some follow-up questions.

Q210 **Mr Robert Goodwill:** Thank you very much, Alex.

Minister Pincher, I do not know if you have the same impression as me sometimes that Ministers make announcements but nothing happens on the ground. You are pulling the levers in Whitehall but things are not changing. An example of that would be electric charging points. Neither local authorities nor developers seem to be delivering them. In this regard, how are your Department, local authorities and DEFRA co-ordinating to ensure local nature recovery strategies are joined together to form a national nature recovery network?

**Christopher Pincher:** That is a good question. What we have done with respect to the planning proposals is to make sure that, while we were consulting on them, we engaged with a wide variety of stakeholders. I spoke to quite a number of environmental groups to make sure we were capturing their input in real time, as well as the feedback that they provided by 29 October. As I say, we have had a huge number of responses: 44,000 responses from Natural England, the Woodland Trust,



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CPRE, to name but a few. We are working through those responses. We will continue to engage with such stakeholders and with local authorities, the LGA and the DCN and so forth, to make sure that we bring together a tight set of legislatable proposals. We want to get this done right, not get it done quickly.

By the same token, we have been working closely with DEFRA, as Simon has illustrated, at official level and at ministerial level to make sure we are taking proper account of the Environment Bill as it is, the Environment Act as it will be, when we come to build the legislation that will be the output of the planning consultation that we are presently going through.

**George Eustice:** I wonder if I might add to that from a DEFRA point of view, specifically on the local nature recovery strategies. We have five pilots that are under way and that have been selected. They are in Cornwall, Buckinghamshire, Greater Manchester, Northumberland and Cumbria. We have chosen a spectrum of different local authorities. Natural England is supervising the set of pilots, working with them to put together local nature recovery plans, and I think we will learn a lot from that process that can then inform how we roll it out thereafter.

Q211 **Mr Robert Goodwill:** Thank you, Secretary of State. Perhaps I could pursue that a little more in terms of how you would link biodiversity net gain, nature recovery networks and the new ELMS policy to work together. Maybe I could give an example of where that might work, whereby a developer would establish a habitat as part of his obligation for environmental offset, then once established maybe the ELM scheme could step in and maintain that, working together with the farmer. Is that the sort of thing you are looking at? Maybe, indeed, taking some of the burden off the taxpayer and on to developers to ensure that we can continue to develop and maybe save a few pence for the taxpayer.

**George Eustice:** Yes. We envisaged, as I said earlier, that the biodiversity net gain should bring about £200 million of finance into the system. There is a hierarchy in terms of how those projects should be committed. The first priority is to say that, if you are doing a development, you should try to make space for nature within that, whether there is a wooded area, a water feature, a pond or something that brings nature into the development itself.

Where that is not possible, it cascades to the next level, which is effectively a contribution to local authorities to support investment in their local nature recovery strategy. It effectively considers the local nature recovery plan as almost a parallel plan, a bit like they would have a plan for development. They have a plan for priority areas where they want to see nature recovery and provide habitat, and it would then support that.

If that is also not possible, it cascades to another level, which is that we are setting up a system of national credits that could then support other



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different national projects. The incentive will always be to try to invest locally first so that it is not just a kind of, “build and then abdicate your responsibilities.” We are trying to get those incentives right.

The answer is that during the environmental land management programme, yes, we do want those to be conscious of and dovetail with local nature recovery strategies, so there will be an overlap. It may well be the case that some funding from biodiversity net gain could supplement some of the money going into ELMS as well. That is entirely possible.

**Q212 Mr Robert Goodwill:** When could we expect to see this cohesive strategy published? Any time soon, or in due course? In the fullness of time?

**George Eustice:** We have set out in our White Paper the approach to the local nature recovery strategies. I think it will develop over time. As you start deploying it, people will start to get a sense of how much money there is that falls outside of the local spending envelope and then how that could be used.

**Q213 Mr Robert Goodwill:** It has to evolve, rather than be announced in a fanfare of publicity?

**George Eustice:** Yes, but we do want to align the environmental land management scheme in localities with priorities in that area. It is no surprise that we have chosen to call one of the tiers of the environmental land management scheme “local nature recovery”, and that is because we see a synergy between what comes out of biodiversity net gain, the local nature recovery plan and that second tier of ELMS.

**Mr Robert Goodwill:** Thank you, Secretary of State.

**Chair:** Secretary of State, I am conscious that we are almost at the end of our time. We have, if possible, two quick questions to come, if you can manage it. First from John McNally.

**Q214 John McNally:** Secretary of State, my questions are based on the Glover Review. Government—Tory, Labour, DEFRA and Ministers—all backed the Glover Review. Can you tell me, why has it taken so long, over a year, for the Government to respond to the Glover Review?

**George Eustice:** It is simply the disruption caused by the coronavirus pandemic and the need to deploy staff on other projects, such as the end of the transition period, which has been quite disruptive for DEFRA. We intend to give a response to the Glover Review shortly, probably initially by way of a written ministerial statement, and to consult on some of the recommendations in the spring.

**Q215 Marco Longhi:** Secretary of State, although we have the Climate Change Act and carbon budgets, we lack similar binding interim national targets on improving biodiversity. How can we, the Government, ensure biodiversity is treated with the same urgency and concerted action as



climate change is?

**George Eustice:** Because, put simply, there will be binding targets that are set under the Environment Bill. We are consulting now, or we will be consulting shortly, on what those targets should be, so we will have binding targets. There will not be an interim target that is legally binding, but if we have learned anything it is that these things take time. Interventions take time. The purpose of an interim target is for it to be a staging point and a review point to check that you are making progress towards your end target; it is not in itself a legally binding target, otherwise you might as well just condense the timescales. You would end up with less ambitious targets because you have to be realistic about what you could achieve within that time.

We have chosen to take those long-term targets and then to have an interim staging post and have annual updates on the environmental improvement plan, including looking at metrics on a wide range of measures and those targets.

**Marco Longhi:** Thank you very much, Secretary of State.

Q216 **Chair:** Secretary of State, just following up on the question from John McNally on the Glover Review, we are about to start an inquiry into green jobs. One of the challenges for delivering all your plans for the nature recovery network is ensuring you have people with adequate skills and training. Julian Glover recommended that we should establish a natural history GCSE to begin encouraging young people to take a career choice in this field. Is that something you are likely to endorse?

**George Eustice:** I do not want to jump the gun on the recommendations. The key recommendations that he made were around improving public access, building back nature in these areas, and getting more strategic co-ordination. Those are all objectives. I think he made some powerful points, and we will be saying how we intend to do that.

It is also the case—we mentioned the Aichi targets—that one of the areas where we have been successful is in getting engagement from volunteers in particular. Volunteer engagement in the environment has gone up quite significantly during that time. We also have things like the Green Recovery Challenge Fund, and those two rounds have now released around £80 million to a large number of green NGOs to support on-the-ground projects. Many of those will be engaging apprentices and young people.

**Chair:** Excellent. Perhaps you might like to consider the idea of talking to the Department for Education about a GCSE in this area. I think that would be very welcome on this Committee.

On behalf of the Committee, could I thank you, Secretary of State, for your time today; the poacher turned gamekeeper, Lord Goldsmith, an alumnus of this Committee, for coming to join us today; and Chris Pincher, who is rapidly developing a reputation as our most frequent



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attendee? Thank you all, and to your officials, Richard Pullen, Cheryl Case and Simon Gallagher for joining us today. Thank you, members of the Committee, and Medha Bhasin for writing our brief for today. Thank you all very much indeed.