

# Environmental Audit Committee

## Oral evidence: Environmental protection policies of the Department for Environment, Food and Rural Affairs, HC 805

Monday 24 March 2025

Ordered by the House of Commons to be published on 24 March 2025.

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Environmental Audit Committee members present: Mr Toby Perkins (Chair); Barry Gardiner; Anna Gelderd; Sarah Gibson; Allison Griffiths; Pippa Heylings; Chris Hinchliff; Martin Rhodes; Cameron Thomas; John Whitby; Sammy Wilson.

Environment, Food and Rural Affairs Committee member present: Helena Dollimore.

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### Witnesses

**I:** Rt Hon Steve Reed OBE, Secretary of State for Environment, Food and Rural Affairs, Department for the Environment, Food and Rural Affairs; David Hill, Director General, Strategy and Water, Department for Environment, Food and Rural Affairs; and Sally Randall, Director General, Environment, Department for Environment, Food and Rural Affairs.



## Examination of witnesses

Witnesses: Rt Hon Steve Reed OBE, David Hill and Sally Randall.

**Q1 Chair:** Welcome, everybody, to the latest meeting of the Environmental Audit Committee. We are delighted to be joined by the Secretary of State for DEFRA, Steve Reed. Thank you very much, Secretary of State, for joining us and your colleagues, Ms Randall and Mr Hill. The questions that we ask will primarily be to the Secretary of State, but obviously if he wants to bring you in and ask for further clarification from colleagues, he is absolutely fine to do so.

In opening the meeting if I could just say that we have had significant public interest in the meeting and a number of submissions to the Committee have been received. Unfortunately, there will not be time to cover in detail every single issue that has been raised with us and, therefore, it is likely that the Committee will wish to follow up several issues in writing after the meeting with the Secretary of State.

I will start by welcoming you, Secretary of State, and invite you to introduce yourself and the colleagues that are with us and their areas of responsibility.

**Steve Reed:** Thank you very much. It is a pleasure to be here before the massed ranks of the EAC. When I appeared before the EFRA Committee, I failed to bring in my colleagues so I am going to make a bit more effort to bring them in; their knowledge of the detail inevitably will be better than mine. I am Secretary of State for DEFRA.

**Sally Randall:** I am Sally Randall. I am Director General, Environment in DEFRA.

**David Hill:** David Hill. I am Director General, Strategy and Water in DEFRA.

**Q2 Chair:** Indeed, well thank you very much. Secretary of State, you have been in post since the election of the new Government in what can only be described as a challenging period for your Department. How are you enjoying life in government? How do you reflect on your opening salvos in the post?

**Steve Reed:** Compared with being the Opposition, it is fantastic. It is not easy, and it is not meant to be easy; it is a tough job being part of the Government of the country. It is a tough job being an MP as well at the best of times, and times are challenging as you say. I think we have made a decent start if I am honest. We have outlined our five priorities for the Department to try to focus on the areas the public are most concerned about and where we think we can start to make an impact.

The most significant of those for the public is water. Water quality was a very big issue in the general election and remains a very high priority for the public. We are making headway on developing a circular economy. That is very important for economic growth but also in helping to meet



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our net zero targets and supporting businesses to become more profitable, which they will be if we could help to deliver lower cost inputs that do not have to be transported halfway around the world. Food and food security are always going to be very significant, so we are working with the farming sector to develop a road map to transform the sector into becoming more profitable and therefore more successful in the future.

With nature and nature restoration, nature has been in decline for far too long in this country and it is important that the Government pull every lever that we can to help to restore nature while balancing that against the imperative of delivering growth, which is the shared mission of everybody who is a part of the Government.

The fifth priority we have is around flooding. We inherited flood defences that were in the worst condition on record, and we have been looking at how we can target the additional funding that we secured in the Budget to help to improve that. We also need to focus a lot more on maintenance because of the state of disrepair and we want to protect more areas from the dangers of flooding that are of huge concern. I think it is one in six homes in this country that is at risk of flooding and many businesses are at risk of flooding.

**Q3 Chair:** Thank you. I would like to start by focusing on nature and the Environment Act targets that you have inherited and taken forward. A report of the Office for Environmental Protection came out recently. Can you tell us how important you consider that OEP report to be and the functions of the OEP?

**Steve Reed:** The OEP is a very important organisation. It holds the Government to account on our delivery of the Environment Act targets, which includes the EIP. It is a very useful source of advice as well. The criticism is constructive. I have a very good relationship with Dame Glenys and the team that she leads at the OEP, and I always welcome the interventions they make when they make them. The advice that they give at other times is very helpful too.

I am sure you are going to come on to the EIP a little more. The OEP has of course made comments about that, and I share its concerns because the EIP we inherited did not have delivery plans attached to the targets. If you do not attach delivery plans you are not going to meet them, so we have been working with the sector to attach those. In terms of the annual progress report, the statutory requirement is that we will respond by January 2026. I would like to do it sooner than that if we can. It would make sense to me to perhaps coincide a response to the OEP with the refreshed EIP when we are able to publish that.

I commissioned a rapid review of the EIP as soon as we were elected to office. It does not feel so rapid now because we are nine months on and have not been able to publish it yet, but that is for the very sensible reason that we need to wait for the outcome of the spending review so I



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know what resources I can allocate to those delivery plans. I do not want to put something out in public that I am not confident we can deliver. So once the spending review is completed in early June, we will finalise the EIP refresh, and we will publish that. That seems to me like a good time to issue our response to the OEP because then I can add more detail in.

**Q4 Chair:** We share your view of the OEP's importance. Dame Glenys was in front of us and speaking about the challenges that have been faced, and the very serious risk that currently the Government are not on track to hit any of the legally binding targets within the Environment Act. Given the importance of the OEP and the importance of getting its findings taken seriously, why was there no oral statement to Parliament on the publication of the OEP report?

**Steve Reed:** Yes, I remember we spoke about that at the time.

**Chair:** We certainly did.

**Steve Reed:** First of all, it was not a requirement on us to do that. We did a written statement, but I think we can provide more information when we have the full response to the OEP, which will not happen until the matters I mentioned earlier on have been completed. I hope neither you nor the Committee will take that as any lack of interest or even serious consideration of what the OEP had to say. I cannot remember the exact things that happened that week, but I think we had something else going on.

**Q5 Chair:** Secretary of State, this is part of a pattern. There was no statement on the OEP report, which we were disappointed about. The Secretary of State for DESNZ made a report on COP29 with no statement from your Department on COP16. When we had your colleague Mary Creagh here, she suggested there had not been a statement on COP16 as it was only half time, and we may get one after the second half in Rome. There was no statement then. As your job is to promote the importance to your Department of these issues across Government, are you not missing out on all these opportunities to get these issues in front of Parliament? It is a bit of a funny way of going about it.

**Steve Reed:** I would respectfully disagree with you on that. We have had quite a lot of statements and UQs covering my Department. We have had a few recently on water.

**Q6 Chair:** With respect, UQs are a sign that you haven't done a statement on something Parliament thinks is important.

**Steve Reed:** We have more statements than UQs, but we have done them on water, on farming, and on flooding. All of those have impacts on nature. Of course we have orals regularly. We are often part of debates in the Chamber and in Westminster Hall as well. So I do not feel we are hiding nature's light under a bushel.

**Q7 Chair:** In fairness, if you are getting called to UQs or if you are getting



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called to Westminster Hall, that is Back Benchers saying, “We think these issues are important.” That is great, but statements are your opportunity to say, “This is important.” With the greatest respect, in the several cases that I mentioned there your Department are not doing that. This Committee is right behind you going out there into Government saying that this really matters, but you need to pull your weight. Can we have an assurance going forward that on set piece moments—like an annual report from the OEP, which is of incredible importance—you will take the steps of getting it in front of Parliament?

**Steve Reed:** I certainly do think we are pulling our weight. We have done an awful lot to move this agenda forward and to reverse the pretty parlous state that Government policy on nature was in—and that the delivery attached to nature was certainly in—following the general election. I take your point, there are going to be differences of view as to when a statement is appropriate or not appropriate, but I certainly hear what you have said. When we respond to the OEP in more detail that will be perhaps a more appropriate time to consider that.

Q8 **Chair:** Turning to the report, what do you see as the key lessons from that report?

**Steve Reed:** There is quite a lot that came out of the report that we had from the OEP, and we will be giving a full response to that. Part of it would be about better co-ordinating across Government and with stakeholders. Part of what they were reporting on was the period before we were elected. I share many of the criticisms. Many of the measures and approaches that we have been putting in place since the general election are to address some of the points that it raised.

Again, I will have more evidence of the impact of that later in the year when we are able to give the OEP a response. However, for me, that was a very important part of what it had to say. The fact that the EIP did not have delivery plans attached to it that were resourced with anybody named as responsible for delivering those targets meant that they were not so much targets as pipe dreams.

Q9 **Chair:** We will come back to the EIP shortly but let us just stick with that report. I am grateful for what you have said about the timeliness. The OEP report for 2022-23 was based on the current situation up to March 2023. The OEP then produced its report in January 2024. Notwithstanding what you said about it being a report on the previous Government, and you having a well-developed narrative on that performance already coming in, it did take this Government until January 2025 to report on that.

We then have a response to a report that is almost two years out of date. I am grateful for what you have said about the 2026 report being brought forward, but do you agree that it is an inadequate response to what is the canary in the coalmine, given the Government are currently on target to miss all those EA objectives?



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**Steve Reed:** I share its diagnosis of the failings of the previous Government to be honest. I will have made many of those same points myself at various times.

Q10 **Chair:** Can you make it a bit quicker next time then?

**Steve Reed:** I do not think it is helpful for me to just add my voice to criticisms. We are not the Opposition now; we are the Government. I want to point to what we are doing and by the time we are in a position to write—as I say I want to do it earlier than we are required to—I want there to be more substantive information about what this Government are doing in allocating resources and responsibilities to those targets so this Committee and, just as importantly, members of the public outside can see that this Government have a plan to deliver where the previous one did not.

Q11 **Chair:** With respect, I am not asking you to comment on it. Your response in 2025 is what the Government are going to do to address those things, so I agree with you that we want actions not words. Since it was established, the OEP has had a cap imposed on its recruitment and is currently smaller than was originally proposed during its creation. Do you intend to ensure that it is better resourced to do its important work coming out of the spending review, even though that could sometimes be difficult for the Government?

**Steve Reed:** I cannot anticipate what will come out of the spending review. It is no secret to anybody the very difficult financial circumstances this Government inherited and the difficulty to find resources to increase funding until we have secured growth in the economy. As things stand, in our current business planning we are looking at flat cash for the OEP, as for other parts of DEFRA, and—like the rest of us—it will have to do better with less. We owe that to the public because we certainly cannot be looking to increase taxes on the public at a time like this.

Nor, I think, would the public want to see us cutting back on matters that, for them, are right at the top of the agenda, like cutting NHS waiting lists. It is a very difficult situation. We will keep it under review. I will be in close engagement with Dame Glenys and her team to make sure they have the resources they need to complete the work that needs to be carried out, but the whole of Government is currently looking for greater efficiency not increased spending.

Q12 **Barry Gardiner:** Dame Glenys has already told this Committee that she does not have the resources that she would like.

**Steve Reed:** She is a good chief of her organisation.

**Barry Gardiner:** She is, but she is also very prudent in the way in which she has marshalled her resources, and all credit to her. I was interested in what you said about the rapid review that you conducted, Secretary of State. You said there would not be any point in publishing the rapid



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review until we had the spring statement. Now, as you say, the rapid review is less rapid because you had completed it in January but have kept it under wraps. We do know, because of the Freedom of Information request that has been secured, that many of the goals that were in the EIP are not going to be achieved in time and to plan; I do not think that is a great surprise to you or to anybody on this Committee. Given the spring statement is coming up, are you going to lower the targets or are you going to extend the timetable to achieve them?

**Steve Reed:** I am not going to make the same mistake I made at the EFRA Committee and not bring my colleagues in, so I will just give them some notice that after I have answered your question if they have anything to add to it, they would be most welcome. You will appreciate, I am sure, that I cannot anticipate what we are going to—

Q13 **Barry Gardiner:** We have a limited time, so I am not seeking a detailed breakdown of the budget. What I simply want to understand is that you have two options: one is to extend the time period and the other is to lower the target. It is important for this Committee to understand what we are judging you on doing.

**Steve Reed:** We also want to rationalise the targets to make sure that they are all deliverable and should be in there. So we have not been working on our own; we have been taking an approach based on co-production with the ENGOS in particular, but other stakeholders as well, in looking at the review of the EIP. All of that will feed through into it. Of course, the approaches you have just described may well affect some of those targets if we want to make them tangible, hard and deliverable. You will see an element of that in the targets, but not for all of them.

Through the work that we are doing, some of the targets may be different, but it is better to have targets that we know are achievable than targets that are not achievable. I want the EIP to genuinely be a document that guides action and decision making in a way that you will recognise, as I do, that up until now—sadly, because of its potential importance of it—it has not been able to deliver.

Q14 **Barry Gardiner:** Is it not more important to have targets that are in accordance with the science, rather than to say, “Well, we have the resources to achieve X, Y or Z”? Isn’t it more important to say, “This is what needs to be done”?

**Steve Reed:** Absolutely. That is why we have been co-producing it with the ENGOS and other stakeholders. If you are looking at the people who have the best experience of what is going on with nature and the environment, they are right up there with them and they have very important views. I wanted to make sure that they were fully involved.

Q15 **Barry Gardiner:** Of course, many of your colleagues in the Department were the ones who set the previous targets and advised the Government on so doing. I do not want to push that any further because I want to ask you a few fishy questions. To start off with MPAs—Marine Protected



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Areas—you said you would publish stage 3 and 4 of the Marine Management Organisation's offshore MPA process by the end of last year. We are now at the end of March this year. Are we going to see our MPAs being protected from trawling, dredging and gravel extraction? Most members of the public say, "Oh, it is a protected area. That means it is protected," but you and I know it does not mean that at all until we get stage 3 and 4 in there.

**Steve Reed:** That is right. We have been doing work on that with other Departments, particularly DESNZ. I am going to defer to my colleague.

**Sally Randall:** Thank you, Secretary of State. You are right that, to make a Marine Protected Area protected, we go through a process of working out appropriate byelaws to protect the particular features. Because each area is different, those are different in different places. So there is a process to go through that has taken a bit longer than we would have liked in some areas. About 60% of our Marine Protected Areas do have restrictions in place, and we are working through that process with the rest of them to put those in place.

Q16 **Barry Gardiner:** Not on the most damaging activities.

**Sally Randall:** In some cases that will include restrictions to bottom trawling, depending on the habitat that is in there. We are working through those.

Q17 **Barry Gardiner:** How many MPAs?

**Sally Randall:** Two at the moment, and we are working through those in the remaining areas.

Q18 **Barry Gardiner:** Out of what, 360 supposed MPAs?

**Steve Reed:** We have restated our commitment to 30 by 30 as well. We recognise the importance of MPAs in achieving those targets.

Q19 **Barry Gardiner:** The sooner we can have a timeline on that, the better, because you did say it would be done by the end of last year.

On enforcement, the landing obligation is essential for data—setting catch quotas—but we all know it is not being observed. The MMO has recorded 32 instances of non-compliance, which is a fraction of what is not being complied with, yet there has not been a single court action taken against the people who are not complying. We hear repeatedly from the OEP, and from everybody else, that the problem is a lack of enforcement. It is not a lack of regulation; it is a lack of enforcement. Why can we not get on and ensure that the landing obligation is being maintained? It is essential if you want sound science and decent data.

**Sally Randall:** Do you want me to come in on that? We do absolutely support the MMO to take enforcement action where necessary. Advice is also an appropriate enforcement mechanism in some cases, so it is not always the case that every action needs to lead to prosecution or a punitive enforcement measure.





Q20 **Barry Gardiner:** But none of them has. We have the figures for those who have had a slap on the wrist. We know that, but not even one has gone to court. You know that the economic benefit to a fishing vessel for not landing its bycatch, is enormous, right? There should be a concomitant penalty, shouldn't there?

**Sally Randall:** Yes. We recognise that and absolutely agree that there is more that we can do, as in some of our other sectors, to make sure that enforcement leads to economically appropriate penalties where it can. One of the things we will probably come on to later is that the Secretary of State has commissioned Dan Corry to look at the effectiveness of all our regulators to make sure that the limited resources that they have can be most appropriately targeted at the most damaging of activities.

Q21 **Barry Gardiner:** Could you write to the Committee when the first court case is taken against a vessel for non-compliance with the landing obligation? That will alert us to the fact that you are on the case.

On the implementation of remote electronic monitoring, which would put cameras on board vessels to check bycatch and the landing obligation, so far one vessel has signed up. You implemented the process for mandatory onboard remote electronic monitoring last summer. Why have you not enforced it? It is supposed to be mandatory. It is not in any of the over-24 vessels; it is not in the over-10 fleet. What is going on? You set these things and then you do not do them.

**Steve Reed:** I am happy to get you a written response to that one as well. As Sally just said, we are looking at our regulators across the piece. We will have more to say when we have been able to complete that piece of work but, on the specifics you have raised there, we will write back to you.

Q22 **Barry Gardiner:** Thank you. We have the UN Ocean Conference approaching in June this year. We need 60 countries to ratify, and 18 have ratified so far. We are not one of them, yet we like to think that we are taking leadership on the global oceans. Can you give us a specific date for ratification? I do understand that you are trying to make sure that when you ratify something, you can implement it. That is very sound policy but as we see, it often does not get there. We do need some leadership on this because time is getting short.

**Steve Reed:** I am very sympathetic to what you have said there. You may have pressed my colleagues on the same point; I know you have had Minister Creagh here as well. We will be making an announcement in due course. It is difficult for me to go further than that, Barry, but I am very sympathetic to the points you have made. I know that we need greater international leadership on this issue, as indeed on other nature-based issues as well.

Q23 **Barry Gardiner:** The EIP is going to be refreshed. I am just trying to get the staging now and the timing of things. If you are refreshing the EIP this year, when do you intend to make proposals for the next one? Is that



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going to be in 2028 or will there be a fresh EIP this year? That would then give you the five-year process to 2030, which then combines with our 30 by 30 commitments to deliver by then. I am just trying to see how you are shifting the time scales here; it may make perfect sense to do so.

**Steve Reed:** It makes more sense to publish the refreshed EIP with resources, delivery plans and responsibilities and then have that as the plan for the next five years taking us to 2030, just so that the whole sector has certainty about what we are working towards and how we intend to get there rather than at some point along the way having another change.

Q24 **Barry Gardiner:** I understand. It was just clarity I wanted, and I think it is very sensible planning. Will each goal in the new plan have a clear apex target? One of the things that was criticised by Dame Glenys in the—

**Steve Reed:** We have heard the concerns raised by the OEP. I share many of those concerns. The work is not finalised yet, but hopefully by the time I next appear before your Committee, you will have a copy of it in your hand, so you will know the answer to that question. You will be able to hold me and my colleagues to account on delivering it.

Q25 **Barry Gardiner:** I have all the other ones.

**Steve Reed:** Of course you have. If anyone were going to have them, it would be you, Barry.

Q26 **Alison Griffiths:** Thank you, Secretary of State. I was interested in the notion that you want to set targets that are achievable. I come from a business background where we set stretch targets to create step change. Do you want to just elaborate quickly on why you are setting a target that you think will already be achievable?

**Steve Reed:** You mean on the EIP?

Q27 **Alison Griffiths:** Yes, coming back to the EIP.

**Steve Reed:** No, they are stretch targets, but I want them to be reachable. What we inherited was an EIP that was full of targets that had nobody responsible for delivering them, no resources allocated to them and no delivery plan. I know from my business background as well that if you have targets like that, they are not targets at all—they are mirages. They will be very stretching targets; if we are going to meet 30 by 30, that is hugely stretching.

I am sure they will be questioned in many quarters as well, but I want to know that we are pushing the whole of Government—it is not just DEFRA, of course—to work towards achieving the outcomes that we want, which is nature in recovery after decades in which it has been going into reverse.

Q28 **Alison Griffiths:** Obviously I know you are waiting to see what resources



are available to you, but based on your knowledge now, will your plan be completely contingent on securing a successful assessment in the spending review?

**Steve Reed:** Resourcing will be a key element of our ability to deliver on those targets, but I am not going to speculate about what will be in the spending review, not least because the decisions have not been taken yet. I will make my case, as will colleagues in other parts of Government.

It is not just me as a Secretary of State who has an interest in this; many of my colleagues do as well. The targets in there will help us to achieve, for instance, our net zero objectives so colleagues responsible for that area will have an interest too. However, I do want to put out there stretching targets that are deliverable rather than targets that nobody believes we have a hope in hell of ever achieving. That was our starting point from what we inherited, which was very unfortunate given the importance of it. Do you have any comments on that, David?

**David Hill:** I was just going to add, if I may, to the point about the spending review. The spending review is an important moment in terms of the public finance resources that will be allocated for, broadly speaking, the remainder of the Parliament, but the delivery of the targets will depend on more than just public finance. We have some important action under way around leveraging green private finance, for example.

Initiatives like biodiversity net gain have just been introduced that we estimate will raise anywhere between £180 million to approaching a quarter of a billion a year. That is an important revenue stream to support action on the biodiversity targets. In the work we are doing the spending review is important, but it is also about other means of achieving the targets, including private finance, regulation and other action as well.

Q29 **Alison Griffiths:** EIP is a strategy that engages the whole of Government. How will DEFRA use the refresh to get cross-departmental engagement with the refreshed plan?

**Steve Reed:** There is a board that pulls together all the Departments and focuses them on delivery. That will remain. That becomes a much more purposeful group when there are resources, delivery plans and responsibilities attached to the targets. We are very aware of the importance of this across Government. It is not for one Department; it is for the whole of Government. We are the lead on it, and we convene the board, but it is key to ensure that it happens. It is not just the board either; it is stakeholders beyond Government.

**Alison Griffiths:** Is there anything else from your colleagues on that?

**Sally Randall:** There are plenty of examples. If you look at our statutory targets at the moment, we are delivering through those for other Departments' objectives, such as for health objectives through air quality. Where measures are taken across the rest of Government—for example,



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on cleaning up vehicles—they also contribute to our targets in air quality. We do need to be knitted together with other Departments. An EIP that has a stronger delivery plan underneath it will, as the Secretary of State said, make that a very practical and business-like exercise as we take that forward with our colleagues in Government.

**Steve Reed:** We have the environmental principles policy statement as well—EPPS—which places a duty on all Ministers to take decisions in line with those principles. My colleague Mary Creagh, the Minister for Nature, is leading work on engaging with other Government Departments as we want to make sure that everybody is aligned towards the same outcome. You can see some evidence of cross-departmental, cross-Government working with the Planning and Infrastructure Bill going through today.

The nature restoration fund, which is part of that, is an example of the whole Government coming together and looking at how we can, yes, deliver the economic growth that we need but also help nature to recover in the way that up until now has not been the case.

**David Hill:** The only other thing that I will add is that we did some work with the Treasury in preparation for this spending review so that all Departments, when they put forward their spending review submissions to the Treasury, need to set out the environmental implications of the spending measures that they are proposing, just as they need to do for their climate change measures. One of the things we have tried to do in partnership with the Treasury is to make sure that in that wiring of how big investment decisions are taken across Government, the environmental factors are always to the fore.

Q30 **Pippa Heylings:** You have mentioned how important it is to have this joined-up planning. With us being the Environmental Audit Committee, we are looking across Departments at how they are fulfilling all those environmental principles. There are tools that are key to that and one of those is the much-awaited land use framework. It was good for many people to see that that is out for consultation. I have a couple of questions around that.

First, when do you think the results of the land use framework consultation will be presented and published? Secondly, on the back of that, how do you think the implementation of this, which is looking at how you manage conflict between different land uses, will help to deliver on some of the key priorities across your remit—carbon emissions reduction, as you said, as well as nature, infrastructure and food security? How do you think it will work in practice?

**Steve Reed:** First, I am pleased that you welcome the land use framework. That was a very significant announcement and will be a key set of tools to help landowners and the Government take the right decisions for how we use our land. We have a limited amount of land for the size of our population and we make many demands of that land for development, energy, food production and nature restoration.



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Currently, we have a randomised approach to taking decisions, which means that we are not optimising the way that we need to use that land. The land use framework gives us a set of principles, data and tools that will support decision making, not through compulsion but by giving the landowners better information to guide their decision making. Of course, the Government have levers of their own, and the framework will inform the development of those levers so that we can support outcomes that will be in line with what the public wants to see.

The consultation on it is running until July. I do not have a date for when that will be published, unless one of my colleagues has one.

**Sally Randall:** No, the consultation closes a bit sooner than that—I think about the end of April—but we are expecting a huge response. We have already had huge engagement so we will need a little bit of time to process all that. We are just saying later this year.

**Steve Reed:** Later this year.

Q31 **Pippa Heylings:** Later this year. Are you looking at that being in conjunction with other spatial frameworks such as the spatial energy—

**Steve Reed:** Yes.

**Pippa Heylings:** Hopefully you are looking at the timing of this being—

**Steve Reed:** There is the national planning policy framework and the clean energy infrastructure as well, which are all part of making use of the land. It would be crazy to have three spatial strategies that did not interrelate, so they will all interrelate. The Departments are talking to each other to make sure that they effectively toggle so that information remains consistent across all decision making relating to the use of land.

Q32 **Pippa Heylings:** The strategic spatial energy plan is coming much later, so hopefully, we would see that integration happening. How do you think the delivery will work, once we get the results of this? You say it is not prescriptive, and it is not going to be compulsory, but what are the levers? I would hope we might hear about it having material weight in planning and house building. Would it be used for local plans, for example? We might also look at energy infrastructure—large-scale solar farms, for example—and ask whether that is a challenge to food security, nature and energy. In what ways will those levers be informed by the land use framework?

**Steve Reed:** The ones that you have just referred to are probably some of the biggest there. Local plans will be taking this information, and it will inform decisions that they place into their local frameworks. When we are looking at where we need to put housing and the new data centres or gigafactories, what is the water supply to those areas? What is the energy supply to those areas?

Q33 **Pippa Heylings:** In planning terms, many of us have been in planning



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committees so we know that there are various levels of weight, aren't there?

**Steve Reed:** That is right, yes.

**Pippa Heylings:** So you see it having some level of material weight in planning?

**Steve Reed:** There will be some level of material weight, but there is a consultation under way, and I should not anticipate with my own views what the outcome of that will be. We want to hear from the people who we have invited to participate, and we will get that within weeks. However, the intention is that by making this additional data available, landowners—applicants, in the case of planning—will have much better information to inform their decisions and then decision-makers will be able to apply the range of outcomes they want for their locality or region, or nationally, so that we ensure that we are optimising the use of land in a way that we have not done currently.

Q34 **Pippa Heylings:** That is at the planning level, but at the national strategic infrastructure level, a lot of the large-scale solar farms are controversial in areas where people are looking at whether it needs to be at this scale or in this place. Do you see the land use framework, even before the spatial energy plan comes forward, as informing some of those strategic infrastructure decisions?

**Steve Reed:** Absolutely. It will identify land that will be most appropriate for solar where it does not, for instance, damage food production in our most productive agricultural land. With that better information available, better decisions can be taken. Yes, I envisage it doing that.

Q35 **Pippa Heylings:** My second question is around the carbon budget, so again it links in. With the Seventh Carbon Budget that the Climate Change Committee has produced, it has shown optimistically that we can achieve our net zero targets, but it says we must work very hard because by 2040 the second largest emitter will be land use and agricultural. Those are key within your remit, which means that, because of the lag in those activities, they need to start now. What resources or implementation plans do you have in place to start dealing with that now? We are looking at peatland as well as tree planting and other things.

**Steve Reed:** There are a lot of ways that we are giving advice to farmers. We are maintaining that, but we have the environmental land management schemes as well. We are working with the sector. I made some announcements earlier this year about a farming road map to support the entire sector to transition to models of food production and farming that are more environmentally sustainable but, importantly, are also more financially sustainable. Large parts of the farming sector are not profitable. You have people who are farmers who are putting in all the hours God sends and making little money at the end of it.



The road map will be designed to support farmers to become more profitable into the future. That might, for instance, result in fewer inputs of artificial fertiliser or the use of pesticides—two of the most expensive inputs that farmers use—by farming in a way that is more nature positive. Less of that will mean less run-off and less damage to the environment and, all other things being equal, profits for farmers increasing.

There is a lot we can do to encourage profitability and sustainability financially as well as environmentally in the farming sector. We need to work with the sector to achieve those outcomes, which is why we have told the sector we will work with them collaboratively to develop that road map for a fair transition.

**Q36 John Whitby:** Secretary of State, the latest OEP report showed slowing progress on EIP air quality targets, despite some previous advances. We are going to miss the NO<sub>2</sub> target, according to the report. What do we need to do to get back on track with this and how is DEFRA working with other Departments and industry to turn the curve?

**Steve Reed:** Again, when we publish the refreshed EIP, this is going to be a significant part of it. I share the criticisms of the fact that not enough was done under the previous Government on air quality, which is what the OEP was referring to. In the work that we are doing to refresh it, you will have a much clearer sense of what we intend to do afterwards. The air quality strategy review is due by mid-2028, but obviously you will get the EIP way in advance of that. We will have more to say at that point.

In other areas we have been looking at recently on air quality, we have backed the clean air plan that Greater Manchester has, with £86 million now going towards an emissions-free bus fleet, which will make a considerable difference to that area. We are also funding changes in the taxi fleet. That is an innovative and different approach that Greater Manchester is taking, and we are watching closely. I think there will be learning from that that may be applicable elsewhere.

We are currently assessing proposals from Stoke and Newcastle-under-Lyme, which are two other areas we have considerable concerns about and know we need to work on. We are also evaluating options on PM2.5. That is a significant cause, as you know, of deterioration in air quality, but we will evaluate the options and then we will come back to you with the detail in due course. Do any of my colleagues have anything to add on that?

**Sally Randall:** No, I think you have covered the main things that are going on there. As the Secretary of State says, the big headlines will be set out in the EIP review. We continue to work with the local authorities that we are working with under the NO<sub>2</sub> programme and hope to get final plans in place soon. Of course, we are also working on the public understanding of air quality risks. We recently published our work on that



and how we can make sure that the people who are most affected by instances of poor air quality have the information they need so they can make the right judgments for their own health on those days.

**Q37 John Whitby:** Unfortunately, people in my constituency are aware of the risks, I am afraid. How is air quality enforcement being achieved now that we have left the European Union?

**Steve Reed:** How is air quality being achieved now with enforcement?

**John Whitby:** Enforcement, yes.

**Steve Reed:** We have a piece of work looking at regulation as well. I cannot make the announcement on that because we are still assessing that, but in a matter of weeks we will have more to say on that. As I say, we are reviewing the EIP targets. That will give you a lot more data. To clarify, it is the EIP targets, not the EA targets, that we are amending. We are not changing the legislation. It is the environmental improvement plan targets that I am talking about—just in case there was a lack of clarity.

**Q38 John Whitby:** Talking of the EU, are we considering following them by increasing our targets for NO<sub>2</sub> and PM2.5? If not, how can we encourage the Government to raise air quality standards or how can you encourage them?

**Steve Reed:** Again, I should not anticipate what will be in the EIP review because it is not yet drafted, but you will get much greater clarity around that. Obviously, we are not bound by what the EU is doing but, of course, we will look at what decisions it is taking to see whether there is anything there that we wish to learn from. This Government and this country will set our own EIP, and it will have appropriate action plans and resourcing attached to it.

**Q39 John Whitby:** You may have partly answered this one, but the Department for Transport and the Department of Health have promised a new air quality strategy. DEFRA is the lead Department for that. What progress has been made, and will the strategy include funding for local authority measures?

**Steve Reed:** Yes, we are working with those two Departments on the air quality strategy, but again until it is announced I cannot announce the resourcing—the funding in particular that will go with it—because I would be in deep trouble with the Chancellor of the Exchequer. It is only right, in any case, that until we have the spending review we cannot know for sure. However, there will certainly be resourcing attached to the strategy.

**David Hill:** In terms of joint work with the Department for Transport, that is one Department where we have a dedicated joint unit between DEFRA and the Department for Transport—a completely integrated team jointly working on the NO<sub>2</sub> plan with all the localities that the Secretary of





State mentioned. It is an example of where we have made a machinery of government change to make that happen.

**Steve Reed:** The new Secretary of State for Transport and I were engaging directly with the Mayor of Greater Manchester over its clean air plan as well. There is real, genuinely close working going on across our Departments on that.

Q40 **Helena Dollimore:** Secretary of State, I want to ask about the broken water system, particularly as it relates to water quality and the impact on the environment. We all know well the issues and the impact they have had on many communities up and down our country, including seaside communities but also communities like the Lake District. Many of these issues come from a completely failing and broken system, with not enough money going into infrastructure and infrastructure that is decades old—in some cases even older. What is the plan to fix it?

**Steve Reed:** I have been to Hastings, and I have seen for myself some of the problems there. I have listened to the views of residents and businesses furious about the state that our water and sewerage system and water infrastructure have got into. The Government have taken a lot of action over that already. The Water (Special Measures) Act, as it now is, received Royal Assent a couple of months ago, I think.

That gives the regulator more power to act against water companies that are in breach. It gives them the power to ban unjustified bonuses for water bosses, who were awarding themselves multimillion-pound bonuses while overseeing what their customers would see as catastrophic failure. That really did offend people's sense of fairness, so it is good that we have been able to take steps like that.

Of course, we need to go much further, so I have asked Sir Jon Cunliffe to lead an Independent Water Commission, which is now in full swing with the call for evidence open until towards the end of April. Sir Jon will provide me with a report in June. That will then be subject to a wider public consultation, but the intention is that that will provide the basis for further legislation to reform and reset the whole water sector, particularly the regulations, and looking also at the regulator to make sure it is fit for purpose.

It is not fit for purpose right now because it is not serving the interests of customers, the environment or investors now. It certainly needs that reset and I am looking forward to the work that Sir Jon Cunliffe will be providing further down the line.

We have also secured, at the conclusion of the price review 2024 period, £104 billion of private sector investment that over five years, starting from 1 April, will significantly transform water infrastructure. That will lead to a visible and dramatic reduction in sewage pouring into our waterways, but it also means we can start to build the infrastructure that



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is so sorely lacking and that is constraining and holding back economic growth.

The lack of sewerage infrastructure is holding back growth around Oxford. A lack of clean drinking water infrastructure is holding back growth around Cambridge. We cannot build the data centres and gigafactories that we need, because they have a very high demand for water, without improving water infrastructure that can guarantee those supplies.

As things stand, by the mid-2030s demand for clean drinking water will start to outstrip supply and some parts of the country would then be looking at rationing drinking water. We cannot allow that to happen and yet that is what we have been left with. The investment that is now coming forward means that we can start to build the infrastructure to avoid those things, start to clean up our waterways and start to give customers—including those in your constituency—greater reassurance about the state of their water supply.

**Q41 Helena Dollimore:** On the point about Ofwat, we have been calling in the water bosses one by one on the EFRA Committee and there are a lot of takeaways from that that we will be feeding into the Independent Water Commission for DEFRA's perusal.

On Ofwat itself, our evidence from Ofwat and from the other companies shows that it seems to be more process driven than outcome driven. Are you confirming that that is the role of Ofwat and that it has the teeth to properly do its job, mindful that some of its powers have, of course, increased with the Water (Special Measures) Act? Is the future of Ofwat in scope of the Independent Water Commission?

**Steve Reed:** I asked Sir Jon—and he has published the remit for his work—to look at regulation and the regulator and other factors affecting the success of the water sector and water infrastructure. He is looking at that. I will not speculate on what he might propose; that is for him genuinely working fully independently and supported by a team of advisers from a whole range of backgrounds—customers, environmental NGOs, investors and others. However, certainly, it is in scope.

**Q42 Helena Dollimore:** On the point around increasing fines, which is coming with the Water (Special Measures) Act, we heard recently that the water restoration fund will go towards environmental improvement projects. Can you talk a bit about that for the Committee? How can people access the water restoration funding?

**Steve Reed:** There is an open bidding process for that. I am pleased that we were able to secure that. I think that the bidding process has concluded now, hasn't it?

**David Hill:** We have just—on about 11 March—notified the successful bidders that their projects will be funded. That is with the first tranche of



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the £11 million that we had previously secured, which is taken from hypothecated water fines.

Q43 **Helena Dollimore:** Is it likely that fines in the future will go towards that?

**David Hill:** That is a discussion we will need to have with our Treasury colleagues as part of the spending review, but it was good news that the Treasury reconfirmed the principle of the existing funding round.

Q44 **Sammy Wilson:** I have some questions on the circular economy. You announced the circular economy strategy in November. When do you intend to introduce it?

**Steve Reed:** On the circular economy plan, we have a taskforce set up to develop our strategy for the circular economy. I see this as an important part of our agenda in Government and certainly in DEFRA. By moving to a circular economy in the way that many of our global competitors are already doing in Europe and in North America, we stop falling behind. There are multinational companies and corporations that are currently choosing to invest in Europe or North America rather than here because we do not have clarity on a regulatory road map towards circularity and eliminating waste. Because they do not know what our regulation might be in the future, they are choosing to invest in countries where that regulatory pathway is clearer.

The way that we are approaching developing the circular economy is that the taskforce is going to engage with different sectors of the economy, one by one, and allow them to lead in the development of that regulatory road map so that investors, producers and consumers will know over a given period how regulation is going to change, until we achieve circularity.

The reasons for wanting to do this are manifold. We want that investment coming into our country rather than going into different countries. It creates jobs and opportunities in regional economies right across the United Kingdom and that is something that is to be welcomed. It helps us to achieve our net zero targets.

It uses something like 90% less carbon to reuse a metal like aluminium than to mine fresh and then import it into the country. It gives us more secure supply chains at a time when international supply chains are becoming visibly more volatile. These are materials that are already in the country and my officials estimate a £16 billion per annum boost to the economy by moving to a circular economy. There are so many reasons why this is the right thing to do.

Q45 **Sammy Wilson:** How do you see the strategy that you want to develop as being different from what we had previously?

**Steve Reed:** Previously, we had bits of paper that were not being developed into anything in the real world. What we are doing is we have



put together a taskforce and we are engaging with sectors. We are going to develop the regulatory road map. A strategy sitting on shelves would not deliver anything. We have an agenda to move our economy to a circular economy for all the beneficial reasons that I just outlined.

**Q46 Sammy Wilson:** There is cynicism around all this because of the stories that go around about waste that is collected, separated, and then finishes up in landfill or waste. That is especially the case for stuff like electrical waste and so on that we export to third world countries where all the dirty work is done and where all the environmental problems arise outside the regulation that we would have in our own country. How do you see the strategy that you wish to develop avoiding those issues?

**Steve Reed:** You are right. I recognise and share some of those feelings about how waste is dealt with now. That is why we need the investment in far better facilities that can identify and extract materials and then repurpose them so that they can be used again. In sectors as wide ranging as construction, textiles, and potentially chemicals as well, there is so much work that we can do to promote the move towards a circular economy, but making sure that we have the right facilities to enable the work to happen is important.

We are taking concrete steps ahead of the taskforce in any case. You will have seen the work on a deposit return scheme that recently went through Parliament. That gives us a much better approach to recycling and reusing drinks containers, which are one of the single biggest causes of litter and dumped rubbish on our streets. We are also looking at extended producer responsibility on other forms of waste.

**Q47 Sammy Wilson:** I want to come to that in a moment. Could I just press you on the strategy? It is not just a case of providing facilities. There are huge amounts of money to be made by criminal gangs and bad operators simply taking waste from this country and dumping it elsewhere. How do you see the strategy dealing with that issue, which we know is an international problem that causes huge environmental problems in other countries while we burnish our halos about being good environmentalists?

**Steve Reed:** You are right, and not just in other countries—here as well. If you speak to rural communities and landowners in rural areas, they will tell you how much rubbish is being collected from domestic or construction sites and just dumped on their land. We need much tougher enforcement and stronger sanctions, and I will have more to say about that in coming weeks.

**Q48 Sammy Wilson:** I will come on to the deposit scheme. When do you see this coming into force in England?

**Steve Reed:** DRS is due to come into force in October 2027.

**Q49 Sammy Wilson:** There will be a cost to the consumer. It is important that when we talk about the circular economy and the specific measures, we are honest with people that there are costs to this, whether it is in



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supermarkets dealing with packaging or on drinks containers and so on. Do you intend in the strategy to spell out the costs to individuals of the circularity that you are seeking to introduce?

**Steve Reed:** The principles behind this are prevention and polluter pays. Those are principles that were established through the EPPS, to which the previous Government subscribed as well as the current one. There has been cost shunting, effectively, because it is left to local government—and, therefore, the taxpayer—to pay to clean up the higher levels of litter that are on our streets because of not having this strategy in place. My hope and my expectation are that this will reduce the amount of waste being dumped on our streets and, therefore, reduce the overall cost to the consumer, who is also the taxpayer.

Q50 **Sammy Wilson:** On the deposit scheme, given that it has been stopped or interrupted in Scotland, that in Wales there has been a judicial review against it, and that Northern Ireland is in a different situation because of EU regulations, do you see the possibility of having a UK-wide scheme? Are we likely to find that because of the different circumstances in different countries of the UK we will finish with a fragmented one?

**Steve Reed:** I would very much like to get to a point where we have a single scheme across the whole UK. The Welsh Government have chosen to adopt a different approach, but we have a scheme that will now operate across England, Scotland and Northern Ireland. That is the right decision to have taken for those countries.

It is compliant with the Windsor framework, which is important for Northern Ireland. We do not want to create barriers down the Irish sea with different schemes in the north of Ireland from other parts of England or mainland GB. This was the right decision to come to and it will work for those countries that have signed up to it. Importantly, it will work for manufacturers and retailers.

Q51 **Sarah Gibson:** Good afternoon. I wanted to ask you a bit more about something very important to this Committee, which is the cross-Government working. Specifically, I want to know more about the extent to which you can make the case in Cabinet and more widely for retaining the measures that protect nature and the environment. Do you think your voice is being heard?

I also have a couple of specific questions, starting first with the evidence of better policy outcomes for the environment because the EPPS is in place. How well is the environmental principles policy statement being observed in DEFRA and across Government?

I am particularly concerned about budgets and a comment you made earlier about strategies that sit on shelves. I have a major development project in my constituency led by the Environment Agency for regeneration of the river, which hits all the EPPS principles. Emma Hardy, when she visited Chippenham during the floods, committed to this project, talked to the EA, and thought it was wonderful. The funding is



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disappearing faster since the election than I have seen any funding disappear. I am worried that the principles are going to sit on your desk or on somebody's shelf and we are not seeing it. How well do you feel you are defending it?

**Steve Reed:** That is a flood management scheme, is it?

**Sarah Gibson:** It is, yes. It is removing a piece of infrastructure, an asset, which is terrifyingly dangerous. Even so, the funding is disappearing.

**Steve Reed:** I cannot comment on a specific. I don't know the detail of it, but I am glad that Emma has been to see it.

**Sarah Gibson:** You will see why I am concerned.

**Steve Reed:** We have increased the amount of funding available for flooding. It is £2.65 billion now, I think, which is the highest it has ever been. Given that our flood defences were in the worst state on record at the election, I was pleased that despite the hugely challenging financial situation we find ourselves in we can do that. I cannot comment on the individual one, but I am happy to speak with you offline. It is important that Emma has been to see it and understands it as well.

In terms of working across Government, I have referred already to the EIP board. Mary Creagh, as the Minister for Nature, is engaging with the Ministers in other Departments as well to make sure that nature is front and centre of the decisions that they are taking. The best example of it is the nature restoration fund. There is a hard practical example of the Government doing things differently and that is working across Government. DBT, MHCLG and DEFRA are focused on that one, and DESNZ as well to an extent.

What it means is that it allows us to move ahead faster with development. We know we need that economic growth. We know we need those homes because we have a housing crisis, and the economy has flatlined for over a decade. We need that growth to happen, but it cannot be at the expense of nature.

The developers will now be able to pay into a fund, the nature restoration fund, and that will be spent on restoring nature across whole communities or landscapes where you have a much bigger impact on restoring species and restoring nature. We move from a situation where we have had no economic growth, no housing development to speak of, and nature in decline to a situation where economic growth and nature are not competing as if they are opposites. We can achieve a win-win for both.

Q52 **Sarah Gibson:** The nature recovery fund is in the planning Bill, isn't it?

**Steve Reed:** That is right; we are voting on it later.



Q53 **Sarah Gibson:** Having worked on the built environment for the last 30 years, I will be commenting on that, but it is not part of this Committee's questions. I have my doubts as to how well that is going to deliver.

In terms of the OEP's recommendations, it has suggested amendments to the environmental principles policy statement so that it specifically refers to the Environment Act and the environment improvement plan targets. Do you think that is important? Is that something you would support?

**Steve Reed:** We are going to respond to that by May of this year, so you will not have to wait long. My colleagues will not be grateful if I spike their announcements by preannouncing it here.

Q54 **Sarah Gibson:** Okay. I will leave it there. Importantly to me, the Climate and Nature Bill's passage was paused, partly because the Government gave a commitment to providing annual climate and nature statements in Parliament. I know that Ed Miliband has committed to doing this. Is that an opportunity for joint statements? Do you support the commitment and how do you expect that to be implemented?

**Steve Reed:** I was disappointed that the Bill did not proceed at that point because we had been engaging as a Department very closely with its sponsors. I would like to see it succeed. There are one or two issues to iron out until they feel satisfied, but from my point of view by and large I very much agreed with the proposals in the Bill. If it is not achieved that way, we will find other ways to achieve it.

**Sarah Gibson:** In answer to my question, what about the idea of an annual statement—the commitment to providing an annual statement on climate and nature?

**Steve Reed:** There are conversations going on between my Ministers and the sponsors of the Bill, and again I do not want to anticipate that here. As I say, I wanted that Bill to succeed.

Q55 **Barry Gardiner:** I was interested in your response to my colleague Sarah Gibson when you said about the flood alleviation scheme and that we are putting more into flood defence. You may know that the Committee has just come back from Holland—

**Steve Reed:** I did not know that. That is interesting.

**Barry Gardiner:** It was very interesting to see the approach that they took there. What they do is specify the level of risk under their strategic plan that each area should have to bear and then they deliver at national, regional and local level that level of risk no matter what the cost. They are a country that is 40% below sea level. They have specific issues, but it seems to me that it is a much more coherent approach that would address the local concerns of MPs.

Obviously, we fight for our own patch, but you need to take a nationwide view. Doing it in that way—specifying the level of risk that each should bear—is a better way of doing it than simply saying, "Yes, we are putting



in a bit of money, and more than the last lot did.” That has been the cry for decades.

**Steve Reed:** There is a lot to be learned from visiting other countries and seeing how they do it, particularly a country like the Netherlands, which has an awful lot of experience in these matters. The Government, of course, are rolling out combined authorities and regional authorities across the country, so we need to be looking, as that happens, at how we can connect decision making more closely to local communities.

**Barry Gardiner:** And to local catchments.

**Steve Reed:** Yes, and to catchments, and not just in relation to flooding. There is further for that to go, and I speak here as a lifelong believer in devolution.

**David Hill:** I will just add that the Department does intend to consult around alternative approaches to flood funding that will include options around how you might introduce a stronger local element in the partnership arrangements for flood funding, precisely to address the point you are making about greater local prioritisation over flood defences. Some of our thinking has been informed by the Netherlands. I visited just before the general election. We have close connections, as does the Environment Agency, with our Dutch counterparts.

Q56 **Anna Gelderd:** Thanks for the input. It is very useful. Secretary of State, we come to a topic that I raised with your Department just last week, but it is always good to have further details heard by the Committee. When do you plan to commence schedule 17 of the Environment Act on forest risk commodities?

**Steve Reed:** Do you have the details on that yet?

**Sally Randall:** No, we don't have a date for that yet. That is something we are still working through.

**Steve Reed:** Yes, I thought we didn't. When we have that, I will make sure that you are informed.

Q57 **Anna Gelderd:** That would be wonderful. Could we have some assurances that you will be looking to do that ahead of the COP30 in Belém, which is a very important moment for international and national leadership on that issue?

**Steve Reed:** Yes, that's right.

Q58 **Anna Gelderd:** Great. We look forward to and will appreciate your time in writing to us on that. I would be interested to know if you are planning to bring it into force unamended or if there are plans to revise it, for instance, to increase the scope of due diligence for some of these commodities.





**Steve Reed:** Again, until we make the announcement, it is difficult for me to anticipate too much what is going to be in there. You will have seen that the Government are very committed to this agenda, internationally as well as here in the UK. Mary Creagh was in the west of England last week announcing the Western Forest, which is a fantastic initiative. There are so many reasons why we would want to support this agenda here and overseas. Do you want to add something to that?

**Sally Randall:** No, that is exactly right. There is a lot of detail to work through, but we remain committed to the principles. We hope to make an announcement as soon as we can about the exact path that we will take.

**Anna Gelderd:** That is good to hear, and we welcome your engagement on that topic. There is plenty of Cornish rainforest that I would like to talk to you about.

**Steve Reed:** I visited one. It was very interesting.

Q59 **Anna Gelderd:** Good. I look forward to talking about it. The Planning and Infrastructure Bill that is going through now places substantial additional responsibilities on Natural England. How will you be resourcing Natural England to undertake these new functions? Will you receive an overall increase in funding or are you expecting to reprioritise resources?

**Steve Reed:** It will operate based on full cost recovery. Here there is a way that we can see where the resources will be coming from. We will have conversations with Natural England about the resourcing that it will need to make sure that this works in the way that it should.

We do not want to create new logjams in decision making about development and we do not want to hold back investment that is required to help nature to recover. We have gone on far too long with both the economy flatlining and nature in decline and we can do better than that. As you would expect, we are working very closely with Tony Juniper and his team to make sure that the resourcing is appropriate. There is some seed funding going in to get things moving, but ultimately there will be full cost recovery here.

**Sally Randall:** In the first phase of the spending review, which affects the next financial year, there was a total package of £70 million—not all of which is for Natural England; it includes our other regulators like the Marine Management Organisation—to support reforms for planning and growth. £14 million of that is to pump-prime the nature restoration fund so that we can start putting in place the environmental mitigations ahead of developments so that developers can buy back those credits later and we eventually have a self-sustaining fund. We will be putting in that pump-priming funding to get it moving as quickly as possible.

Q60 **Anna Gelderd:** Secretary of State, do you believe that you are prioritising sufficient funding for those environmental regulators and for environmental protection work within local authorities and within Natural



England which, as we have already mentioned, is facing up to 200 job cuts?

**Steve Reed:** Yes, I do. The whole of Government needs to look at how we can do better with less. I was 16 years in business in the private sector and every year I was expected to do better with less. That meant being innovative, open to new approaches and changing the way we did things, but always focused on the outcome that we were trying to deliver. I do not see why exactly those same rigours should not apply to the public sector as well. However, we will, of course, work with the regulators.

As I say, I have this review that I will be announcing in due course—in short order—that will have more to say about how we can streamline our approaches, eliminate duplication and crossover, and make the system work better for the outcomes we all want to see.

Q61 **Anna Gelderd:** Yes. The Committee always appreciates a yes or no answer and we look forward to engaging with you as those plans come forward.

The review required Departments to identify biodiversity as well as carbon benefits within the process of the spending review. Did DEFRA do its own appraisal of the monetary value of those environmental benefits to be delivered through its own policies, and did you help other Departments to do the same calculations in theirs?

**Sally Randall:** For our own spending review submissions we do conduct full impact assessments and value for money assessments, and where we can we monetise the benefits of biodiversity and of climate change. There are always some benefits in there that we cannot monetise, and we do make sure that we try to include those as well. As part of our network of analysts across Government we do provide advice and guidance to other Departments on how they can do the same.

Q62 **Anna Gelderd:** That is good to hear. The Treasury has said that the spending review will prioritise delivering the Government's missions. Secretary of State, are you concerned that nature does not feature in the remit of any of those five mission boards?

**Steve Reed:** Nature underpins everything we do. It is present in all the missions. I am engaging with my colleagues across Government on precisely that basis, whether it is on the crime mission, access to nature, diversionary projects taking place in nature, the opportunities mission, the opportunities for voluntary work, pathways into employment, and building it into the education experience of children as well. It is present in everything we do and without nature none of us would be here. It is fair to say that it underpins the missions just like it underpins everything else about our civilisation.

Q63 **Anna Gelderd:** You would say it is a priority for this Government?



**Steve Reed:** Yes—100%. I have written pieces before explaining how it fits into all the missions as well, which I would be happy to send you if you want to see them.

Q64 **Anna Gelderd:** Yes; we would welcome that. Finally, in protecting nature and meeting our environmental targets within the environmental land management schemes, how will the Government ensure success without the stability of ELM funding schemes? Is it still a priority for you and your Department?

**Steve Reed:** Absolutely, it is a priority. There is stability in the environmental land management schemes. What has happened with SFI is that the previous Government were criticised by the farming sector for not getting over £300 million of allocated funding out the door. It was allocated in the Budget for farming, but it was never given to farmers. It was never spent, so we never got the environmental benefits from the work that it could have been carrying out. They did not get the money out the door. I was determined we would get the money out the door, and we did.

We have successfully allocated SFI for this year. Once the budget is used up, it must be paused because you cannot keep spending money that does not exist. However, all the activities continue because we have 37,000 agreements in place now, I think. Over half of all farmed land is in a scheme. Those are in contracts that are multi-year contracts, so they continue to be paid despite the pause in new applications. They will continue to conduct actions that will be improving nature. We should see it as a good thing that we got the money out the door.

There will now be a pause until after the spending review, then we will be able to announce when the new scheme will be opened. As part of the farming road map, we can engage with the sector. Now the budget is fully allocated, which had not been the case previously, we will need to look at what the best way is to make sure that those who need the money the most get it. We will speak with the farming sector to make sure that that is achieved.

Q65 **Cameron Thomas:** Minister, the Government seem to be betting the economy on growth. To what extent are your Department's environmental protection policies seen by the Government to be blocking the path to growth?

**Steve Reed:** Growth is essential, isn't it, because the economy has flatlined for well over a decade now. If we do not grow the economy, we do not get the revenues to reinvest in our broken public services, and the British people will not get the pay rises that they so desperately need after 10 years of having their incomes flatlining as well. Growth is essential. It is the primary mission of the whole Government. DEFRA, as part of the Government, is playing its part in making sure that growth can go ahead.



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I think the comments you repeated then about how DEFRA was seen are true of the past. DEFRA was seen as a blocker and not an enabler to growth. The actions that we have taken since the general election have started to turn that around. In particular, the review I have commissioned from Dan Corry into DEFRA's regulators is intended to review whether they are enabling or blocking economic growth. He has made his recommendations. We are still assessing those, but I will be making an announcement very soon.

The Chancellor of the Exchequer, when she made her intervention on better regulation a week or so ago, included some of the proposals that Dan Corry produced, one of which was appointing a lead regulator for bigger and more complex projects. Instead of the developer having to navigate the complex architecture of regulation, there will be one lead regulator that will do it for them. That makes the life of the developer easier. That is a very sensible approach to streamlining how regulation works.

A second one—the Chancellor referred to this as well—was that where you have organisations that have high public trust on nature, such as the National Trust or the RSPB, then there will be earned autonomy over the applications that they would be putting forward so they do not have to go through the same process as everybody else. You can take a large proportion of applications for consent out of DEFRA's regulatory system that way and, therefore, speed up the process for everybody else.

The other point I will make here is that DEFRA is responsible for £104 billion-worth of private sector investments that will be coming into the water sector over the next five years, starting on 1 April this year. That is the single biggest investment ever into the water sector, but it is also the second biggest private sector investment into any part of the economy over the lifetime of this Parliament, creating jobs and opportunities directly across the country, and enabling growth and development in every part of the country as well. With all that, DEFRA is a Department that is enabling growth.

**Q66** **Cameron Thomas:** You mentioned streamlining for developers. My constituents in Tewkesbury might be concerned at that language and that we might end up with what we have had for the last 10 to 20 years—piecemeal developments all about the constituency with very little oversight and ability to plan for that from the local authority. What would you say to them?

**Steve Reed:** Streamline does not mean weaken. If you look at what has been going on up until now, we have had a flatlining economy and nature in retreat. The old system has not worked for economic growth, and it has not worked for nature. It was failing everywhere. Our intention is to streamline regulation but maintain the environmental standards so that we can see the economic growth and the new homes that people in this country desperately want to see, and have a means to finally turn the corner on nature's decline and on species' decline.



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Half of our bird species are at risk of domestic extinction and a third of our mammal species. We just cannot go on like that. We have taken some steps on that already—for instance, banning bee-killing pesticides with no further opt-outs and reintroducing species such as beavers.

In terms of regulation, we can do far better than having both the economy and nature in decline. The intention of things like the nature restoration fund, which is part of the Planning and Infrastructure Bill going through today, is that it creates a fund of money that can be spent on improving nature at scale across whole landscapes or whole communities rather than doing it bat by bat in a way that has failed in the past.

**Q67** **Cameron Thomas:** A lot of industry professionals have concerns that planning reforms are going to have an impact on jobs across the sector and across regulations. What would you say to them?

**Steve Reed:** It will have an enormous impact. I had a conversation with the guy from the US State Department who was responsible for the new US embassy being built in the Nine Elms area. He had been there for decades, and he had built new US embassies in countries all over the world. He said the level of red tape and delay in the UK was unparalleled anywhere other than in Rome and Baghdad in his experience.

We need to be at the top of that table, not at the bottom of it, because we need to be bringing international investment into this country and enabling development to happen. However, we will not do it at the expense of nature. We will do it in a way that allows nature to start to recover.

**David Hill:** I have seen some of the concerns raised about, for example, implications for ecologists. There is a massive shortage of ecologists. What we are looking to do in some of these reforms, and they were prefigured in the regulation plan published last week, is if we can reduce the focus of some of our expert bodies on relatively low-risk activities—relatively low-risk permitting or licensing activities—you can release some of that expert resource to focus on projects that have much higher intrinsic environmental value.

The reforms are not about reducing standards; they are about focusing expertise where it has maximum environmental benefit. That will lie behind some of the consultation we will bring forward on reforms to exemptions from environmental permitting, for example.

**Q68** **Cameron Thomas:** It has already been mentioned, but the EAC recently visited the Netherlands, where the benefits of long-term and joined-up planning were highlighted, and where sustainability and future-proofing are central to the usage of the land. In Rotterdam we went up a three-storey structure and you have orchards, allotments and green spaces producing food, improving mental health and helping to manage water.

Mr Hill, you stated that there is a dedicated unit working jointly between



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DEFRA and the Department for Transport. That is fantastic. What work is DEFRA doing alongside the Department of Health and Social Care and the Ministry of Housing, Communities and Local Government to innovate appropriately, not just for 2030 but to 2050?

**Steve Reed:** My colleagues may have other things to add, but I am working very closely with the Department of Health and Social Care on food strategy. We are putting together a ministerial group that will be setting up a taskforce involving all appropriate stakeholders so that we can develop a food strategy. That obviously is of huge interest to the Department of Health because in this country—there was a report published just over a year ago—each new year of kids is getting, in relative terms, shorter, fatter, and sicker than the year before. A large part of that is because they are eating bad calories rather than more nutritious calories.

We have a bad food strategy in this country because it is entirely randomised. We want to sit down with all stakeholders, including retailers, producers and consumers, to look at how we can give parents in particular better information to inform better choices about what the best things are to give their kids to eat. There are many changes that we can make there.

That is one area where you could not do anything if you just did it in one Department. You must work cross-departmentally. It is not just with the Department of Health in this case; it is also the Department for Business and Trade, the Ministry of Housing, Communities and Local Government and the Department for Education as well as DEFRA.

**Cameron Thomas:** Yes, it is that joined-upness that works so well in the Netherlands.

**Steve Reed:** Absolutely.

Q69 **Cameron Thomas:** Is there a plan for DEFRA to get around the table with those Departments and have that discussion about a relationship?

**Steve Reed:** We have already started doing it, yes.

Q70 **Sarah Gibson:** I mentioned before that I have certain concerns about the nature restoration fund. Having spent 30 years as an architect and working in the built environment, most of my SME developers that I have spoken to over the last few months about this are very worried. They are quite happy to deliver on-site gain—in fact, it helps enormously with public buy-in to their projects—so they are also very concerned about losing the biodiversity net gain options because they find that hugely positive.

If we are going to build 1.5 million houses—certainly in rural constituencies like mine—the first thing you need is buy-in from your local population. If you start taking that restoration, biodiversity or nature gain and moving it even three villages away, you will suddenly get



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massive amounts of resistance because three villages away in rural England is the other side of the country.

I think that lots of my SME developers in the constituency have serious concerns about the fact that this will work for your volume house builder. With this, like all the NPPF revisions, clearly the Government have spoken to the volume house builders and not to the SMEs. Some more consultation with them would be helpful on that.

**Steve Reed:** We are consulting very widely on this. I do not remember who is speaking in the debate, but my colleague Matt Pennycook I am sure will have an awful lot to say on this. You will have a chance to grill him in the Chamber as well.

What we have had so far has failed everyone. It has failed developers, it has failed people who want somewhere affordable to live, and it has failed nature. We have had a flatlining economy and nature in decline now for decades and we can do better than that. The approach we are taking is we are not giving up on BNG. We remain committed to that. However, far better than just doing everything site by site is creating a fund that can be used by Natural England to fund nature restoration and species recovery at scale across whole landscapes, because it is the interconnectedness of these pieces of nature that allows species to thrive.

Q71 **Sarah Gibson:** That is all very well in an urban context. If you live in a rural community where there are no buses, you cannot get out of your housing estate. If your housing estate is the one where the wonderful new forest is 15 miles away, it might as well be on Mars. Yes, in principle and, yes, it works for urban conurbations, but in the rural environment it is not going to deliver.

**Steve Reed:** This will have to work for rural communities as well. We have set up a rural taskforce bringing together a whole range of stakeholders from the sector and across Government to make sure that happens. What is needed is investment in appropriate infrastructure, and I am sure there will be more announcements made over the coming days as well as months about that. We all feel the same way as you do about the importance of allowing rural communities to thrive just as much as anywhere else.

Q72 **Chair:** Just to clarify, Secretary of State, when you were talking about the failure of the past, were you referring to biodiversity net gain, which is a recent approach, or were you talking longer term?

**Steve Reed:** Generally. The economy has flatlined for over a decade and nature has still been in retreat, so clearly the approaches that were being taken were not working.

**Chair:** Sure, but when you were talking about failure, you were not talking about biodiversity net gain?

**Steve Reed:** No.



**Chair:** No. Thank you.

Q73 **Martin Rhodes:** I want to ask some questions in relation to COP16. Did you expect the COP16 conference to deliver more on biodiversity in the environment than it did?

**Steve Reed:** I guess it is the same with any international gathering of that kind. You always hope it will deliver the max. The reality is that in tough negotiations, compromises inevitably must be made.

I thought what was positive was the leading role that the UK played at COP16. I lost count of the number of times that representatives from other countries came up to me and said it is good to see the UK back. Other members of the Committee were there, too. They felt that the UK had not been playing its potential role as a global leader.

The UK played an important role in the negotiations, particularly around digital sequence information. It did not quite get over the line in Cali, but it did subsequently in Rome. Now the Cali fund has been established, work needs to be continued to ensure that we get resources into that fund. It is inevitable at international conferences that no one ever gets everything they want.

Q74 **Martin Rhodes:** In terms of commitments from countries regarding 30 by 30, are you concerned that so few have signed up to that and have plans in place to deliver that?

**Steve Reed:** Again, I could be concerned about what they are doing, and we can use our relationships to try to encourage them to do better as we would see it, but it is not within my gift to make them. What I am responsible for as part of this Government is making sure that our Government meet their commitments. We remain committed to 30 by 30. There will be very stretching targets in the EIP but that will give us at least an insight into how we intend to get there. It is good as well that we have committed to the NBSAP targets—all 23 of them. I do feel that the UK is playing its role, despite the difficult financial circumstances that we find ourselves in.

Q75 **Martin Rhodes:** In terms of the UK's role and the national biodiversity strategy and action plan, rightly it is very much outcomes based, but where does that leave you with your ability to report? Some of these outcomes will take time to materialise even if you are going in the right direction. How do you report and update on how you are progressing to this Committee or anybody else?

**Steve Reed:** Do you have a view, Sally?

**Sally Randall:** We wanted to get the NBSAP out to meet an international obligation, but that means that it has prefigured the environmental improvement plan. Much of that detail about how we will be delivering that, including how we will be tracking and monitoring that, will be contained in the EIP. We will need to report against the NBSAP





separately, but once you have the EIP later this year you will find that much more of the substance about the how and the tracking and monitoring will be in there and they will have to work very closely together.

**Q76 Chair:** Thank you very much. Secretary of State, no one could accuse you of not being on message when it comes to the need for your Department to do better with less. I am told by those who watch these things that it has been noted by people watching this session that you have used the session to tell the sector that they are going to have to have less money coming out of the spending review because the NHS and house building need it.

Can you give an assurance to the sector that you are also nature's voice in the Cabinet, fighting for more money in the way we have successfully seen Ed Miliband do, for example, in his Department—not just the Cabinet's voice to the sector telling them they are going to have to do more with less?

**Steve Reed:** Doing more with less is not a prediction of the spending review, just to be clear about that. It is what any organisation should always seek to do with its resources. If you just rest on your laurels, you go backwards. We should always be looking for better value for every single penny that we ask taxpayers to hand us, always. That is an absolute for me. Even if money were unlimited, I would be pushing hard to do better with less. Money is not unlimited.

Within Cabinet, the fact that we have the nature restoration fund in the Planning and Infrastructure Bill is an outcome of the fact that I pushed hard for nature in Cabinet and with my colleagues across Government as well. When the Chancellor announced better regulation a week or so ago—I forget precisely when—there was a big element in that that came from a review commissioned by DEFRA to streamline regulation but, importantly, not to weaken environmental standards.

You will recall that the previous Government's approach to building in areas where there were high levels of water pollution or nutrient neutrality was to seek to weaken environmental standards. We will not do that. We are maintaining environmental standards, and we will find better ways to allow the growth to go ahead and not just protect nature but help nature to restore itself and to recover.

The approach I have taken with the EIP is to invite the campaign organisations, the ENGOS and the other stakeholders into the Department to work with us on shaping how it is going to work in future. This is not in any way a loss for nature versus a win for growth. This is win-win for both because we can do far better than the previous Government that flatlined the economy and did nothing to help nature restore. We can do both.



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**Chair:** Thank you very much. Secretary of State, Ms Randall and Mr Hill, thank you very much for the evidence we have heard today and for your support.