



Environmental Audit Committee

Oral evidence: Environmental protection policies of DEFRA, HC 1749

Tuesday 10 March 2026

Ordered by the House of Commons to be published on 10 March 2026.

[Watch the meeting](#)

Members present: Mr Toby Perkins (Chair); Olivia Blake; Julia Buckley; Jonathan Davies; Carla Denyer; Barry Gardiner; Sarah Gibson; Chris Hinchliff; Sojan Joseph; Dr Roz Savage; Blake Stephenson; John Whitby; Sammy Wilson.

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Witnesses

[I](#): Rt Hon Emma Reynolds MP, Secretary of State, Department for Environment, Food and Rural Affairs; Sally Randall, Director General, Environment Group, Department for Environment, Food and Rural Affairs; and David Hill, Director General for Strategy and Water, Department for Environment, Food and Rural Affairs.

Written evidence from witnesses:

Examination of witnesses

Witnesses: Emma Reynolds MP, Sally Randall and David Hill.

Q1 Chair: Welcome, everybody, to the latest meeting of the Environmental Audit Committee. I am delighted to say that we are joined for the first time by the Secretary of State for Environment, Food and Rural Affairs, Emma Reynolds. Secretary of State, welcome. Thank you very much. I see that you are joined by officials. Our questions will primarily be aimed at you, but if you want to pass them on to your officials, we will leave you to make that choice.

This Committee recently held an away day with a number of contributors from the sector. One former senior DEFRA official was invited to opine on the great Environment Secretaries of the past. It was interesting. Two names were consistently brought up. The first was David Miliband, about whom it was said that he had really seized and prioritised the climate change agenda and started the process of galvanising globalised action. The second was Michael Gove, who, through the Environment Act and biodiversity net gain, had set out to show that a post-Brexit Britain could still be environmentally ambitious, and he devised approaches that have been admired globally.

Neither of them was seen as a lifelong environmentalist, but they had a vision that they were able to galvanise their Department around. When historians look back—as they will someday—on what we hope will be the glorious Reynolds tenure of office, what do you hope will be the 20-word summary that would define your time in this role?

Emma Reynolds: Gosh. Well, thank you for the easy question to start with. That is a really tricky question. I will answer it, but let me first say that, being in government, you realise that some of the challenges we face are very obviously complex and difficult, and that they take time to resolve. I will set out what I would like my legacy to be, but that will be for others to judge. Just bear in mind that these things are extremely complex and difficult to resolve and, unfortunately, there are no overnight fixes. There are no silver bullets. I would like to be remembered for restoring nature and protecting the environment.

As you will have seen, last year we published a revised environmental improvement plan. I spent a lot of time in my first few weeks in this role—I was appointed on 5 September—on the policy and how we got the EIP right. We are now rightly turning our attention to delivery because we have very detailed delivery plans in that EIP, which marks a shift from what we had before.

I have two little boys, so I am pretty passionate about ensuring that we have a restored and better environment for them to grow up in, with lots of wildlife. My youngest son is particularly keen on animals. He was asked recently what his favourite animal is, and he said the North American beaver. I don't know why he said North American, by the way, but when



I am thinking about the environment, I am thinking about the next generation and enhancing the environment for generations to come.

Secondly—and this really fits into the category I was talking about with there being no overnight fixes—is the water system. As you know, we inherited a system with record levels of pollution in our rivers, lakes and seas, so it is a huge priority for me, as Secretary of State, and for the Department. My predecessor made some progress with the Water (Special Measures) Act and the Independent Water Commission report, and I have taken over that baton. I hope we can make meaningful change and overhaul the way that the water system is regulated.

Q2 Chair: We are conscious of your four major priorities, and we will touch on those later. What I thought was interesting was trying to bring it down to what that legacy will be. In simple terms, you hope you will be the woman who will be seen to have restored nature and sorted out the water industry. If you walk away with those two things achieved, none the less, that will be excellent.

There has been a narrative around this Government that suggests they have a big, strong action on energy policy, but that they have been much less ambitious on nature. The Prime Minister has been at pains to suggest that nature is a block to growth. What steps have you taken to try to convince environmentalists that this is a Government who are committed to protecting and restoring nature?

Emma Reynolds: If you look very carefully at what the Prime Minister has said, we do not want to pit building and nature against each other. I very much want to see a win-win situation where we can have the best of both. On planning, we can agree that the existing system does not work well for anyone. It does not work well for those who want to build homes and infrastructure but, frankly, because of the Dan Corry review that took place last year, it also isn't good for the NGOs that want to restore nature. There is a permitting problem for them, too.

Therefore, what we are trying to do as a Government is to ensure that the system operates more efficiently and also restores nature at scale. That is why we are bringing forward the nature restoration fund, which we can say more about if you would like. I do not see the two goals as pitted against each other. If we can get this right, we can build the homes and the infrastructure we need and protect the environment and biodiversity. I do not think that is beyond us.

Q3 Chair: Okay. Our report suggested the same, so we are on the same page there. But isn't this undermined by the noises off? One thing we were conscious of was that, at the very time you were launching the environmental improvement plan, to quite a bit of acclaim, the Prime Minister was making a speech talking of well-intentioned but fundamentally misguided environmental regulations, which seemed tremendously undermining of your message. You must have been furious. Were you?



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Emma Reynolds: No. I think it is about how these things are implemented, but it is also about the guidance around them. Governments are always looking at trade-offs, but here we can make sure that we have a system—and we had a lot of these discussions during the passage of the Planning and Infrastructure Bill—where we do restore nature, and we get the planning system actually moving.

There is frustration among the public about how the system that we inherited does not work for anyone. I do think that the Government are very serious about protecting the environment, but also about pushing forward progress in those other areas, too.

Q4 **Chair:** In your view, how crucial is the environmental improvement plan to restoring nature?

Emma Reynolds: I cannot overstate it, I don't think. It is really, really important. We have worked closely with the OEP, and we know that you work closely with the OEP, too. Having those interim targets and detailed delivery plans means that, as a Department, working with our important ALBs, we can push forward and meet those targets.

I know you have done reports and have ongoing inquiries into some elements of the EIP. For example, I know you are particularly interested in PFAS, which we are moving on. As you would have seen, last month we published an action plan on PFAS. As a whole, the EIP is hugely important to the Department. It cannot just be policy written on a page or an interim target. We are focusing on those delivery plans and delivering against those targets.

Q5 **Chair:** Given its importance to restoring nature—that being a major priority, and the restoration of nature being a priority for the Government as you say—why was there no oral statement in the House when the EIP was announced? This wasn't the first time. It was the same with the OEP report. It feels like you can get Ed Miliband to the Dispatch Box the whole time to announce his policies. When it comes to nature, it never seems to be something this Government want to announce. Given its importance, why did you not make a statement to the House when he produced that?

Emma Reynolds: I think that is a fair challenge. We held an event that we invited ENGOS and other stakeholders to. It was a very successful event indeed, but that is something I will take back. We always have to think carefully about whether an announcement is made via a written ministerial statement or an oral statement. We have done oral statements on big issues like the water White Paper, which is obviously about delivering better outcomes not only for consumers but for the environment in particular, so there are areas where we do make statements, but I—

Q6 **Chair:** Yes. Given that you are saying it is important, we thought it was, too. We pressed Mary Creagh, the Minister, to give us a statement on the OEP report. We did not get one, and we did not get one on the EIP report. You are right to say that you produced a statement on the water White Paper. My quick check was that, since you have been in post, we



have had five statements from DESNZ. We have had only one from Ed Miliband himself. We have had only the one from you. If you are going to convince people that this is a Government who take nature seriously, can we rely on you at these big moments in future to make an oral statement and to really go out and sell the Government's policies, to tell people that this is a priority for the Government?

Emma Reynolds: I am all for selling the Government's policies. It will depend on what it is. Sometimes we take the view that it is more suitable to have a written ministerial statement; sometimes it is more for an oral statement. I will take on board what you have said today, and we will reflect on it.

Chair: Thank you very much. Olivia Blake.

Q7 **Olivia Blake:** Thank you, Chair, and thank you, Secretary of State, for joining us today. How has your approach differed from that of your predecessor?

Emma Reynolds: Thank you for the question. We are one Government, and I work very closely with my predecessor. Obviously, he is in the same building as me, just up the corridor at MHCLG. Certainly, from my perspective and the Government's perspective, it is good that we have a Secretary of State for Housing who knows DEFRA and some of the issues that we are grappling with so well.

I have taken over on a lot of the things that Steve started. On water, for example, in the first six or eight months that we were in power, he took through the Water (Special Measures) Act, which brought forward some significant reforms, but he also commissioned Jon Cunliffe and the Independent Water Commission, which reported in July. We have taken that forward now, responding to the Independent Water Commission, and obviously we hope to have legislation soon on water reform.

There are other areas, too. Steve commissioned a consultation on the revision of the EIP, and late last year, once I had taken over, we published the EIP. Therefore, I see it as a continuation. We are the same Government. We stood on the same manifesto, and we work very closely together.

Q8 **Olivia Blake:** The agricultural sector will be very influential in reaching our targets, but how would you say relations are with the farming sector now, and how involved were you in the decision to increase the agricultural property relief in particular?

Emma Reynolds: To the last bit of your question, obviously, as you would expect, I was very involved. That is something I worked on across government, and I think we reached a good position, which is significantly increasing the threshold. However, we have retained the policy, which is obviously that if you have land that is worth over a certain amount—if you combine the thresholds, it is £5 million; with a nil rate band, it is £5.65 million—come April you will obviously have to pay inheritance tax on that land. It should not be that people can invest in

land and get around inheritance tax, which is what we have had until now.

You asked me about our relations with the farming sector. You would have to ask them, but I feel that my relations with the farming community through the various organisations—particularly the NFU but also the Nature Friendly Farming Network and others—is good. As you will know, we are embarking on a serious reform of the SFI. That is something that is evolutionary, not revolutionary, but we need to ensure that, with the EIP in mind, we are doubling the number of farms that provide a habitat for wildlife.

A lot of the reforms we are doing on the SFI are with the EIP in mind. Obviously, this is the biggest nature-friendly farming budget ever because we are securing public outcomes for public money, and we are moving away from what we inherited from the EU, which was a basic payment method.

I was in Washington last week with Tom Bradshaw from the NFU, to explore how we fill the new beef quota. We have a 13,000-tonne reciprocal beef quota with the US, so I was there with Tom Bradshaw and a colleague of his and others from farming. I think relations are good. I spoke at the NFU conference a couple of weeks ago. Overall, I think we have a good relationship. We do not always agree on everything, but there is good engagement with the farming industry on the changes we are making to the SFI.

Finally, we are also—and this will be happening at the end of this month—having our first meeting of the Farming and Food Partnership Board, which is about ensuring that we don't have silos where we have food processing over here, retail over here and then farming here, but that we join up across all the different sectors.

Q9 Olivia Blake: I have a quick question for Ms Randall, if that is okay, about the terms of reference of the cross-governmental delivery board, which I believe you chair. Would it be possible for the terms to be published so that we can see how the environment and nature issues figure in cross-Government decision making?

Sally Randall: I presume you mean the cross-Government EIP delivery board.

Olivia Blake: Yes.

Sally Randall: Yes, that is the meeting I chair. We are reviewing those terms of reference at the moment, because we have moved from a position where we have been working together across Government to draw up the EIP to where we are shifting into delivery mode. That is an officials meeting. I do not know if we normally publish those terms of reference, but we can take that away and get back to you. In brief summary, the aim of that board will be to make sure that, if you go through the EIP delivery plans, you will see actions there for a range of Government Departments and not just DEFRA. There are a number of places where other Departments, like the Department for Transport, need



to do things so it can deliver. In basic terms, the purpose of the board is to make sure we are on track in doing that. I am happy to come back to you on that in detail.

- Q10 **Olivia Blake:** Thank you. Moving on, and back to the Secretary of State, assessments of the Government's progress towards achieving the 30 by 30 targets under the Kunming-Montreal global biodiversity framework suggests that we are significantly off track. What will you be doing between now and COP17 to turn this situation around so that the UK can again be leading by example?

Emma Reynolds: Obviously, we are very serious about meeting the 30 by 30 commitments that we made internationally, both on land and in our seas. I would say, though, that I know the OEP did a very serious piece of work, a progress report, but that was focused on the progress up until March of last year. There has been quite some progress since then, but maybe I can hand over to Sally to talk about that.

Sally Randall: Yes, I will say a little more about that. The convention on biological diversity sets out our international commitments, and we report against those as a UK Government. In England, where we have direct responsibility, as the Secretary of State says, the EIP is our main delivery vehicle. That very closely mirrors our international commitments. Our recent report did show that we are only demonstrably on track for three out of 23 commitments. We did show, though, that there is work in progress. The steps are in place to bring us on track for many more of those. The key thing that we will do to deliver on our international commitments is to deliver on our EIP in England and the equivalent commitments for the devolved Governments. As the Secretary of State said at the beginning, that is really the heart of what we have to do over the next five years.

- Q11 **Olivia Blake:** Alongside the EIP, can I ask when the 30 by 30 action plan will be published?

Sally Randall: We expect to publish it this summer.

- Q12 **Olivia Blake:** Is that civil service summer? Finally, you mentioned the OEP and the reaction and response to its report on protected sites in England. It is obviously quite critical. Do you intend to do anything differently as a result of its views on protected sites?

Sally Randall: We have recently published the Government's response to the OEP's report on protected sites. There is a lot in there that we agree with. We do not agree with the OEP's view on everything. In particular, we are focused on the commitments that we have in the EIP—and we will keep coming back to that—to make a difference to delivery and to make a difference to the number of sites that are on track against what needs to be done to bring them back into "recovered" or "recovering" condition. We will continue to work on an implementation plan to make sure that we are addressing those of the OEP's recommendations that we agree with, and we have an awful lot of common ground with them there. The absolute heart of it is delivering



against our interim target in the EIP to get 50% of sites on track towards a recovering position.

Q13 Dr Roz Savage: Clearly, the work of DEFRA touches on many other Departments, arguably all of them with environment and food. Last week, the Permanent Secretary told the EFRA Committee that DEFRA speaks often to lots of other Government Departments. However, talking with them is not necessarily the same as actual impact or influence. I wonder if you can give us any examples of where those conversations have actually led to a change in policy or influence in terms of nature and the environment.

Emma Reynolds: Sorry, it is only because it is in the forefront of my mind, and I will come to it, but one of the areas where I worked across Government was on the APR issue, which was quite a big change that we were able to bring forward. We work very closely with Government Departments on planning issues. We have worked very closely with Steve Reed and Matt Pennycook on the Planning and Infrastructure Bill. We have managed to ensure that we are striking the right balance and driving forward the win-win I talked about earlier. The nature restoration fund is critical to that, and we are working with Natural England to deliver it.

Planning is an area where we work very closely. There will be other areas, too. For example, the BBNJ legislation is an FCDO lead, but it is DEFRA business as well, so we see it as joint business. It took the Bill through Parliament, which is now an Act, and we will be taking through the secondary legislation. There will be other areas, too.

David Hill: I can add a couple of examples. In preparation for the last spending review, we worked very closely with the Treasury on the guidance for all Departments on their spending submissions to the Treasury to make sure that all major investment bids to the Treasury set out how they would support climate and environmental objectives. That is important because it is hardwiring climate and environment into the way big spending decisions are made right across Government. Similarly, we have worked with the Treasury on ensuring that climate adaptation is reflected in Green Book appraisal. Again, important technical stuff to make sure that is factored into spending decisions.

Then in the area that I lead on, which is water, the chief medical officer, Chris Whitty, has just accepted a commission from our Ministers to chair a taskforce bringing together academia and public health agencies, looking at how we can strengthen the evidence base on public health and water. That is a good example, I think, of where we are working closely with the Department of Health to make sure that our environmental work and our public health work are fully aligned.

Sally Randall: I have a couple more things to add to that, if that is okay. The Secretary of State has mentioned the Planning and Infrastructure Act. We are implementing the nature restoration fund through a joint team. We have a single team working across our Department, MHCLG and Natural England to deliver that. It is a piece of legislation that was



led by MHCLG. The Department needs to do a set of regulations. We need to do a set of regulations. We need to operate the digital system. We are trying to do that in a completely integrated way.

We have worked closely with DESNZ over the last year, for example, on the offshore wind environmental improvement package. When we get into things like that, we are starting to see in that shift from policy delivery that we are not just working with other Departments on policy; we are trying to work with them through the delivery cycle so that, where there are challenges and opportunities to plan for nature at the very outset of some of those projects, we are doing so together in a practical way.

Q14 Jonathan Davies: Thank you for joining us, Secretary of State. When we stood for election in 2024, we would have both talked a lot about Labour's five missions for Government. I think the first one is that we must have the fastest growth in the G7, and the second was that Britain was to be a clean energy superpower. It is clear to see where DESNZ sits in the missions, but it is not so clear to see where the priorities of DEFRA might sit through that. I just want to explore a little the relationship between the two Departments, where people perceive them to be, and how DEFRA's priorities are embedded into the collective thinking of Government. Why do you think some people perceive DESNZ to have more influence than DEFRA in the Government's thinking?

Emma Reynolds: That is an interesting question. I do not really see it like that. I do not have any competitive tension with my Cabinet colleague Ed Miliband. By the way, he is somebody I have worked with closely for many years in different guises. We work closely with DESNZ on offshore wind because, in order to make sure we meet the second mission on being a clean energy superpower, there are obviously some big decisions we need to make on location, nature and the environment. That is something that Ed and I work closely on. He really cares about it, too, so we have that good working relationship.

We also share a special adviser. We have a person in our teams, Eleanor, who works across both Departments. That is pretty unusual. I do not know if there is another set of Cabinet Ministers who share a special adviser. There is some really close working there. That is significant because I get to hear a lot of what happens in DESNZ and vice versa.

DEFRA is an extremely important Department. From when we wake up, have a shower and have our breakfast in the morning, the water we use, the food we consume and the environment we enjoy mean we are relevant, as Dr Savage was saying, to so many different Departments—to every Department. If you cannot get the water system right in a certain area, you are not going to have the new homes that you need in that area. We have seen that is an issue in certain parts of the country. I think we are very relevant to lots of decision making across Government.

When I was a Treasury Minister, DEFRA was a Department I was very aware of because when you have to go through a decision, you have to look at the environmental principles policy statement. It is the one part of



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Government that you have to sign off on in every significant decision. I think DEFRA has a good standing in Government, and we work across the piece with different Departments.

Q15 Jonathan Davies: It is really good to hear about that collaboration. As you say, what comes through your Department is fundamental for human life. I just wonder, although your collaboration with DESNZ is clearly good, to what extent the priorities of your Department are reflected in the things that are done to you by either the Treasury or No. 10. I note that DESNZ received quite a significant budget rise previously, whereas DEFRA's budget after the 2025 spending review was reduced by 2.7%. Is that correct?

Emma Reynolds: I was not the Secretary of State at the time of the spending review.

Jonathan Davies: Yes, but does it reflect a sense within Government that they—

Emma Reynolds: It depends on what the Government want to do. We have to ensure that, as the Chancellor has set out, we meet our fiscal rules—that is really important—and that as a Government we have financial discipline. We have secured a record amount for flood defences, both maintaining current defences and constructing new defences, of £10.5 billion over the next 10 years. We did secure a very good farming budget, and again that is for nature-friendly farming. When I travel to G7 and G20 meetings, or even go over to Brussels, there is real interest in what we are doing here with our farming budget because it is so progressive. I think the constituent parts of what we agreed with Treasury are very significant.

There are also certain things that we bid for with the Treasury because we face risks that other Departments do not have, such as the risk of avian influenza and other diseases. There are other areas where we bid for contingency funding that perhaps is not quite as obvious to Parliament. That is important for us as a Department and, indeed, as the Government because if we have a biosecurity threat that gets out of control, we have seen under previous Governments that the damage not only to the farmer or the food processor but to the whole economy is really bad. We have leaned into that. We are investing £1 billion in our new biosecurity centre in Weybridge. That is going to be a state-of-the-art facility.

David Hill: While you are right about our resource budgets at the spending review, as a whole we did get a 10% increase in real terms in our capital spending over the lifetime of the spending review. I think that is a significant investment in our business. As the Secretary of State rightly pointed out, I think the 10-year forward commitment on the floods programme is an example of long-term thinking.

Finally, not all the levers we have to pull are public finance levers. We are doing a huge amount of work on leveraging green private finance, significantly investing in our capabilities to do that. Then if we think about

some of the sectors that we work with, the £104 billion investment in the water sector over the lifetime of this Parliament is the second largest infrastructure investment in any sector of the economy, so that is very significant. Much of that investment will be spent on environmental enhancements. That is a very significant investment in some of our environmental outcomes. When you think about our resourcing picture, you have to think about public and private finance alongside each other.

- Q16 **Jonathan Davies:** That is very interesting. I would also note that sometimes it is felt that legislation or Government measures have come through that have probably been at odds with your priorities. I am thinking particularly about the decision on APR, because we know that small farmers often are very good at being stewards and custodians of nature and the environment, but also things through the Planning and Infrastructure Bill. As the environment delivery plans originally stood, that would have allowed multiple development impacts and their required restoration measures to be considered together over a much larger area at the same time. We know that there were tweaks to that. The Government also decided not to take forward the mandatory swift bricks. Do you think it is the case that some of this stuff is pushed through other Departments' legislation or measures, and that they are not thinking enough about how important our relationship with the environment and nature is? Then we have to either unpick it or do without it.

Emma Reynolds: As a Department we work across Government to make sure that concerns around nature and the environment are taken into account in the round. I think we have now protected the small farmers, given that we have increased the threshold significantly. We worked hand in glove with MHCLG on the Planning and Infrastructure Bill to make sure we get that right. Maybe you can say something in a minute, Sally, about how that will always lead to restoring not only the environment but environmental improvements.

Sally Randall: Certainly, from our perspective as the team working on what is now the Planning and Infrastructure Act, we would not see that as another Department's legislation that was done to us, because we were working on that with MHCLG as a joint team and feel very strong ownership of what has been put in place there and the job that it can do for nature. As the Secretary of State said, the Bill was amended during its passage, which is quite normal. As a result of some of that, we have a very strong test, through the overall improvement test, which we have to meet to demonstrate that those measures have a very clear and demonstrable improvement for nature. We feel very confident in the job that those measures will do for nature, as well as enabling development.

Jonathan Davies: I think I have 30 seconds.

Chair: I think we probably need to move on.

- Q17 **Julia Buckley:** I would like to come back, Minister, to something you mentioned about the environmental principles policy statement and the way you are working across Government. The OEP has repeatedly called



for more transparency to demonstrate whether that policy statement is influencing policy development at a formative stage, as intended. We had Natalie Prosser before this Committee in January saying it is hard to know how effective it is because it is not publicly available. Will you commit to publishing the EPPS assessments to show Parliament whether or not it is making that difference?

Emma Reynolds: I respect the work of the OEP, and we work closely with it, as you do. I do think that the Government need space to be able to take decisions collectively and to do so while taking into consideration all the different parts. I was trying to convey that, when I was a Minister in the Treasury and in the DWP, I was more aware of the environmental principles policy statement and the influence it has on thinking through what we are doing. We also have an equalities statement we have to look at, too. Those two pieces, certainly before I came to DEFRA, are something I gave thought to, because you have to do that. As a Minister you are obliged to do that, and rightly so.

I don't think we would be in a position to be wanting to publish all those different statements, but that does not mean they are not effective. This is my third job in government, believe it or not—Minister for Pensions, Economic Secretary and now EFRA Secretary of State. I hope to stay a little longer in this one, but from my experience in other Government Departments, I do feel that it is an effective tool.

Sally Randall: Although the individual assessments are part of the Minister's private decision-making space, we have commissioned and published a piece of research that we carried out in DEFRA to understand the impacts that EPPS was having across Government. That was very early. It showed mixed responses, but we took a very transparent approach and published it, which showed what we were already doing and what we needed to do more. Where we can get that balance between protecting the Minister's private space but being transparent about how we are using that tool to drive decision making across Government, we are doing so.

Q18 **Julia Buckley:** That is helpful, and it is really what the OEP is asking, isn't it? It is asking for proof that the tool is effective. Are there any plans to update that, maybe an annual review, so that you are doing a touchpoint saying, "Coming back to it, we are just checking in on how effective that is year on year"? I think that could give confidence without giving away all those internal discussions.

Emma Reynolds: I do not know if we will repeat that specific piece of research, but I would imagine that we will provide further updates on the effectiveness of EPPS. We will be looking at the effectiveness of the whole of the Environment Act over the next year, so I am sure we will be coming back to the Committee.

Q19 **Julia Buckley:** We would certainly welcome sight of that, if that is possible.

I have a follow-up question. Both your own review and the OEP's review



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of the implementation of EPPS found there was some inconsistency with senior leadership buy-in between different Departments, with variations in the duty's application. Which Departments are you most in need of additional support from in this regard, and how are you taking that forward?

Emma Reynolds: We know that some Departments encounter this more as part of their daily work. I do not know if it is a case of needing more support or senior leverage, but we are continuing our work to make sure that every Department is engaged. Where Departments are used to working on issues that affect the environment daily—for example, our colleagues in DESNZ or Transport, where we have long-standing relationships—I think we can say that we have seen effective engagement because we have those regular relationships. We are doing more to build up relationships in other Departments where it has not been so much of their work over time, but I do not think we see that as a lack of interest. It is just that we have a bit further to go in getting people up to speed.

Q20 **Julia Buckley:** It could be capacity, training, knowledge, because it is further away from environment.

Emma Reynolds: Yes, and we have a very small but very effective team who are going around Government as that source of expertise, offering other Departments that advice, insight and tools on how to do that. We do not want to do it for them, because it has to be their responsibility and we want them to own it, but we are providing advice and input on the best way to go about doing that.

Q21 **Julia Buckley:** Just going back to the review you did and which you have just committed to do again, perhaps there is space in there for a bit of an action plan setting out how you will help those Departments that are performing the weakest.

Emma Reynolds: We are happy to reflect on that.

Q22 **Sojan Joseph:** Secretary of State, we are seeing increased incidence of illegally dumped waste. Hundreds of illegal dumps are operating across our country. Most of these sites are in countryside locations, often on agricultural land. It has a huge impact on the environment, farming and our natural landscape. What action is your Department taking to ensure that local authorities and the Environment Agency are making effective use of the existing powers they have to ensure that this illegal activity is stopped?

Emma Reynolds: Thank you for the question. It is high on my agenda, and that of the Government, because we have seen an increasing number of big and small sites, but particularly these big sites, in different parts of the country. Some are better known than others. You will have seen that the site in Kidlington is one that, in exceptional circumstances, the Environment Agency has committed to cleaning it up.

We would like to make sure that the polluter pays, but it is not always that straightforward. There are different sites in different parts of the



country. I will be saying more about this soon, because we are already taking a number of actions and proposing to take more, working closely with the Environment Agency and enforcement agencies, the police and others, because it has become a very significant issue.

It was raised with me at the National Farmers' Union because there are different types of sites. There is fly-tipping on people's land—sometimes farmers, sometimes not farmers. You also have these much bigger sites that bring their own risks, whether to a nearby river or by being near a school or a residential area. It is something that we take very seriously. Do you want to say something about the specific action, Sally?

Sally Randall: Yes, I will just add a few specifics. Obviously, this is a complex problem and we are taking action in all parts of the system. The Secretary of State will be saying a little more about this in the coming weeks. The Environment Agency has a critical role. We have significantly increased the Environment Agency's budget to tackle waste crime year on year. It has a significant role, but it cannot do it alone. It works with other enforcement agencies, and local authorities also have a critical role. We have recently updated local authority guidance to help them make the best use of the powers they have.

There are also things that we can do to make sure we tackle waste crime at the beginning of the system, and to make it harder for illegal waste to enter the system. Those are some of the structural reforms that we are putting in place, including things like digital waste tracking, which will mean that waste can be tracked through the system and cannot just leave the legal system and suddenly appear at an illegal waste site. We are doing things to improve the regulation of carriers, brokers and dealers, people who move waste around the system, to make sure they are properly regulated. We are tightening some exemptions to waste permits, which we know are being abused. We know there are individual permit exemptions that were put in place for good reasons but have become loopholes.

We need to take action in all those parts of the system to try to close down where the waste system has become a bit of a soft target for illegal operators and criminals.

Emma Reynolds: There have been some pretty significant arrests in recent weeks as well. The cross-working between our Department, our arm's length bodies, the Home Office and the enforcement agencies is starting to pay a dividend in holding people to account. However, it is an ongoing piece of work, because we know there are many individuals involved in this waste crime.

Q23 **Sojan Joseph:** I met the NFU in my constituency, and it thinks little is being done to clean up the dump, despite the culprits in many cases having already been identified and prosecuted. Is DEFRA monitoring these areas for any effect on air or water quality?

Emma Reynolds: It is the Environment Agency's purview, but it will also depend on the size of the site and on local authorities.



Sally Randall: Where we have major sites, there will be air quality monitoring around those sites. Our routine air and water quality monitoring will sometimes pick up impacts because it is comprehensive and we will understand what those impacts are. Where there are particular concerns, the Environment Agency can put in place mobile monitoring to pick them up, but that is the operational response from the Environment Agency.

Q24 **Sojan Joseph:** Finally on this, I have Hoad's Wood near my constituency. It was originally reported in 2020 and it took many years. Some actions were taken, and I understand three people were arrested in 2025. And £15 million was allocated to clear up Hoad's Wood, so it is an expensive business. Who is paying this money? Is it your Department or is it Treasury? I know you said some of the money can be collected from the culprits. We could use this money to protect our environment in different ways.

Emma Reynolds: That is why we are also trying to work on prevention, because there are sites that need to be cleaned up. The Environment Agency has committed to cleaning up two sites, the one that you mentioned and Kidlington, because of the exceptional risks there. They have to meet a very high bar. The Environment Agency does not have the funding to clean up all the sites in different parts of the country. As a Department, we have a joint waste crime action group looking at how we can also prevent this happening, and looking at the organised crime that is involved in this. Frankly, we need to try to get ahead of the problem as well as trying to solve the problem.

Q25 **Sammy Wilson:** The main thrust of Government policy at present appears, at least to the public, to be dealing with climate change through mitigation and reducing carbon dioxide, while many members of the public are concerned about the immediate impacts of changes in the climate and are looking for adaptations that can be made to try to deal with the issues they face daily, whether it is flooding or whatever. The Council for Science and Technology recently wrote to the Prime Minister with advice on adapting to changes in climate, and asking for it to become a national cross-Government priority. Do you feel that your Department has, first of all, a full commitment from the leadership, from No. 10, on this issue and, secondly, a financial resource commitment from the Treasury to deal with the adaptations that are required?

Emma Reynolds: Thank you for the question. It is something that we work on across Government.

Sally Randall: Do you want me to say a little more about this?

Emma Reynolds: Yes.

Sally Randall: DEFRA is the lead Department for climate adaptation across Government.

Chair: Sorry, could I stop you there? I think this is basically a political question. This is about whether we have the commitment of the Prime Minister and whether the budget is adequate. I think we should really

hear from the Secretary of State.

Emma Reynolds: We lead on climate adaptation, but we work very closely with DESNZ. We have talked about David Miliband. I think I am right in saying that, when David Miliband was in post, climate change was still in the purview of DEFRA—it was a long time ago. We work on climate adaptation, but we work very closely with DESNZ because it is at the forefront of trying to ensure that we are reducing the impacts of climate change and tackling climate change.

Do I feel we have the necessary budget? Yes, there is commitment from Government to do that. We secured a record budget, as I said earlier, to maintain and build new flooding infrastructure. That is something we work very closely on with our ALBs. Yes, I do think that, as a Department, it is a big priority for us. You are right that the people at the sharp end of this, the people really worried about climate change, are those who are already being affected. As a Department, it is something that is a great focus for us and has been for some time.

Q26 **Sammy Wilson:** Could you outline some of the major adaptation schemes or projects that the Department is following on this? We hear time and again of flooding schemes that were promised and not delivered, and so on, which would indicate that either the leadership or the financial commitment is not there. Could you outline some of the ways in which the Department is seeking to adapt to the changes in climate?

Emma Reynolds: On flooding, we have simplified the rules so that a wider range of solutions can be taken forward by a wider range of actors. For example, and I am sure as a Committee you will be glad to hear this, making sure that nature-based flooding measures are put in place, not just filling holes with concrete, and making sure that the Environment Agency, DEFRA and others are taking into account that natural flood defences are often better for the environment and very effective. We are simplifying the rules to make sure we can have a wider range of solutions.

We have established a flood resilience taskforce to make sure we are improving co-ordination between national-level leadership and local responders. I know, Chair, that you did a report on this issue recently that we have had some correspondence about. David, I do not know if you want to say anything else about flooding.

David Hill: I can build on the Secretary of State's point about changes to the flood rules. One of the important changes we have made is to treat refurbishment of existing flood defences on the same footing under the rules as new flood defences. That is quite important because the impacts of climate change, with the frequency and severity of extreme weather events, have an adverse impact on the condition of existing flood assets. We have reallocated some of the budget towards maintaining those assets, but it will also make it easier in the future to sustain that level of maintenance. As the Committee highlighted in its recent report, we see that as a quite important strategic shift in the balance of the programme



in the face of climate change. We are starting to see at least some stabilisation and turnaround in what had been a declining profile in the number of critical assets in good condition. I think that is quite an important point to convey.

- Q27 **Sammy Wilson:** I would have thought that adaptation measures would have been some of the most noticeable things for the public, yet I am not so sure that what the Government are doing on adaptation is actually appreciated and seen by the public. In the next national adaptation programme, do you think it would be helpful, and in fact is it your intention, to set out specific measures and targets to see if those measures are being met so that the whole adaptation programme can, first, have a higher profile but, secondly, can be better scrutinised?

Emma Reynolds: We are happy to take that away as a proposal.

Sally Randall: Yes. I think we would always support anything that raises the profile of climate adaptation. We have already committed that the next adaptation plan will be more specific and detailed, including measurable objectives, which the previous plan did not. We are committed to making it more granular and more specific than its predecessor.

- Q28 **Sammy Wilson:** Will that be cross-departmental?

Sally Randall: It will be a Government plan for all of Government.

- Q29 **Sammy Wilson:** How much do you feel that adaptation is currently hardwired into Government decisions across Departments, especially when it comes to resource allocation?

Emma Reynolds: We do a number of things across Government on these issues. Various Departments of Government own and manage quite big swathes of land, such as the MOD, DFT and others. We work very closely with them on climate adaptation and other issues with regard to their land management. As a Government, we have quite a large estate and we bring other landowners together in a group to talk about these issues.

Sally Randall: On a rather technical but important point, all the bids that went into spending review 2025 had to be assessed against climate resilience. That is an important bit of behind-the-scenes hardwiring. It means that Treasury, not just DEFRA, was assessing whether other Government Departments were taking climate resilience seriously. Other Departments, as major landowners and major infrastructure owners, are themselves on the frontline of that. It is critical to the Department for Transport that it is not investing in new road schemes that will be susceptible to flooding, for example. Some of those infrastructure Departments are very interested in what they need to do to get adaptation right to ensure that their own infrastructure, which they are investing in, is resilient.

- Q30 **Blake Stephenson:** Secretary of State, thanks for coming along. Could you please start by describing the relationship between DEFRA and the Office for Environmental Protection from your perspective?



Emma Reynolds: The relationship, once we left the European Union—and this was a creation of the previous Government—was to make sure there was a body, independent of Government, that was scrutinising both the policy and delivery of environmental policy.

Q31 **Blake Stephenson:** What is the day-to-day relationship like between DEFRA and the OEP? That is what I am getting at.

Emma Reynolds: We work closely with the OEP. I meet the chair and the chief executive. My junior Ministers do, too. There is also a lot of joint working and cross-working between officials. However, it is independent of us and, as you will see, it challenges us, and rightly so. That is what it is there for. When I say we work closely, it also takes positions that are critical of Government, and it is its job to be constructively challenging Government.

Blake Stephenson: Yes, a natural tension.

Emma Reynolds: Yes.

Q32 **Blake Stephenson:** It sounds like you think the relationship is collaborative.

Emma Reynolds: I think it should be collaborative, but it is independent. There is a balance. For example, we sight each other on our reports. That is not to say that we have a hand in its reports or that it has a hand in our reports. It does not and we do not. That is where the independence is. However, if the OEP is going to publish a report, it gives us advance sight, and if we are going to publish a significant report, such as the revised EIP, we give it advance notice.

In fact, I am probably understating the EIP, because I think there was more—not joint working. Because it was so critical of the previous EIP, we worked very closely with it when we were revising the one that we published at the end of November, early December. We wanted to ensure that we were learning the right lessons from what went before so that it was much improved, and its response was pretty positive.

Q33 **Blake Stephenson:** The OEP has noted to us that there are challenges in the co-operation, and I think that has manifested in it being unable to assess some of the trends because of the availability of data. Would you like to reflect again on the levels of collaboration you see between DEFRA and the OEP, and to think about whether improvement is necessary?

Emma Reynolds: I am happy to take that back. That is not something I have heard from the OEP directly, but I am happy to take it back and see what we can do.

Q34 **Blake Stephenson:** I think that is quite surprising. Clearly, eight of the trends could not be assessed because of the availability, or lack of availability, of data. Why is it only now, when we are asking questions, that you are going to take it back and consider the relationship and what you can do better?



Sally Randall: Can I come in on that? I think there are two slightly separate issues there. There is a question about our relationship with the OEP, where there is a natural tension built into the relationship, as you would expect. I think the issue you are talking about, whether the OEP is able to assess progress, is about the maturity of the outcomes of our environmental indicators framework, which sits underneath the EIP. We put in place an outcomes framework behind the EIP, which started back in 2021 when we published the first, and we knew it would take some years to come to maturity. It aims to bring together behind our environmental outcomes a very large number of different metrics and to provide us with a long-term time series against them. We will not be able to publish updates on some of them until we have five years of data, and we do not have five years of data yet. We expect to be able to report against many more of them next year. We appreciate that the OEP would like to be able to see some of that sooner, but I think that is a different and quite technical issue that is separate from the nature of our ongoing day-to-day relationship with the OEP.

Q35 **Blake Stephenson:** That is helpful. Thank you for outlining that. Could you explain what you are doing substantively to improve the quality of the data so that the OEP can do its job?

Sally Randall: We have an ongoing programme under which we expect more. If you see the reports that the OEP will have produced against the environmental improvement plan, you will see that there are a number in which the data cannot be accessed yet. That number is smaller than it was last year, and we expect it to be even smaller next year. As time goes on, each of those datasets is improving.

Q36 **Blake Stephenson:** Secretary of State, do you accept that we are at a make-or-break point for meeting the 2030 targets?

Emma Reynolds: No, I do not accept that. As I said at the beginning, the EIP and the interim targets are driving a lot of what we do as a Department. We are making progress, but there are certain areas where we are making more progress than others. We are looking at areas where we need to make more accelerated progress, but I am confident that we can hit those targets.

Q37 **Blake Stephenson:** Do you accept that we are way off track?

Emma Reynolds: I don't think I would put it like that. I think there are some interim targets where we are probably not where we would want to be, and we need to make more progress in those areas. I would not accept that we are way off track. No, I would not describe it like that.

Q38 **Blake Stephenson:** DEFRA, I think, is clearly at odds with the OEP on this point, which is fine, but it is worth being transparent about it. In the areas in which you think more work is required, what is DEFRA doing to scale up work to make much quicker progress?

Sally Randall: Essentially, that is what is set out in our delivery plans in the EIP. The delivery plans for the EIP accept where we are, which in some cases is behind where we might have wanted to be in respect of



our long-term targets, but it sets out a set of delivery plans against each of the priority areas, which we think is a plausible plan to get us to the new interim targets that we have set for five years. The key, as we keep coming back to, is that we need to deliver on the EIP.

Q39 **Blake Stephenson:** This is my final question, Chair, and I am at time. Do you believe the OEP has sufficient resources to do its job properly in order to hold the Government to account and stay on track with these targets?

Emma Reynolds: Yes.

Q40 **Chair:** I think it is worth pushing slightly on that. Whether you use the term “way off track” or “off track”, the OEP was pretty clear that, on the vast majority of targets, we are not where we need to be on the trajectory to achieving that by 2030. Even if resources were limitless the day before 2030, you cannot get nature to catch up. If it is not, as the OEP suggested, that this year is the year when we deliver or we fail to hit those targets, when do you think it is? Give us more of a sense of urgency, or tell us why we should be more complacent.

Emma Reynolds: In some areas it is urgent, and in other areas we are making even more progress than we thought we were. It really does depend on the target you are talking about. For example, we are making quite good progress on air quality, but in other areas—we will be honest about this—we face challenges. In some of the target areas, it is quite difficult to draw the data trends that we were just talking about. It is not that we are not being transparent about it; some of these are more difficult to track than others. Sally, I don’t know if you want to say something about the areas where we—

Sally Randall: For example, biodiversity is particularly complex and difficult to track. That is one of the areas where we are not able to make a judgment yet. The delivery plans include not just that we will wait to see whether we hit this target in five or 10 years, but we have a clear delivery plan that says we have an evidence-based theory of change that says we must do these things now so that when we publish our annual reports, which we do every year, we can say whether or not we are on track with the actions that we believe will deliver against those targets.

Q41 **Chair:** Just on the OEP and your response to the OEP report, you are right, Secretary of State, to say that by the time it comes out it is already 10 months out of date. The first time that this Government responded, it was a year after the initial report. So the Government’s response was basically two years out of date. We were grateful that, the second time around, your predecessor produced a report much earlier—I think roughly halfway through the year. Are you intending to stick to that, and do you recognise—

Emma Reynolds: Yes. Ideally, we would like to make progress even more quickly because, as you say, otherwise by the time you get to our response—

Chair: We love overachievement on this Committee.



Emma Reynolds: Okay. We would like to overachieve in this area. I think it is also worth saying that we are in constant communication with the OEP. It is not that it produces a huge report, as you will have seen on the EIP, and, as you say, it is already 10 months after the fact. Apart from reading that report and digesting it, we are also talking to the OEP about how we are doing day to day and week to week. The report is a statutory duty for the OEP, but we would certainly like to speed it up from our end. We will come back to you on the—

Chair: That is very good to hear. Thank you.

Q42 **John Whitby:** NISTA has given the farming and countryside programme a red RAG rating, suggesting that the programme is significantly off track from meeting its objectives. Could you explain why you think the rating is red? What steps are being taken to address that?

Emma Reynolds: We had some issues last year with the farming budget and the ELM schemes. The SFI reached a point where the budget was spent, and then it was cut off very suddenly. They are tricky schemes because, for example on the ELMs capital grant, we give farmers quite some flexibility. It means that, over two or three years, they can spend the money on infrastructure, on the capital grants that they need, at different times within that journey. It is quite tricky for budgeting. The fact that we give them flexibility makes our lives harder. Sally, I do not know if you want to say more about that.

Sally Randall: When NISTA looks at our programmes, it also looks at some of the technical underpinning. One of the things that NISTA recognises is that we have a lot to do to improve the digital systems that farmers use to access our programmes. At the moment, when a farmer is accessing our programme, they might have multiple agreements with us at one time. We are moving and are investing in a new system that will make that much simpler and easier for farmers, as well as much less burdensome for us. NISTA recognises that we have quite a way to go on some of those things to get where we want it to be. Over the last few months, we have made significant progress on speeding up the digital reforms that will make the programme not just deliver on its policy objectives but be easier for everybody to engage with.

Emma Reynolds: We want to ensure that more small farmers can access our schemes. One of the reasons why we have reduced the number of actions available under the SFI is to try to simplify the scheme so it is easier to apply for and easier to administer. That is something we are making progress on.

We also have a new chief executive of the Rural Payments Agency who took up post earlier this year and has a strong background in technology. Sally is right that we have pretty antiquated systems that we need to modernise and that will help not only the administration of these schemes but also the people applying for them.

Q43 **John Whitby:** We have seen the options for the new SFI scheme. Grasslands have changed a little bit; they are in the higher-tier



stewardship. I am just wondering how a farmer, let's say a Derbyshire farmer, who does not have species-rich grassland at the moment would get there without some escalator policy, because they have to have the species-rich grassland to be able to access the scheme. How are we ever going to get more species-rich grassland?

Emma Reynolds: There are lots of different actions in the SFI. I am happy to respond on the specifics in writing, but the broad direction of travel is that we try to take out duplication. We have also changed the rates for a small handful of the actions because, as I said in my speech to the NFU, the income forgone was slightly on the high side. We have reduced some of the payment rates in a handful of cases, and we have increased the payment rates for some of the other actions, too. The scheme will always require some adjustment around the edges, but on the specifics we are happy to come back to you.

Q44 **John Whitby:** Okay. How confident are you that the £2.7 billion a year for sustainable farming and nature recovery is sufficient for delivering both?

Emma Reynolds: That is what we have in the spending review, and obviously it is on average as well. It is over the period.

John Whitby: The question is whether it is going to deliver both of those objectives.

Emma Reynolds: The two objectives are very clear. In order to have good, sustainable food production, you need good, healthy soils. I know there are a number of people on the Committee who are into soil, and it is a very good thing to be into. We see it as two sides of the same coin. I know sometimes it is seen as one being offset against the other, but we do not see it like that.

Sally Randall: I agree with that. The reason that our environmental improvement plan was published after the spending review was so that those delivery plans very carefully reflect the budgets available to us so that those are realistic plans against the budget available.

Q45 **Carla Denyer:** Thank you, Secretary of State, for coming and answering our questions. My question is specifically about water pollution and nature-friendly farming. Agricultural water pollution is around half of the problem with water pollution in the rivers in England, but we only really ever hear talk about the sewage side of things. Agricultural water pollution only got one page in the water White Paper. There is lots of potential for win-win interventions where Government could be supporting farmers to use river-friendly farming methods, which are also good for wildlife and for climate, as well as tackling water pollution. It could also help to heal the relationship between Government and farmers. With all that in mind, I would like to hear about what action the Government intend to take to tackle agricultural water pollution specifically.

Emma Reynolds: You are right to raise this issue. I think it is very significant, as you suggest. I have heard the criticism of the water White

Paper from another colleague of yours. All I would say, with respect, is that the EIP set out the targets for tackling agricultural pollution of water as well, so we are building on what we set out last year in the EIP.

As you will know, we are doing a number of things to tackle this. First, we are ensuring that the Environment Agency significantly increases the number of inspections. We are considering extending the permitting scheme that is already in place for pigs and poultry to cattle. We are also doing some work around sludge. Do you want to say something more about that, Sally?

Sally Randall: There is funding available through environmental land management schemes for things like riparian planting and so on, so that is the third pillar.

Carla Denyer: Okay. I am going to leave it at that for now and let others come in, but I might come back later. Thank you.

Q46 **Sarah Gibson:** Thank you, Minister, for responding to our questions. I am just going back to the OEP's progress report. It made recommendations regarding nature-friendly farming, picking up on some of the questions that my colleague has just asked, but it specifically asked for a fully evidenced and spatially explicit, resourced plan for nature-friendly farming. It also asked for the national annual statistics to be transparent on the uptake of nature-friendly farming schemes, for a reforming of the regulations and for advice to ensure regulatory effectiveness. Have you digested some of the suggestions in the OEP progress report, are you going to act on them and, if so, when and how?

Emma Reynolds: We take into account what the OEP has said. We are, as I said, looking very carefully at that, and we have set out the direction of travel for SFI26, which will be open in June. We are committed to nature-friendly farming, and we are making sure that the environmental land management schemes as a whole drive better outcomes for nature and biodiversity in the environment through the farming budget. I think that other countries around the world are looking at some of the things we are doing because they are relatively innovative.

Sally Randall: You mentioned being spatially explicit. I just add that we will be saying a bit more about this in our land use framework publication, which we hope to do shortly. That will help to point the direction towards a more spatially informed set of policies, not just in farming but across Government.

Q47 **Sarah Gibson:** The reason I wanted to highlight that is that the farmers in my constituency who have been attempting nature-friendly farming have, to date, found that inconsistency of funding and decision making is hampering their ability to do it. These are farmers who are deeply committed to reorganising the way their farms run, and they do not feel supported.

Emma Reynolds: I am very sorry to hear that. I wonder if there is something we can come back to you on, if we could have maybe some more detail on that.

Sarah Gibson: Yes, I will give you more details. Thank you.

Emma Reynolds: There is different funding for different timeframes. I went to see a very ambitious landscape recovery project in north Buckinghamshire involving about 60 different farmers and NGOs. Some of the longer and larger-scale landscape recovery programmes that are being taken forward are impressive. I do not know how big your farms are and what exactly you are talking about.

Sarah Gibson: A much smaller scale.

Emma Reynolds: Okay. The redesign of the SFI is trying to ensure that farms can apply, with a fairer and easier process for the smaller farms. As we said in the EIP, we want to target double the number of farms that can provide species-rich habitat. I am happy to come back to you if you could send us some specifics. Thank you.

Sarah Gibson: Thank you. I will.

Q48 **Chair:** On the relationship between yourself, this Government, and the farming community, your predecessor marched into DEFRA, no doubt to wild acclaim. Three weeks later, he was effectively having to sell the Government's policy on agricultural property relief. It was not his policy, but none the less it clearly massively undermined the Government's relationship with the farming community. The Government need the farming community to be on board with nature-friendly farming. You have taken over, happily with a change of policy on APR. Where do you feel this Government's relationship is now with the farming community? I noticed that I was able to get through Parliament Square without tripping over tractors. That is positive. Where do you think we are with the farming community now?

Emma Reynolds: Certainly, in terms of the leadership of the representative organisations, I have a very good relationship with the president and the director general of the NFU, but also with Martin Lines from the NFFN and some of the other organisations. Obviously, the change on APR has hugely helped that relationship, but there are other elements of the relationship. We work very closely with them on SFI26. Angela Eagle, the farming Minister, and I, and officials, have been in constant touch with them over the last few weeks on how we set the direction of travel for the new SFI and how we make sure we get that money out the door, because we know there were problems under the previous Government on actually spending that farming budget.

This is all still relatively new compared with what we had before. I am not trying to put blame on what happened before, as I do think these are tricky budgets. Sorry, I meant the Conservatives. I do not mean you, Mr Stephenson. I am trying not to be too party political. I meant the previous Government.

There are tricky issues around the budget, and sometimes the flexibility given to farmers makes life harder for us, but it is good that we give them that flexibility. I certainly think I have a good relationship, as I said,



with the leadership of the various associations and representative organisations, and I think that can be further improved by the Farming and Food Partnership Board that we are setting up.

- Q49 **Chair:** The OEP described nature-friendly farming as the No. 1 thing the Government had to get right if they are to get on track with the Environment Act targets. Do you feel you can look farmers in the eye and say that we are now there in terms of the budgets and the structures on nature-friendly farming, that we have the policy right now?

Emma Reynolds: We will be opening the new SFI in June. We have done a lot of work to simplify it, to make it more accessible to smaller farmers. As you will know, we are opening it to small farms and those without an agreement from June, and then we are opening another window in September. That is a quite different approach, but we will continue to innovate the programme. I have said that the main offer will remain stable, but we need to continue to innovate. You and the OEP are right to say that, because they are custodians of 70% of our land, we need to work closely with farmers. We are reliant on them to take forward our programmes and use the budget that we have to enhance the environment and food production. It is an iterative thing, and it will keep evolving over time.

- Q50 **Chris Hinchliff:** Secretary of State, as we have already heard, the UK's national biodiversity targets are largely off track. Do you think that repeated drives for deregulating environmental protections in planning policy make hitting those targets harder?

Emma Reynolds: Thank you for the question. I do not agree that we are deregulating. I think we are taking a different approach to nature restoration, one that is done at a more strategic level. As I said before, I do not think that the current situation, where we have had inefficient operational behaviour with many lower-risk and lower-profile decisions always being referred for advice to Natural England, which is what we changed in the Bill—actually focusing on the higher-risk, bigger projects—I think is right. I hope you don't mind, but I would disagree with the characterisation in the question. I think we are trying to fix a system that has not been working, and doing so to deliver infrastructure and homes but also to restore nature.

- Q51 **Chris Hinchliff:** I think many across the environmental sector would certainly recognise the characterisation. I think many would say that the problem we have with our current system is not that protections are too strong; it is that they are too weak, and there is not enough protection.

Moving on to a specific point, did your Department reject the Joint Nature Conservation Committee's advice on species protection because stronger protection for more wildlife is seen as a blocker to the Government's drive for economic growth?

Sally Randall: I am not sure which particular report you are referring to.

Chris Hinchliff: Quinquennial, their five-yearly report on species protection, updating which species are protected under the Wildlife Act



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1981. The Government's response was to say, "Thank you, but we are not doing it".

Sally Randall: In looking at that report, we considered whether in our overall biodiversity goals particular species needed to be added to lists of protection, and I think our response has set out clearly where Government agree and disagree. The JNCC is an arm's length body of DEFRA, and it also reports to a devolved Government. It provides advice, and it is for Ministers to decide what to do with it. More fundamentally, however, I do not think that we have weakened environmental protections, and Ministers have been very clear that they do not intend to do so. We were clear in the recent report on the effectiveness of the Habitats Regulations, which has shown that while many of our current protections are very important in protecting, they are not doing the job we need to do on nature recovery, and therefore we need to take the twin-track approach of ensuring that we do what we need to do on protection, but also take a bigger and more creative approach to nature restoration and recovery, which is what we need to do to deliver on our long-term targets for biodiversity.

Q52 **Chris Hinchliff:** The point is why the decision was made in relation to the JNCC advice, specifically on the Habitats Regulations, since that has been raised. Obviously, there have been substantial concerns about the proposed attack, effectively, on the Habitats Regulations put forward in the Fingleton review, and crucially on the major discrepancy in the impacts on the key case study within that review, of the impacts on fish stocks, as compared with the findings of the Environment Agency. What representations have you made to colleagues crafting the Government's response to that review, as the sponsoring body of the Environment Agency, to make sure that the right evidence is being used?

Emma Reynolds: We are involved, obviously, in the Government's response to Fingleton. I cannot disclose the decision making that goes on in Government, but we will be responding in the coming weeks.

Q53 **Chris Hinchliff:** I will try again on that point. When we had the outgoing chair of the Office for Environmental Protection here in January, I asked about her assessment of the impact of accepting all the recommendations of the Fingleton review, applying it more widely to infrastructure schemes, as suggested by the Prime Minister, and the implementation of the new NPPF as it is currently drafted. She described that as a "worst-case scenario". What steps is your Department taking to avert that worst-case scenario?

Emma Reynolds: We have not responded to Fingleton yet, but we are working across Government, as you would expect, on that response. I cannot really say anything beyond that for the time being.

Q54 **Chris Hinchliff:** Is there anything in relation to the NPPF? Are you having similar conversations in relation to the draft NPPF?



Emma Reynolds: We are working very closely with MHCLG on the NPPF. Obviously, there are some outstanding issues. There is joint decision making across the two Departments on the NPPF.

- Q55 **Sarah Gibson:** I have several questions. The Government highlighted £10.5 billion for flood resistance. Picking up on my colleague's comments about the NPPF, I wonder what assessment DEFRA has made of the impact of recent changes to the NPPF and the planning guidance in terms of development in flood-risk areas. I make that point given that the current NPPF has weakened, to a certain extent, the sequential tests—I have seen some of that locally in Chippenham—and that the SuDS schemes in the current NPPF quite clearly say "should" rather than "will". We are seeing a huge increase, with the requirement to find 1.5 million houses, of housing being located on flood plains, and the NPPF just does not seem strong enough. What assessment has DEFRA made of that?

Emma Reynolds: You will not be surprised to hear that we work closely with MHCLG on this. The consultation that we are doing on the new NPPF contains, as you will know, a new requirement for SuDs—sustainable drainage systems—to be designed in accordance with new national standards that were published last year. I don't know, David, if you want to say anything more about the flooding issue.

David Hill: I think you have largely covered it, but we have worked closely with MHCLG on the new NPPF consultation. The policy on flood risk remains clear that inappropriate development in areas at risk should be avoided. There are parts of the country that face high flood risk, such as much of Greater London and Hull. In those cases, we are also clear that it is important that Environment Agency advice on how to mitigate flood risk is taken. On the latest stats I have available, around 99% of new homes in planning applications in 2025-26 complied with EA advice. The point you are making is critical. We need to work closely with MHCLG to ensure that there is no diminution of our ability to respond to flood risk, but I think we feel confident that the measures in the new NPPF would achieve that.

Sarah Gibson: There are industry bodies that may disagree with you, but I will leave that for the consultation. I am sure they will respond.

David Hill: Yes.

- Q56 **Sarah Gibson:** Going back to the quantities, which you have highlighted, that are there for investment until 2036—£10.5 billion sounds like a nice sum of money. What levels of reduction do you think that sum is going to achieve and deliver in the national flood risk? How does that compare with the situation getting worse due to increased risk from climate change over the same period? Are you keeping the lid on it, or is your funding insufficient given the changing situation?

David Hill: I should explain that the £10.5 billion does not include resource budgets. It is a capital commitment. It includes resource budgets for the first two years, but those resource budgets will be confirmed progressively. The total investment will be bigger than £10.5

billion, but we will go through a number of spending reviews to get there. For this spending review period through to 2028-29, the budget is increasing. The current programme closed at the end of this month, and we are spending on average £1.3 billion a year. That rises to £1.4 billion a year over the rest of the spending review period. I think the National Infrastructure Commission said that we should be at £1.5 billion a year by 2030. We are a bit short of that in a tight fiscal climate, but we are in the right ballpark, I would say. I would also say that the making of a long-term commitment to 2036, in and of itself, is illustrative of the Government's intent to take a very long-term approach to flood resilience and flood defence.

Q57 Sarah Gibson: The only other question on housing and flooding would be that we are seeing an issue where properties are becoming uninsurable on flooding because of their location. What analysis has DEFRA done on that sort of issue, and on affordability for homes that might be within flood-risk areas?

David Hill: Access to insurance is an important issue. That is why we have the farming budget and the ELM schemes. We estimate that around 650,000 properties have benefited from cover since the Flood Re scheme's launch. Our figures suggest that about 99% of householders at high risk of flooding can now get quotes from 10 or more insurers, and the average quote is down—under the lifetime of that scheme—from around £4,400 to £1,100. We have a decision to make because, when Flood Re was set up, it was time-limited. It runs to around 2038, and in this Parliament we will be reviewing whether we think a return to normal market conditions post-2038 is viable. That is a live piece of work that we will be undertaking.

Q58 Sammy Wilson: Last week, we heard about the state of peatlands across the United Kingdom. I think the figure we were given was that 80% of them were degraded in some way or another. One of the most recent concerns is the building of wind farms on upland peat areas. Obviously, it was a good target because they are upland areas, plenty of wind, but they are also very vulnerable areas. Given the importance of peatlands in some of the adaptation measures you mentioned earlier, Secretary of State, namely reducing flooding further down the watercourses, and the importance that peatlands have for wildlife as well, what discussions have you had with DESNZ on its drive for onshore wind farms on land that your Department says is vulnerable and that you believe, as part of your adaptation measures, you need to restore?

Emma Reynolds: Thanks for the question. You are absolutely right to highlight this as an issue. We want to work to protect and restore peatlands. There have been various issues. You have touched on one of them. Sally, do you want to say something?

Sally Randall: I would like to say something about wind farms. Obviously, peat, particularly deep peat, has a very high level of protection, including under the Habitats Regulations. As well as that, you asked about our joint work with DESNZ. Our approach to peat is reflected



in the national policy statement for renewable energy, which reiterates the point that we are clear that other sites should be ruled out before deep peat is considered for the siting of wind farms, and also the fact that the mitigation hierarchy and the Habitats Regulations should be respected in considering development on peat.

- Q59 **Sammy Wilson:** You are not ruling out deep peat sites, even though they have been shown to have huge benefits in flood attenuation, et cetera. Are you saying that, when it comes to the location of wind farms, the last word is really the Government's renewables policy rather than the protection of important habitats and resources, from your Department's point of view, in dealing with flood risk assessments?

Sally Randall: Nothing is absolutely ruled out in the planning system. That is partly in the nature of the way that the planning system works. There may be some circumstances where, for example, micro-siting on particular peat may be appropriate, but it is an extremely high level of protection which is not only built into the background set of rules and regulations, including the Habitats Regulations, but is explicitly referenced in the national policy statement for renewable energy. It is a very, very high bar.

- Q60 **Sammy Wilson:** Does your Department keep any records of, for example, the number of deep peat or peatland sites that are being taken over for wind farms? Is there any assessment of the impact of a wind farm being built on those sites?

Sally Randall: There is very little onshore wind in England at the moment, but we are working very closely with DESNZ. I do not know if we keep those records, but I am happy to come back to you on that.

- Q61 **Sammy Wilson:** Given the importance of peatlands in your departmental objectives, would it not be something that should automatically be recorded, so at least you know the impact it is having on these important protected habitats?

Sally Randall: Absolutely. Both the Environment Agency and Natural England do a great deal of detailed monitoring of the condition of peat, so I would expect that it will be through that, but I am happy to write to you on the detail point.

- Q62 **Sammy Wilson:** One of the ironies we heard about during the evidence session we had on this issue is that, on the one hand, wind farms are being built in order to reduce CO₂ emissions in energy production, and on the other hand, there is massive disruption of peatlands. I have seen in my own constituency three metres of peat being stripped off to put in roads, cables and foundations for wind farms. The irony is, of course, that it releases huge amounts of carbon into the atmosphere. Is there any way in which the Department requires measurement of, say, how much your wind farm saves in CO₂ emissions from energy generation versus carbon emissions from the disruption to the ground in which it is built? We heard that in Scotland they have a carbon calculator. Are there any plans to include that in an assessment of the suitability of wind farms on



certain sites in the rest of the United Kingdom?

Sally Randall: Yes, we are looking very closely at what the Scottish Government have done with their carbon calculator. It is a bit early for us to say whether that is something we would adopt, whether we would adopt it as-is or whether we feel that it needs to be adapted for the English landscape, but we do think that what the Scottish Government are doing is an important piece of work, and we are looking very closely at it.

Q63 **Sammy Wilson:** Given that one of the reasons for allowing disruption of important habitats is the CO₂ reductions, should it not be a compulsory part of any planning application that an assessment is done of the disruption to the landscape and the likely outcomes in terms of CO₂ emissions as a result of that disruption?

Sally Randall: An integral part of the planning process for taking through any development on peat is that the full range of environmental impacts is taken into account, and I am confident that it would be so under the current system, particularly with Natural England and the Environment Agency as statutory consultees on any of those developments.

Q64 **Sammy Wilson:** Currently, you do not measure the number of peatlands, and you do not have a record of the peatland areas that are disrupted as a result of building onshore wind farms. Secondly, you do not have any calculation of CO₂ release from the building of those farms. Thirdly, you are considering but have not yet made a decision on any carbon calculator.

Emma Reynolds: Can I jump in here? We will need to check on and come back to you on some of the things that Mr Wilson is asking about. It is not to say that, particularly in the first couple of areas, we do not do that, but we need to check and come back to you, if that is okay.

Q65 **Barry Gardiner:** Secretary of State, my apologies for arriving so late. I was chairing another meeting, but no disrespect was intended. I trust I will not be going over anything that colleagues have covered. I tried to make sure of that beforehand. The water White Paper says that, over the next five years, £11 billion is being spent on storm overflows in England, improving around 2,500 storm overflows to reduce those spills. Do you know what percentage of storm overflows that accounts for?

David Hill: I think there are around 14,500 in England.

Barry Gardiner: Right. It is about 15% of the total storm overflows.

David Hill: Yes, in this five-year period, correct.

Q66 **Barry Gardiner:** So the Government plan to make improvements to about one in seven storm overflows over a five-year period, during which bills will increase by roughly a third. Secretary of State, do you think that is acceptable progress?



Emma Reynolds: We have huge challenges with the water system. Storm overflows are an important part of the picture, but there are other things that we are having to ask the water companies to do, too. I don't think you can reduce it to just one measure.

Barry Gardiner: No, I am not trying to reduce it. I am pointing out that, if we are intending to fix only one in seven—I take it you have seen “Dirty Business”—

Emma Reynolds: I have seen some of it, yes.

Barry Gardiner: So you will know that these storm overflows have been responsible for people's deaths, have caused severe illness for many members of the public and are causing the Department's own analysis to report that rivers in England are in a terrible state.

Emma Reynolds: As we discussed earlier in the Committee, one of my big priorities as Secretary of State is to clean up the waterways. As I also explained to the Committee, there is no overnight fix here. We inherited a system with a failed regulatory system—failed regulators, frankly—and water companies that on this issue and others, as you rightly say, are not performing well at all, with record levels of pollution. So, we are taking forward—

Q67 **Barry Gardiner:** That is why I am asking whether you feel it is ambitious enough simply to be tackling one in seven storm overflows, but let us move on.

Since privatisation, England's water companies have dumped more sewage year on year into our rivers and seas. Every year, there is more. In 2024, there were nearly a million sewage dumps. That is one every 30 seconds. The Office for Environmental Protection has ruled that the Environment Agency broke the law by failing to regulate water companies properly. Do you agree with the OEP's assessment that the EA broke the law?

Emma Reynolds: I would have to look at that specific—

Barry Gardiner: I thought you might have done so already, given the Office for Environmental Protection said it.

Emma Reynolds: With respect, I would need to come back to you on what the OEP specifically said. What we are very clear about is that we need a complete overhaul of the water system. We need an integrated regulator, a single regulator, because as I said, the current regulators—and we have four, as you know. We have Ofwat, we have—

Barry Gardiner: I know who they are, absolutely.

Emma Reynolds: So you know about that, obviously. We want to improve the situation, but that is going to require once-in-a-generation reform of the system that we inherited, which has been in place, as you know, since 1989, since privatisation. Nobody is happy with the situation as we find it.



Q68 Barry Gardiner: When you get back to us to let us know whether you agree with the OEP's assessment that the EA has broken the law—and if it is the case that you agree with the OEP's assessment—could you also say what action you propose to take against the Environment Agency for breaking the law? You will know it has said that it has updated its storm overflow assessment framework, and that it has plans to modernise permits and introduce spill limits. Do you think that updating its assessment framework is an adequate response?

David Hill: Yes. I think—

Barry Gardiner: Sorry, was that, "Yes, I do think it is an adequate response"?

David Hill: I was about to answer your question.

Barry Gardiner: Great.

David Hill: As the Secretary of State was saying, I do not think that we think the current regulation of sewage pollution is adequate. That is why we are seeking to reform the whole edifice of environmental and economic regulation of water. It is also why an important component of the total investment, as you said, is going into addressing improvements in CSOs. We estimate that that one in seven that you talked about will reduce total sewage spills by around 45% by 2030.

Q69 Barry Gardiner: That 15% is going to reduce it by 45%?

David Hill: We estimate that the £11 billion investment and those improvements to CSOs will, in aggregate, reduce total spills by around 45%.

Q70 Barry Gardiner: Have you the data that is based on?

David Hill: I am happy to come back to you, and if we can furnish you with more data, we will do so, but that is our estimate.

Q71 Barry Gardiner: It will be very helpful to have that data. Thank you very much. Is that based on data supplied to you by the water companies, or has the data been supplied by the regulators, by the EA in effect?

David Hill: My recollection is that it is our assessment, based on data we have worked through with the regulators, but I am happy to come back to you on that.

Q72 Chair: Secretary of State, Barry has asked an important question about the EA. I think we need a response from you. Do you think that its response so far is acceptable? We understand there are lots of changes, but on the central question Barry asked, do you think that the Environment Agency's response to the situation is acceptable at this moment?

Emma Reynolds: On storm overflows or on the question you asked about breaking the law?

Chair: On the question that Barry asked about the EA's response specifically. Do you want to read it again?



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Barry Gardiner: I am happy for you to answer both questions, Secretary of State. Do you think it broke the law? You said you will get back to us on that, but do you think that the EA's response is adequate?

Emma Reynolds: We are trying to improve the system.

Barry Gardiner: No, it is either adequate or it is not. If it is not adequate, it is your job to make sure that its response is.

Emma Reynolds: I have been in role since 5 September, as you know, and we are trying to ensure that we improve the system even before we get legislation. As you all know, having been here longer than I have, it takes quite some time to get legislation through both Houses. Do I think that any of the regulators has done enough? I think the Drinking Water Inspectorate is a ray of light and has done a good job.

Barry Gardiner: We all give them a clean bill of health.

Emma Reynolds: Do I think the other regulators have done a good enough job? No. That is why we are completely rewiring the system and setting up a new regulator.

Q73 **Barry Gardiner:** Let us talk about the rewiring of the system, because what use would the EA's plans and permits be for companies like Thames Water? It has asked you for a 15-year holiday from environmental laws, during which it would be immune from prosecution. Can you confirm that such a holiday will not be granted in any circumstances?

Emma Reynolds: As the Environment Secretary, my view is that we have legislation in this country with regard to the environment, and if a company breaks environmental law, it should be held to account.

David Hill: May I come in on your question about adequacy? Part of the adequacy of response is about sufficient resource to enforce.

Barry Gardiner: Absolutely.

David Hill: As you will no doubt be aware, but for the Committee's benefit, we have recently sought to strengthen the EA's hand on its ability to inspect water companies. Inspections are now running at around 4,000 a year. The EA has taken new powers to increase its ability to recover costs in order to be able to expand inspections to around 10,000 a year.

Q74 **Barry Gardiner:** On inspections, can you confirm that operator self-monitoring has now ended?

David Hill: It is working towards ending.

Q75 **Barry Gardiner:** Why? Why are you working towards ending, allowing the very companies that have been responsible for the pollution to report to you on their polluting? You will know that, actually, they did not report, and when the EA stopped even investigating category 3 and 4 reports, they were not even logged.



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David Hill: That is why expanding the EA's ability to inspect is really important. The EA has also taken steps to drop the category 4 no-impact categorisation. That ended from the beginning of January, so that falls away entirely.

Barry Gardiner: I asked you about operator self-monitoring. That is the mechanism by which the water companies tell the regulator, "Excuse me, we have made a mistake", and we know they did not do it.

David Hill: The regulator must then make its own judgment on the categorisation of those offences.

Q76 **Barry Gardiner:** No, no, no. Sorry, that is not what the EA is supposed to do. The EA is the regulator that is supposed to go and investigate, not waiting for somebody to tell it that there is something it should be investigating.

David Hill: The EA receives perhaps 100,000 reports a year of environmental incidents. It will triage every one of them. It makes its initial assessment, based on the information that could have been phoned in. Then, based on a judgment about categorisation of severity from category 1, the most serious, up to, until recently, category 4, which was deemed no impact—

Barry Gardiner: Which was not true, of course, as you know. There was huge impact from category 4.

David Hill: From the beginning of this year, category 4 has been dropped from the water sector. EA officers will make a judgment after investigation about how those incidents will be categorised. They will prioritise, and have prioritised, investigation of the most serious, categories 1 and 2, but they will also attend some category 3s as well.

Q77 **Barry Gardiner:** I am running out of time, so I need to press you. Please could you get back to us to confirm when operator self-monitoring will end and which categories it is ending for first? In the water White Paper, the Government state that they have secured £104 billion of private investment to transform our water infrastructure. Can you confirm, Secretary of State, where that money is coming from? Ofwat says it is coming from the 36% increase in customer bills, which will come over the next five years. Is that correct?

Emma Reynolds: It is complicated because it is about timing. The up-front money comes from the people who have invested in the water companies, but it is recovered over time.

David Hill: That is right.

Q78 **Barry Gardiner:** Analysis by the University of Greenwich found that, in almost every year since privatisation, customers' bills directly—directly—covered the capital expenditure of the water companies as well as the day-to-day operational expenditure. When the Government talk about securing £104 billion of private investment, actually it is money that has come from people's water bills.



Emma Reynolds: I did answer the question. It is about a timeframe. The money gets put in, and then it is recovered over time.

David Hill: Over the lifetime of an asset.

- Q79 **Barry Gardiner:** Do you agree with the assessment that all of the investment in capital expenditure and day-to-day operational costs is met from bills? Can you confirm that, since privatisation, water companies have extracted £85 billion in dividends and have accumulated more than £60 billion in debt? Given that the Greenwich research is correct and that capital and operational costs have all been met by bill payers, what is the point of maintaining a privatised structure in what is a natural monopoly, namely water?

Emma Reynolds: If you would like to nationalise the water industry, you need to work out which taxes you are going to put up or which areas of public spending you are going to choose not to spend money on. Obviously, nationalising the whole thing would cost an enormous amount of money and take an enormous amount of time.

Barry Gardiner: That is not what the figures that have been produced suggest, and you have not done—

Emma Reynolds: They are disputed figures, as you know.

- Q80 **Barry Gardiner:** No, no, no. Sorry, they are not. You cannot dispute them because you have not done any analysis of them, have you?

Emma Reynolds: Yes, we have, of the cost of nationalisation—

Barry Gardiner: No, you have not. I am sorry. There was the FOI by Professor Becky Malby in January of this year, “What analysis has your Department undertaken to understand the comparative cost to the public of continuing with the current privatised model versus the cost of public ownership of the water industry, both during the remainder of PR24 and over the next 30 years?” Your response, “The Government has no intention to nationalise and, therefore, has not assessed the ongoing costs of continuing with the current privatised model versus the public ownership of the water industry”. You have not actually done the maths.

David Hill: Well, we—

Emma Reynolds: I would dispute that.

Barry Gardiner: Those are your own words.

David Hill: We have published a note, which I am happy to re-send to the Committee, assessing the costs of nationalisation. Regulated capital value of the water sector is the closest proxy for the total value of the sector’s debt and equity. That was estimated at £106.7 billion in 2025. If the sector were to be nationalised, the total cost of that nationalisation would reflect the cost of both purchasing the equity in the companies and the cost of assuming their existing debt liabilities. Now, that is a proxy, because there are many uncertainties around that, but we have published a note on that which I would be happy to re-send.

Barry Gardiner: Yes, but as you know, three of the water companies are publicly traded, and their stock-market valuation is considerably lower than their RCV. So, using the RCV model, you are inflating the price, and then, as you say, when you add the debt burden that those companies have, actually, they are not attractive prospects at all. Thank you, Chair.

Chair: Thank you.

Emma Reynolds: Can I just say, Chair, that I was not misleading the Committee. There is a difference between the cost of nationalising a big industry of 16 water companies that have private property rights—the cost of running a privatised system versus the cost of running a nationalised system. I am sorry to say that I think Mr Gardiner conflated the two. Those are two different things, but we are happy to provide any analysis that we did.

Chair: I think any analysis you have done would be really helpful.

Emma Reynolds: Okay.

Q81 **Chris Hinchliff:** Secretary of State, I have a philosophical question. Given that you came into your current role from a previous role in the Treasury, I thought it would be interesting to know whether you agree with the Dasgupta review: “Our unsustainable engagement with nature is endangering the prosperity of current and future generations, and that having GDP as our primary measure of economic success encourages us to pursue unsustainable growth and development”. You have worked across both the economic side and the nature side, so you have a particular insight into both. I am very interested to know your perspective on that.

Emma Reynolds: Thank you for that philosophical question. I do not really agree, but I respect the opinion you have just read out. I do think that we can both grow the economy and protect nature, and we have set out some of the measures that we have been taking around the Planning and Infrastructure Act, where we take a different approach from the one that has been taken before with regard to SSSIs and other protected sites. We are taking one that is at a strategic level. I think that you can have sustainable growth, where you put in place measures to protect and restore the environment, and at the same time grow the economy.

Q82 **Chris Hinchliff:** Do you think that GDP is the right measure to be focusing on in your goal of having prosperity and nature hand in hand?

Emma Reynolds: It obviously has become a shorthand for growth, but also living standards. If, as a Labour Government, we want to invest more in public services and reforming them at the same time, we need that growth and the tax receipts that come with it in order to do that.

Chris Hinchliff: So, you are still happy with GDP, primarily.

Q83 **Carla Denyer:** I want to ask about the circular economy strategy, because that was due out late last year, and then it was due out in the new year, 2026. Can you give us an update of when we can expect it?

Emma Reynolds: Soon, I hope.

Carla Denyer: Are you able to be more—

Emma Reynolds: Sorry, I can't. It is something that we are still working on. It is a really important document. I imagine that you have had discussions with my Minister, Mary Creagh, who is completely focused on this plan, and on making sure that we see the opportunities from the circular economy, because we know that the growth of the circular economy outstrips broader economic growth. It is a really important area for us. I am sorry that I cannot give you a precise date.

Q84 **Carla Denyer:** Very briefly, are the Government going to introduce a bottom-trawling ban at any point, and if so, when?

Emma Reynolds: As you will know, we consulted on the stage 3 MPA bylaws in September, and when it closed, we had over 20,000 responses. We have consulted on very significant restrictions on bottom trawling in a number of protected areas, but we have not yet responded to the consultation. We want to make meaningful progress on this.

Sally Randall: The Marine Management Organisation is working through that very large number of consultation responses, and we hope to provide an update with more progress on that very soon.

Q85 **Chair:** Thank you very much. Secretary of State, we were speaking last week about peat, and we were particularly pressed on the issue of the horticultural peat ban. This is one that the previous Government spoke a lot about but did not actually complete. This Government came into power also suggesting that we will be banning horticultural peat. Are we going to see that? If so, when? If not, what things are slowing us down?

Emma Reynolds: You will know that we have pledged to legislate for a ban on the sale of peat and peat-containing products. We have pledged to do that when parliamentary time allows.

Q86 **Sammy Wilson:** Since a large amount of horticultural peat is produced in Northern Ireland, it is a devolved issue. What discussions have you had with devolved Administrations on the ban? Secondly, if it is not UK-wide, does that have implications for the internal market and for the effectiveness of the ban?

Emma Reynolds: We work very closely with the devolved Governments. We have an inter-ministerial group. We wrote to them last month setting out and confirming our commitment to work closely with them on having a joined-up, UK-wide approach. Sally, do you want to add to that?

Sally Randall: We would very much hope to take a UK-wide approach, which we think would be far simpler in the context of the UK Internal Market Act. We are committed to working through it so that, as soon as parliamentary time allows, we will be able to bring forward legislation.

Q87 **Barry Gardiner:** Secretary of State, you will be aware that there has long been a revolving door, with senior directors at Ofwat and the Environment Agency taking up positions on the boards of water

companies, and that sometimes this has been while they were still holding a regulatory position, creating obvious conflicts of interest. The EA has admitted in the past that it has had to take steps to manage and reduce that. Will you commit to ending the revolving door?

Emma Reynolds: We certainly need to ensure that there are no serving members of the—

Barry Gardiner: There have been in the past.

Emma Reynolds: Obviously, there shouldn't be. We have a unit in Government that looks at what officials from different Departments do after they leave Government—

Barry Gardiner: You will know, as a Minister who left Government, that when you leave Government as a Minister there is usually a five-year rule about not taking up a post that has anything to do with your previous employment as a Minister. That does not operate for the Environment Agency or for Ofwat. I think Sir James Bevan is now a board member of both a water company and the Canal and River Trust, having only just stepped down.

Emma Reynolds: To be very clear, I have not previously left Government as a Minister. I hope you are not hastening my demise.

Barry Gardiner: No, no, no.

Emma Reynolds: I have left Parliament as an MP, and I used—

Barry Gardiner: I thought you had been a Minister. Sorry.

Emma Reynolds: No, I wasn't. It does depend on the arm's length bodies and the status.

David Hill: It does. Ofwat, as a non-ministerial Department staffed by civil servants, is covered by the same rules as the core civil service, so it is subject to the business appointment rules.

Barry Gardiner: One of the past directors of Ofwat went off to be a director of Thames Water.

David Hill: Not directly.

Barry Gardiner: Certainly within five years.

David Hill: Without getting into individual circumstances, that individual went through the usual business appointment rules process. My recollection is that there is usually a two-year prohibition on civil servants taking up employment.

Q88 **Barry Gardiner:** Is it something you will commit to looking at? People look at this, and they see a revolving door. They see the huge salaries that people get. They have been regulators, and suddenly they are on the other side of the fence and, Bob's your uncle, they are earning much more than they ever would have as a public servant.

The Water (Special Measures) Act banned bonuses for the bosses of



those companies that were polluting the water, yet Thames Water and Yorkshire Water managed to be given millions of pounds in retention payments. Some would ask why we would want to retain the managers of those companies, given how badly they have performed, yet they were able to ride a coach and horses through what we thought was legislation to stop this nonsense.

Emma Reynolds: On a more positive note, we know that £4 million of bonuses have been blocked for the last financial year. Like you, I am frustrated. I want to ensure that water companies abide by the spirit as well as the letter of the law that many of us voted for last year. That was a key piece of the Government's agenda, the Water (Special Measures) Act, to prevent these sorts of bonuses from being paid.

Q89 **Chair:** Secretary of State, finally, anyone who watched our evidence session with Dame Glenys Stacey from the Office for Environmental Protection and then heard your depiction of the OEP report would notice a considerable difference in tone, I think, in terms of the scale of the challenges that face us. If my children had come back from a spelling test telling me they got three out of 22 right but several other answers were in the right direction, we would be having a difficult conversation.

This is important, because what we need to know is that you are going into the Cabinet, banging the drum, and saying to the Prime Minister, "We have an environmental emergency here; we are failing to hit our environmental targets; we are in danger of breaking the law; and this is an emergency that I need money, resources and legislative time for." What I have heard today does not feel like we are hearing that banging on the table. It actually feels like your message to the Prime Minister is, "It is not going too badly, there are some good bits and bad bits." Can you reassure me at all?

Emma Reynolds: I tend to take quite a calm approach. We have set ourselves some very challenging interim targets in the EIP. We have some challenging targets overall in the Environment Act. We are by no means complacent about that. Do I convey that to the Prime Minister in Cabinet? Yes, I do. I am not going to divulge exactly what I say in Cabinet meetings, but we know there are certain areas where we are making good progress, and we know there are other areas where we need to make much better progress.

I hope that reassures you that we take this most seriously. As I said at the outset, when you asked me what I hope my legacy will be, it is always very difficult to say, but I hope that making substantial progress in this area and protecting, restoring and enhancing nature and the environment for years to come will be one of them. I can reassure you that I raise these issues at the highest level. I was not in this position during the negotiation of the spending review, as you know. Depending on how long I am kept in my position, that will come around in time. We are absolutely, as a Department, focused on the EIP in particular and making further progress, and looking at those areas where the OEP has



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rightly said that we need to make accelerated progress. We are focused on those areas.

Chair: Secretary of State, Mr Hill and Ms Randall, thank you very much indeed for your evidence.