

Environment, Food and Rural Affairs Committee

Oral evidence: Tree Planting and Woodlands, HC 356

Tuesday 23 November 2021

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Members present: Neil Parish (Chair); Ian Byrne; Geraint Davies; Dave Doogan; Barry Gardiner; Robbie Moore; Julian Sturdy.

Questions 238 - 333

Witnesses

I: The Rt Hon Lord Goldsmith, Minister for Pacific and the Environment at the Foreign, Commonwealth & Development Office; and Edward Barker, Director, Natural Environment, Trees and Landscapes, Department for Environment, Food and Rural Affairs.

Examination of witnesses

Witnesses: The Rt Hon Lord Goldsmith and Edward Barker.

Q238 **Chair:** Welcome to the EFRA Select Committee. This is our final session looking at forests and planting trees. It is a great pleasure to have Lord Goldsmith with us and also Edward Barker. Lord Goldsmith, and then Edward, would you like to introduce yourself briefly for the record please, and then we will continue?

Lord Goldsmith: Thank you for having me. I am keen to talk about our England Woodland Creation Offer plans and I hope also to be able to, at least partially, put that in the context of international events that culminated in agreements around forests and land use at COP.

Edward Barker: I am the director of Natural Environment, Trees and Landscapes in the Department for Environment, Food and Rural Affairs and also the senior responsible officer for the Nature for Climate Fund.

Chair: Do you work with Natural England as well?

Edward Barker: We work with Natural England, the Forestry Commission and a range of partners.

Q239 **Chair:** I shall start off with the first question. Will the Government set a clear target for England's contribution to the UK goal of planting 30,000 hectares of new trees every year? Will you also set an annual milestone for how you will reach this target? At the moment, I suspect, I am not sure—do you know how many trees we planted in the last year? How are we to go forward on this target? Are you going to set yearly targets? Are you just going to say we will plant them over a five-year period and try to plant them all at the end of that five-year period?

Lord Goldsmith: Somewhere in the middle. I would prefer it if we did not have a year-on-year target because we are trying new things and I think having year-on-year targets would require greater courage than Government often has when it comes to innovating. In the last 12 months, for instance, we have introduced schemes that have never been tried before, not least the riparian schemes, which I know you have followed. Having the freedom to innovate, but within the context of having to meet the overall UK target by the end of this Parliament will, I think, deliver the best results. I hope this is not just internal, but our view is that the England share of the 30,000, given Scotland's dominance on this issue, is that we would be planting at least 7,000 hectares per year in England, or naturally regenerating whatever the best approach is, but hopefully closer to 10,000 hectares.

Q240 **Chair:** What has been planted over the last year? Do you know?

Lord Goldsmith: We cannot talk about the season we are in at the moment because a lot of stuff is not certain yet; it is looking good, but

we don't have the numbers. For last year, I believe the figure is 2,000 hectares. Is that right?

Edward Barker: Thereabouts.

Lord Goldsmith: Good. So, around 2,000 hectares, which is less than we had hoped for but I think for obvious reasons; things were pretty heavily disrupted as a consequence of Covid.

Q241 **Chair:** It is a slight understatement, isn't it—less than you had hoped for. You are saying you want 7,000 to 8,000 hectares of trees. By my arithmetic, 2,000 hectares is one quarter. I hope it will speed up but I feel we are talking a lot about tree planting at the moment but I am not sure we are planting many trees.

Lord Goldsmith: I can sense you want to come in, Edward, and please do in a second.

The way in which we are going to get trees planted is by getting the incentives right for private landowners, big and small, and institutional.

Chair: Yes, we will talk about the grant scheme.

Lord Goldsmith: But it is all about those incentives. If you get the incentives wrong, it will not happen; if you get the incentives right, it should happen, but you cannot force it. In the old days, there was a lot of purchase of land by the Forestry Commission. In my view, and the Secretary of State's view, that is not a good use of money. It is very expensive and quite often that land is not the best land for planting trees. It might be better used for farming, for example, so we are not going down that route. We have created the incentives and the market is now responding. If, as we hope and believe, this year, where people have had a chance to see, study and understand the incentives, the response of the market is not what we need it to be in order to get to the trajectory, we will have to tweak the incentives. The intel we have at the moment, however, is that we have more or less got it right. I am confident that will—

Q242 **Chair:** Edward, are you absolutely certain that your Minister has it absolutely right, that we are going to plant all these trees, and that we could have you back in a year's time if you have not planted all these trees? Is that the case?

Edward Barker: I am feeling increasingly confident about our ability to plant these trees, but if I could just add a little bit to what the Minister has already said, we are indeed aiming to reach at least 7,000 hectares and I hope up to 10,000 by the end of the period. Bear in mind, however, that the fund was launched only about a year and a half ago. It was topped up in the Budget, so we now have over £650 million of new money, which will be available for trees and peat. We have spent quite a lot of the past year designing the programme and talking to stakeholders. We published the England Tree Action Plan this spring and we launched the programmes over the spring and summer so a lot of this is very new,

which is why although the signs are very encouraging at the moment, we do need to see what happens with the first proper planting season with the fund in effect.

Q243 **Chair:** I have a figure here of £500 million over five years to fund tree planting. Is that enough to go round if your ambition is to plant say 7,000 hectares of trees?

Lord Goldsmith: We have an additional £124 million that is going to be used for tree planting but some of that will be used for peatland restoration, so the figure is more than £500 million. We would always want more, clearly, and we will continue to ask for more, but we are confident that the volume of money from that incentive, combined with the transition to ELM schemes, which will have a big role to play, and combined with the private-sector money, which we know will result from things like biodiversity net gain—

Q244 **Chair:** Do you see private money coming in under the carbon capture as well?

Lord Goldsmith: It should. I cannot tell you how much money is going to come in from the market, but I can tell you that if you look at the number of UK businesses that made big commitments at COP going nature positive—companies that cannot go nature positive themselves without an element of offset at least in the initial years—there will be a lot of money flowing into the market, alongside things like biodiversity net gain.

Q245 **Chair:** We will ask questions in a minute about the details of the level of planting and the grants that go with it but what I am interested in is whether you have done a calculation on the back of a piece of paper—I had better not say cigarette packet these days—of roughly how much you believe it costs to plant a hectare of trees? It is not too difficult to work that out, multiply that by 7,000 and we will get to a figure. Will it be £100 million? I suspect it will be quite a lot more. I don't know

Lord Goldsmith: It depends on how you are doing it, where it is, and the value of the land. If you go down the land-purchase route, it will cost much more than we can afford. Going down the incentive route, which we are, the money will go much further. Within incentives that are being set is a gradient. Edward is better placed than I am to discuss that, but they go from £10,000 plus, plus, plus, depending on the other public benefits being provided within the scheme. The full thing, the English native woodland with a big emphasis on biodiversity, with the impact on water retention or flood prevention or whatever—the more you add on, the more money you get, but £10,000 is the starting point.

Q246 **Chair:** So the £500 million, or £100 million a year, is just the upfront cost—we will talk about the details later—but then you will roll the cost of managing the land, the payments that go with the land, over other payments, such as ELMs and the like, will you? Or what? How many times are you counting the £100 million?

Lord Goldsmith: I am going to ask you again. What do you mean by the £100 million?

Chair: I have a figure here of £500 million over five years to plant trees; that is £100 million a year, isn't it, I would have thought? You said earlier that your ambition is to plant up to 7,000 hectares of trees a year.

Lord Goldsmith: The commitment we have, which is based as I understand it on the Climate Change Committee, is not 7,000 hectares this year, next year, the year after and so on. It is a trajectory that will build up. I hope it will be closer to 10,000 than 7,000 but we are saying 7,000 to give ourselves a bit of wiggle room. You will find much of the money, the £500 million, will be spent towards the end. It will not be £100 million a year.

Q247 **Chair:** Okay. I am conscious that the figures will need to be calculated and I ask Edward this. Have you got figures? You must have some rough idea.

Edward Barker: We have done a lot of work on what it will cost and on the different costs for different kinds of incentives, depending on the benefits that will be delivered, because of course the benefits are not only carbon but also and importantly, biodiversity, access and the like, and also where the land is, because some land will be more readily planted. We have done a lot of work on it. We have a very good idea of the cost of the different schemes out there and as the Minister said, the trajectory is rising steeply in the later years. We certainly hope it will reach more towards the 10,000 than the 7,000.

Q248 **Chair:** When you say "later years", it sounds like Government-speak. What is "later years"? When is that?

Lord Goldsmith: The end of this Parliament is the last year.

Q249 **Chair:** So by 2024 we will have planted four times 7,000—28,000 hectares of trees in England, will we?

Lord Goldsmith: No. By the end of this Parliament, we will be planting a minimum of 7,000 hectares a year.

Chair: Right. Okay.

Lord Goldsmith: I don't want to be legalistic. We want to plant as many trees as possible and get as much money as we can from the Treasury.

Chair: I get that but I think you need to be clear on the ambition.

Lord Goldsmith: Just to be really clear, the commitment is that by the end of this Parliament, we are hitting that 7,000 a year. You can interpret that in any way you choose. I hope that the line will go up as quickly and as high as possible and remain there, but that is the commitment that has been made on the basis of which we got the money from Treasury. Having said that, however, of course since that commitment was made, other commitments have been made around biodiversity, not least in the

Environment Act, which will also require more money and therefore those discussions are happening.

Q250 **Chair:** A final question from me and Geraint Davies has a supplementary.

You say we are only at roughly about 2,000 hectares a year. How are you going to increase that? Are you absolutely confident that you can multiply that by two and a half, nearly three times?

Lord Goldsmith: I speak to the team regularly to get an idea of how the market is reacting to the incentives that we have created. My fear has always been that we are going to get the incentives wrong. I don't want to overpay—it is public money—but equally, we have to pay enough so that people respond. The response I have so far, which is not a scientific one but is based on intel coming in, not all of which will be realised, is that we are on track. We think that we probably have to get a minimum of 2,500 hectares this year in order to feel confident that we are on the right trajectory. That is the figure we are using internally and we are confident.

Q251 **Chair:** So getting from now, you are saying 2,500 this year, how many are you saying for next year? Is it 3,500? Then 5,000 to 7,000, is it? Where is it? We are in 2021. We will be in 2022 in not much more than a month's time.

Lord Goldsmith: I cannot give you exact figures on what is planned for next year and the year after. We know we need to get from 2,000—

Chair: You started telling me that you had the idea of 2,500 next year so you must have some figure in your head if not down on paper, Lord Goldsmith.

Lord Goldsmith: No doubt and I am probably over-sharing with you. But look, we know we need to get from 2,000 last year to 7,000 in three or four years. That we know, so the trajectory is what it is. We think that in order to be on track, this season we are in at the moment, I would be very disappointed if we had fewer than 2,500 hectares. If we have 2,500, we can be confident, I think, that we are on the right trajectory. If we have more than that, great. The reason why I am not that concerned about the fact that we are starting at a much lower level than the 7,000 is that we are trying new things, such as the riparian programme, which I think is going to be a runaway success across the country. I think it will deliver a lot of our tree aspirations, but also deliver on our biodiversity and water-related issues.

Chair: We will go into the details of the schemes.

Lord Goldsmith: We haven't sold it yet to the public. My point is that this is the first year of this scheme and we have a lot of work to do.

Chair: All right. I am going to bring Geraint Davies in with a supplementary question, then Barry Gardiner and then, I think, Dave Doogan wants to come in. I am conscious that we have votes at 4.30, so

we only want to keep you for the two hours that you have allotted us. We might want to keep you here for three hours, but we will try not to.

Q252 **Geraint Davies:** Lord Goldsmith, as we speak, there are plans to rip up thousands of trees for HS2 and other developments. Is there a plan that the net supply of oxygen from trees would increase? It seems to me that we are chopping down thousands of mature trees, in the case of HS2 to burn in the Drax power station, and planting hectares of saplings. On my calculation, 2,500 hectares is only 4,000 football pitches, so we are not really planting much and these are small trees but we are destroying big trees. Is there a commitment to increase the net amount of oxygen from trees in Britain year on year or not?

Lord Goldsmith: The answer is yes. We are growing our woodlands, net growing; in real terms, growing the amount of land that is covered by woodlands. The main emphasis is on English native broadleaf trees, so we are talking about nature as well carbon, and that will continue for the foreseeable future. If we, or subsequent Governments, continue to listen to the Climate Change Committee, our 30,000 hectares is probably going to end up looking more like 50,000 hectares. This is a continuous programme.

I recognise what you are saying about ancient trees. I don't want to see any ancient trees removed. They are irreplaceable. You can plant any number of saplings and it will not match the value of an ancient woodland.

On the back of decisions that have been made recently, not on HS2 but other decisions, we are looking at how we can strengthen meaningful protection for ancient woodlands and we are doing that through the national planning policy framework. On paper, there is already quite a lot of protection. In reality, those protections have not proven to be sufficient, so we currently working on tightening up on definitions, raising the bar. We are working with MHCLG to do that.

Q253 **Geraint Davies:** After accounting for imports of trees that we are burning in Drax power station, it is the case, however, that as a country and in terms of wood, we are a net consumer and a producer of CO₂ and not of oxygen, and that trajectory is going in the wrong direction. Isn't that right?

Lord Goldsmith: We are the second biggest importer of timber?

Edward Barker: I don't know.

Lord Goldsmith: I think we are the second biggest importer of timber and have been for a very long time. We are one the most nature-denuded countries on earth, so we are starting from a pretty low point, and we do import a lot of our timber. We hope that we are going to find ways in which our own woodland will have more commercial value but without having to create massive conifer monocultures, which are environmentally not so beneficial. We want to see more mixed continuous woodlands of the sort that we already have. I went to see one in the New

Forest recently. We want to see more coppicing, and coppice woodlands, and we hope to see the emergence of a market, which does not exist at the moment, for UK hardwoods, but it is difficult to try to add value to English-grown or UK-grown wood. It is well beyond the remit of DEFRA. I am talking to counterparts in MHCLG to see what we can do around building regulations to get more use of timber in houses, for example. We use much less timber even than Scotland. I think that in Scotland, about 80% of homes have timber frames—is that correct?—and we are at about 18% to 19%. We are starting from a position where there is a lot of upside, a lot of opportunity. If we can encourage the construction sector to make more use of timber, that will add value to the timber we are producing. To make sure we get it right, I am chairing a round table next week with people in the sector, including fire safety experts. There is a lot of concern about fire safety, not least because of Grenfell. We know that there are things that can be done within building regulations that would add value. We also know there are things that can be done around biomass, not down the Drax line, which is obviously on a huge scale, but more in terms of localised use of biomass, which again provides opportunities for adding value to English woodland.

Chair: Geraint, I think we have some more supplementaries. You can come back in later.

Edward Barker: I wanted to come back in for an answer on oxygen.

Chair: Okay, but then we will park this one. I am conscious that we are still on question no. 1.

Edward Barker: I wanted to add something briefly on protecting existing woodland. In addition to protecting ancient woodlands we are also planning to increase protection for long-established woodlands. They are not as old, not going back to the 1600s, but going back to 1840. We will be consulting on that but it is extending protection for our existing woodlands.

Q254 **Barry Gardiner:** The Climate Change Committee said their recommendation was to increase from 13% of cover to 17% to 19% of cover to meet the net zero target. Your UK Government target is for 30,000 hectares of new woodland being created every year by 2025. Should we not stop talking about new woodland created and start talking about additional woodland created? It is not simply about HS2. It could be about forest fires, it could be about all sorts of things, but the key thing, if we are going to meet the CCC target is that we talk about additional woodland. I know you were reluctant to give figures to the Chair because the targets for England have not been set yet, but fortunately the targets in relation to the 30,000 hectares for the other parts of the United Kingdom have been set. Could you tell us what their targets are and then, by extrapolation, the Chair would be able to work out what is left for England to do, even though you have not yet set it as a target.

Lord Goldsmith: On the first point, you make a very good point. The questions are about what we as a Government are committed to and that is one thing. That is the low bar. That is the least we need to do in order to meet the commitments that we have made. The reality is that we need to go further, not least for the reasons you cited from the Climate Change Committee, but also because of subsequent things that we now are committed to in relation to biodiversity in nature. Our big focus or commitment, which you have been a cheerleader for for many years, is on nature-based solutions to basic issues that we face in this country where the traditional answer is concrete but where the better answer might be nature. There are lots of things that we could do, and I very much hope we will go much beyond the bottom-line commitments that the Government have made. On that basis, I would agree very strongly with the premise of your first question.

Edward, what are the devolved Administration's commitments?

Edward Barker: Also, of course, we will be consulting on a long-term trees target as announced in the net zero strategy. On the breakdown across the devolved Administrations: currently Scotland has said they are aiming to plant 18,000 per year; Wales has said they are aiming to plant 4,000 per year; Northern Ireland has said 9,000 over 10 years, so just under 1,000 a year on average.

Q255 **Chair:** So there is a gap of 7,000, isn't there?

Edward Barker: Exactly. As we have said many times, we are aiming to plant 7,000.

Q256 **Chair:** So, Lord Goldsmith, you didn't pluck 7,000 out of the air, did you? No. Right.

Lord Goldsmith: No, I did not.

Chair: No. Right

Lord Goldsmith: The 7,000 is likely to be what we need to do in order to meet our target, but we want to go further.

Chair: I understand that. Dave Doogan and then Barry Gardiner on the next question.

Q257 **Dave Doogan:** Minister, I understand that you cannot speak with authority for all Departments, but with Drax receiving £800-odd million a year in UK Government subsidies to burn trees, and the same Government investing £100 million a year to plant trees in the interests of the climate, does that seem like competent government to you?

Lord Goldsmith: We are straying into the areas of other Departments, but there is not a problem with burning trees to create energy. In my view, it is not a bad thing on principle to do. The question is where do the trees come from, what kind of trees are they, how were they produced and how did they get them? As I see it, the problem with Drax is that it is such a huge beast that requires feeding that it requires the importation of

a very large amount of timber. From a carbon point of view, the question then is whether you are negating the value of moving away from coal, for example, to something like biomass, if the production of that biomass comes with its own carbon cost. I don't pretend to know all the details of it but I think that work certainly needs to be done and to be done robustly, honestly and transparently.

Q258 **Dave Doogan:** It that a yes, it is competent; or a no, it is not?

Lord Goldsmith: I don't know all the numbers. I don't know the details. I would question a model that relies on the import of vast amounts of timber if that model is supposed to be one of sustainability and one that is consistent with our broader goals. The idea that it is somehow wrong to be planting trees on the one hand and burning trees on the other—I don't think that is wrong. I think there are lots of ways in which we can use biomass, wood, in a completely sustainable and environmentally-friendly way but there are also other ways you can do it that are not environmentally friendly. That is the question.

Q259 **Dave Doogan:** It cannot be cogent to burn more trees than you are planting. It doesn't really matter where the trees are.

Lord Goldsmith: That is the basic premise of sustainability. You want to have a balance, yes. But we are net importers of timber, on a massive scale. We are starting from a position of 10.5% to 11%—is it 11%?

Edward Barker: It is 13%.

Lord Goldsmith: We are going to get to 13%; anyway, a tiny percentage of land. Because of our history, we have grubbed up a lot of our woodlands, our forests, so whether it is timber in construction or timber for biomass, we are dependent on imports. That is the nature of the case. It is not a consequence of this Government or the last Government or the one before that; it is a consequence of successive Governments. I don't think competence is the issue.

I would also say, however, that if you look at this Government's approach in relation to trees and forests, I don't think you can honestly look at it by only looking at one tiny aspect of the issue. I don't think there is a country in the world that has done anything like as much as this individual Government, this current Government, to try to raise the profile of forests and nature, and I think that will have real-world impact in a very short period of time.

Chair: I need to suspend for a minute or so because there is a problem with the cameras. At the moment, Lord Goldsmith, the camera is fixed entirely on you. You probably appreciate that, but we are just going to break for a moment to try to get a little local technical difficulty sorted out. Thank you very much. Patience, everybody.

Sitting suspended.

On resuming—

Chair: Welcome back to the EFRA Select Committee. We are now going to move straight on to question no. 2.

Q260 **Barry Gardiner:** Natural England has said there is a lack of up-to-date and comprehensive mapping of their locations. The UK Environmental Law Association has said that the Local Nature Recovery Strategies require new mapping tools with standard principles. I get the fact that you are getting Natural England and the Forestry Commission to do an overview mapping and the Local Nature Recovery Strategies are slotting in underneath that to do the detailed mapping. Given that both of them are saying that the mapping tools that they have are inadequate, how are you going to make sure that you get the right tree in the right place?

Lord Goldsmith: Do you want to come in on this, Ed?

Edward Barker: Happy to.

Lord Goldsmith: I will provide a high-level view, if that is okay. This is a live issue and it is one that is being discussed in DEFRA by Ministers. We recognise that a lot of what we want to do, a lot of what we are legally committed to do now that the Environment Bill has become an Act, requires us to have a base understanding of the situation as it is today, if only to measure improvements that we are committed to delivering but we which we cannot, at the moment, because we do not know enough about the existing—

Barry Gardiner: The baseline.

Lord Goldsmith: The baselines, yes. This is recognised. A lot of work needs to be done to provide the kind of audit that is required to know where we are. I will now hand over to Edward Barker to give us an update, if he is able to.

Edward Barker: I will say a little bit around that and your question about making sure we get the right trees in the right place, which is only partly about mapping, but setting that in the framework of the UK Forestry Standard, which is where we start to make sure the right trees are going into the right place. Tree planting needs to follow a series of requirements and best practices. If it is in designated landscapes or protected sites, environmental impact assessments may also be relevant. We are seeking to improve the data and mapping. The Forestry Commission already maintains a low-risk map and is trying to enhance it. We also have a wider project to improve the mapping of our natural capital across the country, which should in time also improve the available data. The Local Nature Recovery Strategies will be able to draw on both of those to inform where trees are planted.

Q261 **Barry Gardiner:** You have not given me a date by when you believe that there will be adequate mapping tools that both parties can use at the high level and at the local level. You said these are things that exist but the people who have to use the tools have said that they are inadequate so we need to know by what date they are going to be telling this Committee, "It was great that we said that to your Committee because

you asked the Minister about it and we then got the resources we needed in order to get the right tools”.

Edward Barker: Both Natural England and the Forestry Commission are part of the programme that is delivering this. We are working with them, day by day. They have not said that we cannot, at least for this year, meet the trajectory because of this problem but we are investing in improving the mapping tools.

Q262 **Barry Gardiner:** That is a different question, I am sorry. They have not said that they cannot meet the targets, the hectareage planted, but that is a very different question from whether they can ensure that they are getting the right trees in the right places. You will know what has happened with the planting that has gone in peatlands, because they did not have those mapping tools, where you are despoiling the landscape rather than adding value to it. That is not an adequate answer.

Lord Goldsmith: Can I answer it? I take your point. The job becomes harder over time, for obvious reasons. Lots of land lends itself quite easily to being planted up or naturally regenerated with assisted colonisation now, but there will come a time when we get into a grey area where whether or not land can be planted is less straightforward. The view of the Forestry Commission and Natural England at the moment—it is certainly the view of DEFRA and I believe it is also the view of those two Departments—is that we have already identified over 3 million hectares of what they regard as low-risk land that lends itself to deforestation. That is a lot of land and it will take some time for us to plant our way through it. One of the problems, which I am sure you have heard evidence about from land managers, is that it is quite a bureaucratic process to get permission to plant trees and to qualify for the grants that exist.

Chair: We will go into that detail in a minute.

Lord Goldsmith: It is very much linked to this answer, but I will come back to it.

Q263 **Barry Gardiner:** Let me pursue the natural capital aspect of this. One of the issues here is that if we simply have a quantitative target, either of hectares or numbers of trees, what we are not doing is ensuring that we are getting maximum value and of course Professor Bateman’s maps in, I think, Natural Capital reports nos. 2 and 3, or 3 and 4, I can’t remember which, showed very clearly the added value to the stock of natural capital from planting in different locations. It is critically important that we know that where we are planting is going to be giving us maximum natural capital value, not just in terms of leisure facilities and so on for the public but also in terms of biodiversity as well as in sequestration, flood relief and all the other things you mentioned earlier, Minister.

What I am keen to see here is that the targets do not become so numeric that we lose the quality that we can achieve. What I want to probe with you is how you are ensuring that this is going to give maximum natural capital value and not simply maximum numbers of hectares.

Lord Goldsmith: I am going to answer first but, Edward, do feel free to jump in.

First, I totally agree. This is public money. We have a limited amount of land. We need to buy as much solution as we possibly can, and that is not just carbon and not just amenity value. It is not even just biodiversity. It goes far beyond. I completely agree with the premise. That is one of the reasons why, when we were doing the manifesto, a number of us insisted on moving away from a tree target towards a land target. That already relaxes things a bit. For example, it means that you might have lower density but higher biodiversity values through natural colonisation or natural regeneration, or assisted colonisation, or something in between. If you have a tree target, you are not going to do that kind of stuff. We are very keen and in the design of EWCO, the England Woodland Creation Offer, there is a very clear premium—

Chair: You are bordering on question no. 3. I don't want to take it all away from Dave Doogan.

Lord Goldsmith: I make just one point, if I could, Chair, without going into details. The design of all the incentives, whether EWCO or the upcoming environment land management scheme, they are all about delivering public good and we understand the public good to mean what you just described in your question. If we get it right, we will maximise biodiversity.

Edward Barker: I completely agree with all of that, naturally, but just to add—

Chair: You don't have to agree with the Minister. It's not compulsory

Edward Barker: I know, but I do.

Chair: It probably is

Lord Goldsmith: It is.

Edward Barker: Certainly on this occasion, I completely agree. My programme is tracking all those wider benefits, not only tracking the hectareage but also tracking every other objective that we are pursuing through this programme. I am pleased to say that Professor Bateman is part of my scientific advisory group and he is helping us to improve—

Q264 **Barry Gardiner:** I understand that he is working with the Met Office on a new project that preaches looking at adapting to potential climate change in terms of not just where is the right tree in the right place now but where is the right tree in the right place in 10, 15, maybe 30 years. When do you expect that body of work to be completed?

Edward Barker: I think you would have to ask Professor Bateman when his piece of work will be completed. We could certainly come back to the question of climate resilience later if you would like to because it is clearly very important to this.

Chair: Perhaps you could give us some information about that in writing?

Edward Barker: I would be very happy to do that. The other thing that I wanted to come back on directly was peat; you alluded to peat and trees in conflict which, as you say, can be an issue. We now have some agreed draft guidance and NE and FC, Natural England and the Forestry Commission, have put it out to help make sure that we are not planting trees where we shouldn't, on peat.

Lord Goldsmith: Can I make one very quick point on the climate thing? One of the reasons why we want to have corridors and make sure we do not have islands of nature but a connected network across the country is precisely because we cannot properly map out what the world is going to be like in 10, 15, 20, 30 years, but the more ability nature has to flow, move and migrate, including trees and not just animals, the more nature will be able to solve these problems herself, with a bit of support from us.

Barry Gardiner: Geographically and in altitude.

Lord Goldsmith: Exactly right.

Q265 **Barry Gardiner:** Briefly, when will the national habitat map and the LNRS be completed? Will it be in time for the 30,000 target?

Edward Barker: I would hope so. The consultation on the Local Nature Recovery Strategies has recently closed.

Chair: Barry, will you allow me to intervene here? This mapping worries me. I have the scars on my back, as many farmers have, from various mapping systems that have gone through DEFRA over the years under successive Governments and they have all been very difficult to start with, you just about get them right and then you change the system. The Rural Payments Agency does have maps that tell me where my hedges are, where my trees are, where the ponds are, where everything is. Are you going to start reinventing another wheel? I know there is a little bit of conflict going on, dare I say it, in DEFRA. Are you going to start a new scheme or are you going to use what you have?

Barry Gardiner: Chair, this is a different map.

Chair: I know it's slightly different.

Barry Gardiner: This is a habitat map.

Chair: I know it is a habitat map, but what I am conscious of, Barry, is that they don't start making something that is so horribly complicated that it does not work.

Lord Goldsmith: We definitely do not want to do that.

Q266 **Chair:** No. So you are confident that that is the case, are you? Is it going to be a new system? Or what? What is it going to be?

Lord Goldsmith: I cannot give you an authoritative answer. The process of creating that map crosses well beyond my portfolio and I have to admit to you that I am not heavily involved in that process. But the

message you have just delivered to us is exactly the same as the message we have heard from many landowners, farmers and otherwise. It is not in our interests to create something complicated. Much of this is about avoiding problems of the sort that have been well documented over the years when it comes to tree planting, but it is also about understanding where the opportunities are. Where do you need that connectivity that we were talking about in the last answer? Where are the opportunities to create connectivity? Where should we be planting trees? Geraint Davies is going to be talking about food security. A lot of trade-offs are going to be required in this process and the mapping will help us to achieve success, avoid the problems and tap into the opportunities. I am afraid I am going to have to get back to you on the process.

Q267 **Chair:** I am going to ask Edward the same question then. Are you talking to the Rural Payments Agency about the existing maps and trying to adapt them, if that would work—and I take Barry’s point that it is a different system, but those maps are pretty accurate and pretty far-reaching? Or are you going to go for something totally different? God help us all if you do.

Edward Barker: We are working very closely with the Rural Payments Agency. The NCA will give us something we don’t currently have in the RPA maps but we look to use existing mapping capability where it exists.

Chair: So it is going to be a new one?

Edward Barker: The NCA does something quite different from the RPA maps.

Q268 **Barry Gardiner:** Perhaps it would help if you could expand on what those differences will consist of. I understand the Chair’s concern, that we are talking about a very detailed map of planting that is currently in situ and what you are trying to create is a much broader habitat by area, but could you cash out exactly what that is going to look like?

Lord Goldsmith: You have made a very, very important point. We will not be able to provide you with an adequate answer now. It is a useful question to have asked because it prompts us and we will send you a note describing the difference in approaches and also how we will avoid the pitfalls that the Chair has just alerted us to.

Chair: I look forward to this note, as Barry does, and we will look at it in great detail, Lord Goldsmith, so thank you. Right. Dave Doogan, please, with question no. 3. I think some of the question is left for you.

Q269 **Dave Doogan:** The financial incentives and the requirement for them to be economically viable for all the stakeholders in the enterprise—that is quite clear. It is explicit. We have heard evidence, however, that argues that the ELMs process is slow and there is lack of clarity about how it will operate. What are the Government going to do to resolve that and what will they do to resolve it in the context of needing landowners to get on board with this priority more than the landowners needing the Government? What are you doing to uphold their position and bring them

on board in as large a number as possible?

Lord Goldsmith: We have done a lot of consultation and I have done a lot of roundtables to try to understand how we can improve the system and get the incentives right, and so on. One of the issues that has come back, in addition to those that I have already mentioned, is landowners' concern that because there is not enough clarity around ELM, by making commitments about woodland now based on EWCO they might be worse off or they might be better off if they waited for ELM to kick in. These are big decisions. Deciding to commit an area of your land to woodland is a very long-term decision; it is one that people do not take lightly and there is concern about imbalance. What we have done in an attempt to reassure landowners is commit—and commit in writing many times now—that if landowners commit today under the existing, current incentives, and then it turns out that ELM is more generous, that difference will be made up to them. In other words, no one will be worse off by making a decision today than they would be if they had waited for ELM to kick in.

That was a very clumsy answer but I hope I was clear enough for you to understand what I was saying. That is the message. I cannot guarantee that this message has gone out loud and clear enough, but we are attempting to do that so I am grateful to you for asking the question.

Dave Doogan: Did you want to come in?

Edward Barker: Yes, just to add a little bit. Because that relationship between Nature for Climate, the tree planting programme and Environmental Land Management is so key, they are also part of our programme. We work very closely together. I hope that to some extent we can trial in the Nature for Climate Fund tree planting programme some aspects that might be picked up in Environmental Land Management. Part of this programme is the capability in the Forestry Commission to proactively go out and work with landowners who are interested in taking up our offer if it is the first time they are coming to tree planting to help them to access the programme and see how it might work on their land.

Q270 **Dave Doogan:** Getting back to some facts and figures, 2,500 hectares is pedestrian. We have heard some of the reasons why it is at that figure now and we know what you are going for, you are heading for 7,000 hectares, but £0.5 billion over five years is also not exactly much. It pales into insignificance compared with the £1.7 billion the UK wants to put into nuclear energy. That is what a priority looks like. Compared with £1.7 billion, £0.5 billion over five years doesn't look like much of a priority. Given that England is at the back end of performance across these islands, why the reluctance to have some stretching targets for DEFRA to adhere to?

Lord Goldsmith: It depends what you mean by targets. We have our 30,000-hectare target. We have made that commitment. We have said that England's contribution will be around 7,000 hectares. We have been quite open about it. We know very well that stakeholders and voters will

hold us to account if this is an issue that matters to them, so whether it is a target or not, it is a stated ambition and it is a minimum bar as well. We will be expected to exceed the 7,000 hectares.

Q271 **Dave Doogan:** Is DEFRA not concerned that it is the other nations of the United Kingdom that are doing all the heavy lifting on this?

Lord Goldsmith: This is a UK-wide approach. Our approach is very different from Scotland's. Scotland historically has planted many more trees. For obvious reasons, it is easier in Scotland to plant trees.

Q272 **Dave Doogan:** It is quite convenient to say that it is easier in Scotland.

Lord Goldsmith: It is not to diminish Scotland's efforts. Our job is made easier by the fact that Scotland is doing a great job of planting trees but equally, there is a much lower human density in the land mass of Scotland and land is cheaper. There is land in Scotland that lends itself more readily to tree planting. For many different reasons, the job is more strenuous here in England where the population is much more dense, land values are higher and for all the other reasons we are talking about. I do not want to diminish in any way the contribution that Scotland has made because it is fantastic and I am personally very grateful to Scotland, but the job in England is difficult and that is why we have this trajectory, which we think is realistic but which is nevertheless challenging.

Q273 **Dave Doogan:** Finally, existing woodland is also an important piece of the puzzle and the maintenance of existing woodland is not what it could be. How will the Government ensure that it is economically viable to manage woodland in the long term? How will you recognise the inherent short-termism of Government cycles between elections and the intrinsic long-term nature of forestry as a discipline and as a profession?

Lord Goldsmith: First, you are right that managed woodland tends to be better for biodiversity, nature and the commercial point of view than non-managed woodland. One of the ways in which we hope that we can shift the balance is by adding value to those woodlands by creating more economic opportunities for woodland owners to make money from managing their woodlands well. I mentioned some of that earlier. I think there is a lot of opportunity there, which is currently not sufficiently tapped into. Also, as part of the England Tree Action Plan, we have put a lot of emphasis on woodland management as opposed to just planting new woodland. I will ask Edward—I am sorry, Edward, to put you on the spot—because I cannot remember how much of the budget was put aside specifically to encourage better management of woodland. Can you fill in the gap?

Edward Barker: I cannot give you the precise figure for that but as the Minister said—

Chair: I think perhaps we need that in writing. It is very important because we undermanage our woodlands at the moment and I suspect it is not a very big figure and that is why you do not have it, but I might be

being suspicious.

Lord Goldsmith: There was one part of the question that I didn't answer, which was about the £500 million and how that appears in relation to Government priorities. The answer is that we have our targets, our goals, in relation to tree cover, land management and biodiversity and we are going to have to meet those targets one way or another. We will squeeze everything we can out of the £500 million, but clearly we are going to need more than that to realise all the ambitions that the Government are now committed to, including those ambitions that were recommitted to or strengthened as part of the COP process. So £500 million is not the extent of the money that is going to be needed or even that is available for the task at hand but it is the money that we currently have available because it is money that we secured from Treasury. In fact, it is more than £500 million, as I mentioned earlier.

Q274 **Dave Doogan:** Finally from me, Chair, if that is okay, are you content, Minister—stop me, Chair, if I am straying into somebody else's territory—that the right degree of urgency has been applied by DEFRA in England? I hear the very valid points that Mr Gardiner is making about biodiversity, about utility, about not displacing food production. All these things are very important. However, there is a climate emergency and we are humming and hawing over what colour of hosepipe to use as the house is burning down.

Lord Goldsmith: I don't think you can separate climate from biodiversity and other concerns. A solution to climate change, which does not take into account nature and biodiversity, is a solution that is just not going to pass the test of time. We will end up creating more problems for ourselves. I think it is right that when we spend public money or commit ourselves to solving a problem, we try to do it in a way that solves as many problems as possible and does not create problems. It goes back to the point made by Barry Gardiner. We want to maximise investment in those projects that deliver as much solution as possible and that means getting it right. History, even recent history shows—

Chair: These are great answers but they are going to have to be a bit shorter. We are not going to get anywhere at this rate.

Lord Goldsmith: I am so sorry.

Chair: Quickly, please, Robbie Moore and Geraint Davies very quickly. It will have to be because I am indulging you.

Q275 **Robbie Moore:** Lord Goldsmith, I want to pick up on a point that was made very early on about tree planting and land management, making the decision very early on to plant trees—a long-term decision—and how it fits into the ELM process, which is slow to roll out. If you own land and you are thinking about planting trees you need to think about the whole mosaic that you are creating, whether it is food production or how it links into hedgerows and field corner management and so on. I want to make the point that it is okay to say that the Government are recognising that

there will be a top-up payment if ELM ends up being more generous, but the problem that I think most landowners are having at the moment is with making that long-term decision about tree planting and what back-up mosaic measures ELM will provide, how tree planting fits into hedgerow planting, field corner management, ponds and so on. Without knowing how ELM will work, how can a land manager make proper decisions about how much land to allocate for tree planting and where it will be.

Lord Goldsmith: I can't push back on the question because you are right. Until there is absolute clarity about ELM and what is going to be paid for what, and what is valued and why, that uncertainty will always be there. I hope that we have addressed at least a chunk of that uncertainty by making the commitment we have made. The feedback we have had from land managers and agents representing lots of landowners is that it is a helpful thing to have done and that it is removing some of the jitters that some landowners have. I am not going to pretend that it is providing all the reassurance that is needed, and I don't think we can do that until we come out with a clear answer to the bigger question, which is what is ELM and what are you going to be paying for; what is a public good.

Q276 **Robbie Moore:** Would you agree that at the moment it is almost siloed policies that are coming out, rather than a combined strategy?

Lord Goldsmith: In a sense but I think that is unavoidable. We want to get as many—

Q277 **Chair:** If you are a landowner, you are not going to make a decision if it is going to be a 10-year scheme and then it finishes. I am afraid you are not going to get any income from the trees in 10 years, are you?

Lord Goldsmith: Look, it would be wonderful if ELM existed today and I was able to answer all those questions about exactly what it is going to pay, but it has to be worked out. It is revolutionary. We are the first country in the world to do this. We have to get it right. It will probably require editing over time to make sure that we do continuously improve it and get it right. As Dave Doogan has said, in the meantime there is an emergency; it is both a climate and biodiversity emergency and we have to start doing stuff now. We cannot wait. If there was no emergency, probably we would just wait until ELM came along and supplement it with the Nature for Climate Fund and make sure that we get everything right from day one but we do not have that luxury. In a sense, yes, but the Nature for Climate Fund itself is a stopgap measure. It is there in order to recognise its existence, recognise the fact that ELM is not up and running today. There is a gap and it attempts to help fill that gap.

Q278 **Chair:** Landowners are not going to go on a wish list on a wing and a prayer as to what the Government might come up with in a little while. I am not going to plant trees all over my farm and find out there is no payment on it after 10 years. You have devalued the land and you have no income. If you are going to get 30,000 hectares planted, you really do have to have a joined-up policy. At the moment, landowners have not got

a clue where they are.

Edward Barker: If I could come in briefly, the relationship between the Nature for Climate Fund and the ELM is critical to NCF working. You are absolutely right. Landowners and land managers need to know what the longer-term picture is. We are certainly not working in silos; we are working very closely with the ELM team. As the Minister has said, we have given public assurances to people who look to plant, not about how their investment will be protected in the long term. I know that our colleagues are looking to provide more clarity about ELM speedily so hopefully to the extent that this is putting people off—we are not seeing that in the figures so far; we are seeing a lot of interest in these programmes—but to the extent that it is putting people off, hopefully, as my colleagues rapidly clarify ELM, that issue will move to the background.

Q279 **Chair:** And the timescale of when ELM will be clear? A year after; 10 years? When is it?

Edward Barker: A lot sooner than that.

Lord Goldsmith: Imminent. I have asked my colleagues here to provide that so we will interrupt when we know.

Chair: We will have some information in writing. Geraint Davies, one supplementary, short question and then on to Ian Byrne's question. You have a supplementary on that as well so come on, get on with it.

Q280 **Geraint Davies:** I will simply ask how does it make sense, in terms of the climate crisis, for the Government to give money to British Airways to buy a sheep farm in Ceredigion, in Wales, in order that they can have a carbon offset to fly more planes and then we can import lamb from New Zealand and Australia in a new trade deal? How does that make any environmental sense?

Lord Goldsmith: I don't know anything about that. So, the Government paying British Airways? That is not a scheme that I am aware of. If you could send me information—

Q281 **Chair:** It is certainly happening.

Lord Goldsmith: The Government are paying British Airways to buy land?

Chair: I think they are buying with carbon credits.

Q282 **Barry Gardiner:** They will be planting trees on the land for which they will receive help from the Government, but of course they are using those trees to offset the carbon emissions from their flights and no doubt charge their passengers for offsetting in that way.

Lord Goldsmith: I see. So they are tapping into the existing schemes that we are talking about now, along with anyone else. The thing is the scheme is available to anyone who wants to tap into it.

Geraint Davies: I am just alerting you to it. Farmers in Wales are

concerned that they are being bought up—they want to continue their farms, continue producing sheep for local people—by British Airways and we are ending up with a situation where we will import lots of lamb from New Zealand and Australia, flying or shipping it across the world to eat in Wales. It does not seem to make environmental or economic sense.

Lord Goldsmith: Okay.

Q283 **Barry Gardiner:** This is about the interaction of the two schemes. The offsetting scheme and the tree planting scheme.

Chair: Again, it is about joining it all up.

Lord Goldsmith: I am going to separate what I am saying from the specific example you have given. I do not see how we are going to generate enough money to repair nature and tackle climate change through nature as well as tackling biodiversity without, broadly speaking, high-integrity offset schemes. I think they are going to be an important part. High integrity is not just about the projects you are investing in; the companies taking part have to exhibit high integrity.

Q284 **Chair:** What we will have to be conscious of is not only buying up the land but the quality of that scheme as well, not just to push the money in, buy the land, plant some trees and let's get the passengers to pay for a tree when they fly to Australia, or whatever.

Lord Goldsmith: That is what high integrity means.

Chair: That will be the key to it.

Lord Goldsmith: That is why high integrity matters and why we insisted, for example, with the LEAF programme, which I think we talked about when I appeared before, which has now raised \$1 billion and is growing rapidly. We are insisting on those companies taking part not just committing to net zero or being part of Race to Zero, but providing a pathway to achieve that. High integrity applies at both ends of the spectrum and I think that is the only way not to lose credibility around the offset principle.

Chair: Right. Ian Byrne, please

Q285 **Ian Byrne:** Lord Goldsmith, DEFRA estimates that meeting the 30,000 hectares a year target will require an extra 30 million tree seedlings a year. UK nurseries produce over 100 million trees for forestry, but the UK demand often outstrips supply. The Forestry Commission told us that the nursery sector may not be able to supply all the trees needed to treble tree planting in this Parliament. Can you explain what steps you are taking to support the nursery sector to expand supply and when do you expect that it will produce enough stocks to support the UK's annual planting target?

Lord Goldsmith: This is an important issue and it does require scaling up. It matters for lots of different reasons, not least biosecurity. We do not want to end up having to import huge numbers of saplings in order to

fulfil the commitments that we have made on tree planting because we will end up importing problems and I think we know that. We want to bolster our own sector as much as possible. The conclusion of the Clegg report of last year was that the nursery sector would be able to meet demand. It requires an extra 40 million saplings a year.

Edward Barker: Yes, 30 to 40 million by the end of the period.

Lord Goldsmith: Correct; required annually by 2025. That is a big scale-up. The conclusion of the Clegg review was that that is possible. The barrier is not capacity, it is not the ability of the nurseries to scale up; it is the concern on the part of nurseries that they might get burnt as they have done in previous years when huge numbers of saplings have been prepared and planted only for them not to be bought. You then had enormous numbers of saplings being destroyed because the market demand wasn't there. Part of our job as Government is to convince the nursery sector that this is not just a political whim, that this is something that is going to continue, that we are committed to that 30,000, and that that 30,000 is likely to increase to 50,000 and that it does not matter who the next Government is, that the commitment will remain. The fact that at the last election all the main parties engaged in a kind of arms race around tree-planting targets was incredibly valuable from the point of view of our dealings with the nursery sector. We think they can step up; we think they can expand and meet that demand, the 40 million trees, by 2025. They can do so if they have the confidence that that number is real. We are doing everything we can to reassure them that that number is real. We have set up various initiatives working with the nursery sector to ensure that they are ready to do what needs to be done. Edward, I am going to ask you to come in, but I am going to ask you to also talk about their suggestion, which I hope we will be able to deliver to create a confidential information sharing system, so they know basically more about demand than they are currently able to find out through the market.

Edward Barker: Yes, just to add a few small points. That is absolutely one of the issues: the lack of information about the intentions of individual nurseries. We are looking at pooling that information to make it easier to balance supply and demand as well as giving confidence about the demand, as the Minister said. We are also investing in a tree production innovation fund to help improve the capacity and capability of nurseries that exist. This is all part of, for this year, a £10 million budget we are using to build the extra capability so there is some money behind this as well.

Q286 **Ian Byrne:** Lord Goldsmith, you said lack of information, so it is like a bit of a shot in the dark, which leads me to question why Wykeham nursery, a publicly owned nursery, is being closed next March with the loss of 6 million spruce and pine, which is guaranteed expertise. It is there. Why would that decision be taken when, as I said, we think we can reach capacity? Lack of information. It does not make any sense and when we spoke to the people from the nursery, again, they were mystified by it.

They seem to think it is an ideological decision and not one done for the common good. Can I have an answer why Wykeham nursery is getting shut down?

Lord Goldsmith: I sought assurances at the time when the decision was being made that it would not have any impact on the availability of saplings and our broader tree planting ambitions. I think the general view across the Department and the non-departmental bodies, including Forestry England, is that it will not have an impact. We have had that assurance. Why was the decision taken? I do not know whether Edward wants to fill in any gaps there.

Edward Barker: I can say a little bit about that as well. As I understand, Forestry England has a number of sites where it produces saplings. It is a relatively small part of the market overall, but this was one that needed quite a lot of modernisation, and it decided to combine its activities and invest in one of its other sites. I believe Forestry England has given individuals who currently work at Wykeham the opportunity to move to the other site if they wish to.

Q287 **Ian Byrne:** They have done. It will be one single site now instead of the two sites, so again talking about biosecurity do you think that is possible?

Edward Barker: Forestry England believes it can increase its production of biosecure saplings by doing that.

Q288 **Ian Byrne:** When the private sector, which you have confidence in—I am sure Lord Goldsmith said he has had assurances of that from DEFRA.

Lord Goldsmith: DEFRA and Forestry England.

Q289 **Ian Byrne:** Will those trees be from the UK or will they be exported?

Edward Barker: Probably all of the seeds that Forest England produce are used in its own operations and this is a relatively small proportion of the total seed production in the UK.

Chair: Could you speak a bit more into the microphone, please, Edward?

Edward Barker: I am sorry.

Chair: I do not hear you very well. It could be my hearing, I don't know.

Lord Goldsmith: The other explanation that was provided to me was that Natural Resources Wales and Forestry and Land Scotland—who were a regular committed client of the nursery that you are talking about—ceased to be. They now buy their saplings elsewhere, so the market for them has shrunk quite significantly, so that is another reason why it feels that it can manage demand from the one centre rather than two.

Ian Byrne: Colleagues may come in on that point.

Q290 **Chair:** Yes, just before Geraint comes in, you do not have the mapping system up. We are not quite sure what sort of trees are going to be planted where. Smart trees: right tree in the right place. How are these nurseries supposed to work out what trees they should grow, what they

should plant now in order to have trees in three or four years' time? They will not be ready and they cannot be expected to be ready. We have ash dieback, which largely came from the Netherlands, imported. The previous Secretary of State, who will remain nameless, was very keen to have us as a biosecure nation for trees. What are we doing about it? If I was a nursery I would not have a clue what to plant at the moment because I am not sure what the Government might want.

Lord Goldsmith: I disagree with that.

Chair: Do you, right.

Lord Goldsmith: I completely disagree with that.

Q291 **Chair:** Go on then, give me reassurance that, if I am a nursery, I know exactly what to plant in the way of seeds now.

Lord Goldsmith: There is no business in the world that knows exactly what the market is going to be like year-on-year into the future. If you are in the nursery sector, you have a pretty big signal from Government that there is going to be a rapidly escalating demand for the product that you provide; greater certainty than any other sector than I can think of where—

Q292 **Chair:** You are talking about area, but what about species? If you are going to grow a tree you have to provide the species.

Lord Goldsmith: There too we know the premium. We know that because of the incentives that have been created, which are public. From the last few years and from the demand this year, we know that the demand is for English native broadleaves. We cannot say how many oaks are going to be planted, exactly how many beech, but if you are in that sector you would not be taking a huge risk by knowing that you had a pretty good case for scaling up massively. First, there is a gap of 40 million saplings, so that is a market that can be filled by enterprising nurseries and, secondly, the market is for native broadleaf English trees of varying types. We cannot be—

Q293 **Chair:** That is fine, Lord Goldsmith. That is exactly what I wanted you to put on record.

Lord Goldsmith: I am thrilled. Thank you.

Chair: They might have some idea what they should plant. I had better leave that there because I am telling Geraint off for going on too long and I am doing the same, so over to you, Geraint, and then we must move on to question no. 5.

Q294 **Geraint Davies:** On the same point, Lord Goldsmith, we have seen the destruction of Dutch elm. We have seen ash dieback. We have now seen the London plane has a fungal attack. Yet we are now deciding to have nurseries outside Britain that can bring in pests at the same time as we are importing thousands and thousands of tonnes of pest-ridden wood to burn in Drax power stations. You mentioned that we want broadleaf British trees, but aren't we putting our native species—oak, beech and

the others you mentioned—at risk by not home growing and having home security in terms of producing our own next generation of trees?

Lord Goldsmith: I totally agree that importing live saplings is risky and the risk increases with the age of the tree, so you have these semi-mature trees with gigantic half-tonne root balls full of organisms about which we know nothing. It is a risk and I would rather we had a much tighter approach than we do. That is one of the reasons why we are putting so much emphasis on scaling up and boosting our home grown nursery sector.

Q295 **Geraint Davies:** It is detracting, isn't it? It is closing the nurseries. That is the whole point.

Lord Goldsmith: In terms of overall capacity, I do not believe that that closure will have any meaningful impact at all. On the contrary, it is clear to the nurseries that there is a big and growing market and they are getting ready to expand in order to tap into that market. That is the message we are hearing. My open invitation to them and discussions I have had—as I said, I had a roundtable with them quite recently—if there are problems, if there are concerns, I will do what I can to remove those concerns because we know we need them to scale up. We know there are concerns. We know some of those concerns are legitimate. If we can deal with them we will, but I think the market is only going in one direction. I agree with the premise of your question, but I think we are doing everything we can to ensure we move into a position where biosecurity becomes less of a concern.

Q296 **Geraint Davies:** Nurseries are closing, aren't they? We have heard about examples here.

Lord Goldsmith: There may be others that I am not aware of but we are aware of the one that was raised a few seconds ago by Mr Byrne. Based on the numbers and everything that we have heard, I do not believe that is going to have an impact on Forestry England's provision of saplings and I don't think it will have any meaningful impact in terms of national production of saplings. On the contrary—

Q297 **Chair:** The message goes out clear that native broadleaf, woodland and trees is what we need.

Lord Goldsmith: The vast majority of the trees are being—

Chair: Not from abroad. We are going to grow them here.

Lord Goldsmith: The vast majority of new trees that are being planted as a consequence of public demand will be native broadleaf trees.

Chair: Can we leave it there? I want to get question no. 8 in as well as we can. Over to you, Robbie.

Q298 **Robbie Moore:** Lord Goldsmith, I want to touch on workforce and skills. We have heard evidence that the lack of a skilled workforce is one of the most important barriers that needs to be overcome to achieve the targets that have been set out by the Government. To start off with, what are

the Government doing to address this shortfall in skills?

Lord Goldsmith: You are right, this is an issue and it comes up a lot in the discussions we have with the sector. In the immediate term we are working with other Departments. We are working with the Department for Education, we are working with BEIS, we are working with other Departments as well in order to ensure that we have a proper, meaningful cross-Whitehall delivery group, to ensure that we recognise the numbers, the needs, and that the Government are able to address them.

There is a labour issue, but the medium to longer-term problem is skills and training. One of the things we emphasised in the England Trees Action Plan was the need to skill up people for the sector, whether it is arboriculturists, foresters and so on, and for that we are talking to the Department for Education about making sure that there are enough further education facilities available for that future workforce. There are a lot of jobs to be potentially created in that sector. There is a huge opportunity. It is an important part of levelling up. The skills are not currently there in adequate supplies, but that is a problem the Government can address. Edward, do you want to come in on that?

Edward Barker: Yes. The only thing I was going to add is that we are working with the sector-led forestry sector forum, so we are working with the industry in how we do what the Minister has just described.

Q299 **Robbie Moore:** I would quite like to drill down on that. What I have heard is that we are having a lot of conversations with BEIS and with the Department for Education, but what traction is likely to happen on the ground so we can get these skills in place? My understanding is that by 2025, if we want to stay on track for delivering the plantation that meets Government targets, we need to increase the workforce within the forestry sector by three quarters. What is the strategy for getting FE colleges to provide more training and more courses to be able to help?

Lord Goldsmith: We are committed to, and have begun the process of, funding a forestry skills hub. The purpose of that hub—I don't know if Edward can come in after I have finished; apologies for putting you on the spot—is to bring together the education providers, the employers in the sector to ensure that we are not training people for jobs that do not exist, but that where jobs do exist people are aware of them and are trained up for them. It also requires a forward look to try to understand what the sector is going to look like in the next 10, 20, 30 years. Do you want to update on that?

Edward Barker: I will say a little more about that. We are looking to provide funding for apprenticeships and to deliver short-term training courses for new entrants. We are also looking at trying to make forestry a more appealing career for people to enter into as well, so in terms of careers advice. There are a range of other things as well, quite practical interventions.

Q300 **Robbie Moore:** One of the other things that has been identified as a

weakness, in terms of reaching strategy targets that the Government have set out is not only the physical labour that is required to plant and manage the trees but, also, rolling out the management experience and the advisory capacity for landowners to be able to deliver the right sort of schemes for trees to be planted. What is the strategy from yourselves to get that rolled out?

Lord Goldsmith: The forestry skills hub will exist in order to tool people up for the high-quality, high-expertise jobs of the sort that you just described. The sector is a spectrum, everyone from planting the trees, managing and looking after those trees, as you say, all the way to ecological experts who need to understand what it means to have the right tree in the right place. There is a very broad range of skills that are required if we are going to meet that target and if that target is going to grow, as we expect it to, in line with Climate Change Committee recommendations, so there are a lot of opportunities there. The purpose of the hub that Edward was just talking about is to ensure that we have the right skills to be able to cope with that challenge. That would include the high-end skills that you are talking about.

Q301 **Robbie Moore:** Finally, obviously in terms of tree planting strategy, it is UK-wide. Do you envisage the sorts of courses being rolled out at multiple FE colleges, land-based colleges across the UK, or are we looking at having a specialist centre delivering forestry education? I want to understand practically how you see this rolling out across the UK.

Lord Goldsmith: I would hope that we would have a UK-wide approach. I think that is the plan with the hub.

Edward Barker: I am not sure I can speak to precisely whether we will have one facility or several, but this is one of the areas where we are working very closely with the rest of the UK.

Q302 **Chair:** Robbie has done a lot of research into land-based colleges and I think it is an important question if we are going to create this new type of woodland, the biodiversity in linking nature with it, our previous forestry courses would not have been the same at all. They want to be environmental but practical at the same time, and I am not sure we have them yet.

Lord Goldsmith: I do not think we do, but you have the biodiversity net gain. You could ask exactly the same question in relation to that. There are huge opportunities: companies are going to need to engage with and provide a target boosted by biodiversity but have no idea how to do it. A significant number of jobs are going to be created in that space, jobs that do not currently exist, skills that do not currently exist. All of this is going to have to be scaled up for sure.

Q303 **Chair:** At the end of the day, Lord Goldsmith, we ticked lots of boxes today and we are going to do this, do that and do the other, but if we do not have the practical people on the ground to deliver it, it will not actually happen. It is not your Department, but I think what Robbie was raising about the educational side of it and getting it in place now is

important.

Lord Goldsmith: I agree 100%. Personally, I think we need to put more emphasis on decentralising further education funding, so that local areas that know what types of jobs are likely to emerge in those areas are able to do the kind of partnership building that this hub that I mentioned earlier will be doing on a national scale.

Chair: All right, we will send you into the Education Department, Lord Goldsmith.

Lord Goldsmith: Please don't.

Q304 **Julian Sturdy:** Lord Goldsmith, we have seen there is a huge pull on seasonal labour across the agricultural and forestry sector at the moment. Obviously there is a shortfall that is out there as well. Given that, and we know there is a seasonal labour shortfall within the nursery and forestry sector, what discussions have you had with the Home Office about including that sector, the ornamental sector, in the Seasonal Workers Pilot in future years?

Lord Goldsmith: I personally have not had this discussion with the Home Office or the Home Secretary, but I know the Secretary of State has. When he discusses labour shortages for areas that are relevant to DEFRA, the Secretary of State covers all the areas that you just described and the area that we are talking about here in this Select Committee, so that was very much part of his discussion.

Those discussions are clearly ongoing and will remain ongoing. They are not going to go away. This is an issue that is not going to go away, so for the Secretary of State this is a high priority and he has been keen to emphasise that in previous discussions.

Q305 **Julian Sturdy:** Do you accept that if this isn't sorted this is going to have an impact on your meeting your ultimate targets and goals going forward? Is that something that is seen in the Department as a challenge?

Lord Goldsmith: Of course, labour is absolutely critical. How much of an impact depends on how big the shortages of labour, so it is very hard to know. At the moment this is not top of the list of concerns that are coming through from the forestry sector. There are other bigger concerns in relation to fruit. There are concerns in fact in relation to all the areas that you described. I would say—Edward, please feel free to contradict me—this has not been a top concern that has been raised with me as a Minister for forestry other than at the margins, from the nursery sector where this is a concern. I do not want to exaggerate how big an issue this is at this stage.

Edward Barker: I think that is correct at this stage but, certainly, by the end of the programme there will be more demand.

Lord Goldsmith: Do you mean the end of Parliament?

Edward Barker: Yes. We need to resolve it by then.

Q306 **Julian Sturdy:** But you are feeding that through to the Secretary of State that that might become an issue going forward in meeting the targets?

Lord Goldsmith: The Secretary of State is very aware of that, so the Secretary of State is feeding that through to the Home Office to see if we can expand the various pilots to sectors relevant to this industry. That message is with the Home Secretary and when it comes to expanding the criteria for seasonal workers and the schemes that she is designing, trees will need to be part of the mix. That is our message to the Home Office and has been for some time.

Q307 **Julian Sturdy:** In previous inquiries on labour, it is coming through loud and clear that the Government have been reacting too slowly to this. What we are trying get more, I suppose, in the questioning is about making sure that if you are saying this may not be an issue at the moment, but could be an issue going forward, we have to make sure that there is an opportunity to put the ornamental sector and the forestry sector on those pilots going forward.

Lord Goldsmith: That is completely right. Part of our discussions with the sector—and we have many, many discussions with them because it is a complex area and no one knows the sector better than those people on the frontline, and I do not pretend that I would know anything like as much about the people I deal with in that sector. Therefore, we are talking to them all the time about the concerns they have and we are trying to measure those concerns with a view to dealing with them.

One of those issues and one area of discussion that we have continuously had is around potential labour shortages. At the moment I do not think there is anything that you could describe as a crisis but, as Edward said earlier, if we scale up in the way we are committed to doing by 2025 there could be a much bigger issue. That is why the Secretary of State is talking to the Home Secretary to ensure that, when schemes are devised year after year in relation to seasonal workers, this issue that we are talking about now features in the plans that are designed.

Of course, I cannot tell you what the schemes are going to look like in three to four years' time, but I can tell you that this is a big issue for DEFRA and it is part of the discussions that are happening between the Departments at the highest level.

Chair: Thank you, Julian. Dave, a short supplementary.

Dave Doogan: We have been around the houses with labour with the Home Office. It eventually very grudgingly allowed 30,000 and then made it extremely difficult for industry to access at least 15,000 of that 30,000. Aren't you giving the Home Office a get-out-of-jail-free card? Because your targets over the five years are a little bit opaque, in terms of your two and a half, and then you are hoping to be up to 7,000, and you have £100,000 but it is not £100,000 per year. It is going to ramp up

towards the end of that five-year period. It is all a bit ununiform. Doesn't that open the door to the Home Office saying, "Tell us what you want and we will see if we can give it to you" because I suspect the Home Office probably won't. What I would like in terms of reassurance over and above that is that if the Secretary of State is speaking to Ministers in the Home Office what has he relayed to you about the nature of those conversations and how it will affect your priority of tree planting?

Lord Goldsmith: I would push back a bit on the vagueness of this. We will end up planting at least 7,000 hectares a year by the end of this Parliament, so a big increase from where we are today at around 2,000. Nothing in life is completely certain, but that is a commitment we have made and, if we do not hit that, I expect I or whoever follows me will get a very hard time in this Committee in the years to come. That is our commitment. That is what we are going to do and it may be much more than that.

On the basis of that, our discussions with the sector rest on a shared assumption that that is what we are going to do. On the back of those assumptions, they can tell us what kind of needs they have. Although they do not know exactly what kind of labour needs they are going to have in two or three or four years' time, they have a better idea than I do or, with respect, Edward or anyone else in the team. We rely on those discussions that we are having with them. They will inform us, as they do inform us, and that then informs whichever Minister is talking to the Home Office. At the moment, because this is high priority not just in this sector but in other areas relevant to DEFRA, those discussions are happening at the top between the Secretary of State and the Home Secretary.

We are not asking for an immediate response in relation to trees. This is a process, so I do not have anything specific I can give you on amounts or anything like that. I can tell you that this is not a casual discussion that is happening between the two Departments, on the basis that we might possibly need some extra help in two or three years' time. It is relatively straightforward—whatever something less than slightly straightforward is—to map out what the needs are going to be in the next three or four years' time, based on what we are hearing from the sector.

We have a good relationship with the sector. They are pretty brutal and honest when I talk to them if there is a concern, and I would not expect anything different in relation to this issue we are talking about at the moment.

Q308 **Chair:** I just hope that the Home Office is listening. If we get to a situation where we cannot slaughter our pigs because we do not have enough butchers, it is too late then. If we get to 2024 and you want to plant all these trees and you haven't grown them and you do not have the people to plant them it is too late.

Lord Goldsmith: I completely take your point.

Chair: With that message you probably understand why we are so loud

and clear about it. Geraint, question no. 7.

Q309 **Geraint Davies:** Lord Goldsmith, we have the England Tree Action Plan. Could you explain how that will strengthen environmental controls and not weaken them? What criteria are you using to deliver that and how have you consulted on that to ensure you support the tree-planting targets without any environmental problems?

Lord Goldsmith: Can I just check the question? Are you talking generally about environmental standards or are you talking specifically in relation to that? Because the England Tree Action Plan is just that. It is a plan. It is not legislation obviously. There are things we need to do in order to realise that plan. I am not 100% sure what you are asking.

Q310 **Geraint Davies:** My question was meant to be about what criteria you were going to use to ensure that plan did not weaken environmental controls.

Lord Goldsmith: I do not see any way in which that plan could result in a weakening of environmental controls. The only small print I would add to that is the discussion that I had with Mr Byrne earlier, which was about the import of saplings versus the production of those saplings domestically. It is our goal to produce them domestically, so I will not repeat all that. If we can resolve that issue I do not see any threats at all to our environmental standards from the England Tree Action Plan. On the contrary, I think it is very good news for the environment.

Q311 **Geraint Davies:** Fair enough. In terms of the Forestry Commission and Natural England, they are saying they may have higher applicants and need more resources to deliver the plan. What reassurances can you provide in terms of funding or what are your views on that?

Lord Goldsmith: We have the funding that exists, which is the £640 million, £500 million of which is going to trees. We have the £125 million in addition to that, most of which will go to trees. Then we have ELM that kicks in, and then there is a whole bunch of other stuff, which is emerging as a consequence of legislation that has gone through.

It is a pretty good start in terms of the money required in order to deliver the plan that we have. It may well be that we need to go back to the Treasury because the requirements have grown and the goalposts have moved somewhat, as a consequence of the Environment Act. We do not know if that is the case, but if that is the case we go back to the Treasury and we make the case to Treasury. This is a job we need to do and we will do it. The resources we have at the moment feel like they are enough, but they will not be enough in the medium to long-term clearly.

Q312 **Geraint Davies:** In a nutshell, in your view, you have the resources in place and you will have the people in place to deliver the plan to have more trees to target in time, yes?

Lord Goldsmith: I think I would say we have—I do not want to jeopardise my discussions with the Treasury. We have a good slug of money from the Treasury to take a bite out of this problem but we will

always need to negotiate with the Treasury for more money for nature and climate.

Geraint Davies: Let's not bite on a slug. Anyway, over to you, Chair.

Q313 **Chair:** Thank you very much. Moving on to the last question, I will start off and Barry and Geraint will want to come in on this one as well. At COP26 the UK promised to help end and reverse deforestation by 2030. How do the Government plan to do this, given the UK is the world's second biggest importer of overseas timber?

Lord Goldsmith: I do not think there is a conflict between sustainable use of forest and the immense challenge of stopping deforestation. Indeed, reconciling human activity with forests, with nature, is the goal. That is it. That is the ultimate goal that we are all pushing towards.

I think what was delivered at COP is genuinely a turning point for forest. If you look at the financial pledge, which is unprecedented. You have the countries representing 90% of the world's forests making their 2030 commitment to halt and reverse deforestation. You have all the financial stuff that I mentioned and the focus on indigenous people. If you put all of that to one side, we have had variations of that in the past. We have never had anything as big. We have never had as much money, but we have had commitments in the past. We have had money in the past and we are still facing a world of escalating deforestation.

What makes this all different, in my view, is the market signal. Without naming names, there are countries that we could not get to sign up to that forest commitment until the last minute. The reason they signed up at the last minute was because we had signals from financial institutions, from the commodity buyers, from the multilateral development banks, unprecedented commitments committing to aligning their policies with nature over the next few years. That meant that for the kind of laggard or resistant countries or reluctant countries, whether or not they were susceptible to our diplomatic effort they knew that the market was changing. Therefore, they had no choice but to change with it. That is why I think it is meaningful what was delivered and it is why I think it does—

Q314 **Chair:** You see countries like Brazil that have cut down this year alone twice the size of Devon in the way of rainforests, do you see them actually stopping doing this under the present President?

Lord Goldsmith: It is absolutely devastating what has been happening in Brazil, not just to the forest but to many of the people who live within the forest. The indigenous people are facing appalling danger. Do I think it is going to be easy to turn things around in Brazil? Definitely not and it would be absurd to pretend otherwise. But if you are Brazil and if the commodity buyers who buy the soya that is grown in your forest at the expense of your forest are telling you, "We are going to stop buying commodities that are grown from the kind of deforestation that has been happening in places like Brazil", it does not matter who you are: you

cannot ignore that message. I think that is a very powerful thing that happened.

Clearly, over the next year, we have to tie all those commitments down. We have to ramp them up. We have to get the laggards signed up, those who did not quite make it in time for COP. If we can make real the commitments that were secured for COP it is genuinely a turning point for forests, whether you are talking about Gabon, which as a matter of policy protects nearly 90% of its land as forest or whether you are talking about Brazil, where you have extraordinary levels of destruction, I think the signal is unavoidable whoever you are.

Q315 **Chair:** You are right about the indigenous people because last night I met Claudelice dos Santos, she is part of the indigenous community in Brazil. Her brother and her sister-in-law were murdered basically by these ranchers and others burning down the rainforest, so it really is a serious situation. It is not just about deforestation. It is also about taking that land away from indigenous communities.

Lord Goldsmith: I strongly agree with you. One of the things that also made this a different COP, besides putting nature at the heart of it, was the focus on indigenous people who have always had a slightly totemic symbolic thing. They get up on the stage and say something interesting and then that is it. We had a nearly \$2 billion commitment to support indigenous people. That money will be used by and large to help to secure the legal rights to land occupied by indigenous people, but which is currently not recognised.

Besides all the issues of justice, which are obvious, probably the cheapest way to protect very large amounts of land is by protecting the people who live there and who have been protecting it. As one indigenous person said at an event I was at, "We protected 80% of the world's forest biodiversity without any support at all. Can you imagine what we will do if we do get support". I think it is a very important point, so I completely agree with that.

Q316 **Chair:** Yes. I have been to Brazil and in the back of trucks you very often see two guys with guns. You go out into the rainforest, you are very far away from any type of law and order, so I think it is not just about trying to get the laws right but it is also to try to get protection. Where I also wanted to take you was the agreement at COP on our financial institutions actually financing some of these big companies across the world, like for instance HSBC: £7 billion towards companies that have been deforesting. Barclays and NatWest here—they have not actually signed up even to this voluntary agreement. Therefore, I think not only do we need to get them to sign up but I think we need to tell the public exactly that our main banks are literally bankrolling these companies because, not only are they destroying the rainforest, ploughing up the savanna, burning down the trees, ranching but, when they have taken the fertility of that land, instead of farming it they then move on to some more.

I really do think it is time—dare I say it, Minister—to take the gloves off because you are right about importing soya and all these things. We need to grow more of our own proteins. We do not need to import them. It should not come from deforested land. What more can we do about our own banks that I believe should be named and shamed?

Lord Goldsmith: I strongly agree. I think naming and shaming is hugely important. If people knew what some of these household-name banks were getting up to they would be absolutely appalled. You have to be pretty unusual to welcome the kind of deforestation and land degradation that is happening around the world. You would have to be pretty odd, to put it mildly, to be indifferent to what is happening to the people who live in those forests—you are right, naming and shaming is a huge part of it.

There is another thing that we can do. As you know, we introduced a law on due diligence, which I regard to be a first step in a particular direction. That is about dealing with our international deforestation footprint but it only relates to commodities. What I think we ought to be doing on the back of what we secured for COP, which was a pretty unprecedented message from a lot of financial institutions and a lot of businesses, is to talk to them, which I fully intend to do over the next few weeks with a view to delivering something by the end of the year. I want to understand from them how we can take, broadly speaking, the best practice in the sector today and require that to become the norm tomorrow. I think at some point or other—ideally sooner rather than later—it should not be possible for people to be putting their money into a bank and unknowingly find themselves investing in the destruction of the planet. That is a process that needs to become obsolete; part of the past.

Q317 **Chair:** The problem is—and much as I know at COP it is difficult to get all countries to agree—there are voluntary agreements there. Like I said, many of our big banks have not signed up even to those. As we speak, more rainforest across the world is being destroyed all the time. Is it laws that we should bring in to actually stop banks directly investing? I think that should be done. At the very least, surely, Government should be saying to our major institutions, like Barclays and NatWest and HSBC, that they should stop it or else we will legislate. What are we doing about it? I am afraid we are literally fiddling while the forest burns and I do not wish to make a joke of it because it is not a joke.

Lord Goldsmith: I think a lot has happened in the last few months, which is very, very good and meaningful, not just peripheral stuff.

Q318 **Chair:** I am not knocking what has been done but I think it needs to go further.

Lord Goldsmith: I agree with that. China, for example, is introducing a law. China does things in two stages, brings in a law and then brings in the enforcement bit. The enforcement bit is about to be done. It has not yet been done. If it is done—and I sincerely hope it is and I am assured by the ambassador it is being done—it would criminalise the import of any forest products, any illegal forest products.

Q319 **Barry Gardiner:** Minister, you know that is not good enough. We had this argument all throughout the Environment Bill because—

Lord Goldsmith: I am talking about China, not the UK.

Q320 **Barry Gardiner:** I understand, but to say you are not going to import any illegal forest products, that relies on the legality of those products in the country of origin. As you well know, what Brazil did when we had that legislation in place and companies started saying, “We are not going to source from Brazil because it is illegal in Brazil”. Brazil changed its law to make it legal.

Lord Goldsmith: Hang on a second, so as we speak today 90 of deforestation in the Amazon is illegal; 90% across the whole Amazon. Most of that in Brazil, but across the whole Amazon. If we can bring in an initiative that deals with that 90% of deforestation in the Amazon, I would be very happy with that. We can always argue that nothing is enough and we can always do more but personally, given that deforestation has been going like this since I was born, I would be pretty happy if we could stop the illegal stuff. I think that is a pretty good thing.

No one is pretending that the due diligence law that we brought in is to solve the whole deforestation problem. It is one part of a whole spectrum of solutions. What I am talking about with China is extraordinarily important. If China does what I have just said it is committed to doing, which it is, that will be massively important. It is not the whole solution but not every single piece of legislation has to solve the whole world’s problems. It solves a very large problem, which is the import into China of almost all of the illegally sources forest products. Whether that is wood or whether it is rubber, it all ends up in China and, therefore, that engine, that Chinese economy is devouring the world’s forest. If by introducing this law they massively reduce the imports of those kinds of products that is a very, very good thing and it would be absurd to pretend otherwise.

Q321 **Barry Gardiner:** It is not about pretending otherwise. It is about looking at the detail. You will recall when we had the whole debate in the EU about whether it was going to be a FLEGT scheme or whether we were going to have a Lacey style scheme. We went for FLEGT. The outcome of that is that 10 years later we have hardly achieved anything in terms of our original objective. I think Ghana signed up and may be a couple of other countries signed up.

Lord Goldsmith: Indonesia.

Q322 **Barry Gardiner:** Okay, Indonesia. It is about how it is implemented and it is about the mechanics of it. What the Chair was talking about, in terms of the banks, HSBC \$1.1 billion to Marfrig—almost \$1 billion—\$970 million underwriting of bonds to Minerva. We are talking \$1.4 billion from Santander. There are shares in the companies who are responsible for this deforestation; GBS, Crédit Agricole, Deutsche Bank, Santander all have huge amounts of shares, millions and millions of dollars of shares in those companies. It is one thing for us to say to the financial institutions in this country, “We would like you to report on your illegal supply chain

or how you are funding what ultimately is deforestation in the Amazon”.

Lord Goldsmith: I agree with all that. I do not want to conflate two issues. I was simply talking about something that is happening in China, which is a very good thing. I was not saying that it is okay if HSBC invests in deforestation if it is legal.

Q323 **Barry Gardiner:** There are two separate issues here, I absolutely agree with you. The Chinese thing, if it happens in an effective way, right, and that is the point. If we had done a Lacey style Act here in the UK it might have been effective. We didn't. We went for a FLEGT. If the Chinese do a sort of FLEGT style it won't be effective. What we need is legislation that is effective all the way down the supply chain. I will hold my breath on China. Let's see what happens. I hope you are right but, in the meantime, let's get on in the UK addressing the financial institutions that are based in the UK and stop them from colluding with the very drivers of deforestation in the Amazon and elsewhere.

Lord Goldsmith: I totally agree. I am not going to argue with that at all. I likewise hope that China does what China says it is going to do. I cannot agree it is for obvious reasons, but if it does and if it works it is huge and I am thrilled with that. Formerly DfID played a very big role in drawing up that legislation. It is kind of invisible work that DfID did for which it will not get praise but which is really important.

I agree with you and the point that the Chair made about financial institutions. The ideal situation is we get to a point where banks are not investing in these things and you don't require endless Government intervention. I do not think that is possible. I think there are lots of frontrunners who are taking these issues very seriously. I think there are lots of others who are not. I don't see what it will take to get them to take these issues seriously, other than a framework being set by the Government. That is something that no Government has yet grappled with successfully.

We have asked the GRI, who did the work originally on due diligence, to expand its remit to look at financial institutions. GRI will be coming back to us soon and we will take the conclusions of their work very seriously. I think this is among the most important issues in the world, so I am not disputing what either you or the Chair have said and if the Government need to stand ready to do that—

Chair: We welcome that. I think it is trying to make it stick, isn't it? I think in the meantime is about the more we talk about it in Committees like this, the more we raise the issue, the more you raise it as a Minister and across the piece. Surely, those buying shares in Barclays, buying shares in HSBC, people actually investing in institutions have also to look.

Across the piece we are, as a nation and across the world, interested in our environment. This is a direct destruction and of course, when you meet, as I did, Claudelice dos Santos who has lost her brother and sister-in-law in the rainforest, it is unbelievable what indigenous people are having to go through. I would urge you to raise it in an even louder voice

than you are at the moment. Geraint, I think you wanted a supplementary.

Q324 **Geraint Davies:** Simply to say that it still is the case, Lord Goldsmith, that we are one of the biggest importers of wood. We burn the wood and ultimately this has a knock-on effect on the type of things the Chair has been talking about, the deforestation. I do think we should be putting more pressure on BEIS, for example, to change the balance of our energy towards renewable in terms of the subsidies we provide, instead of subsidising wood burning. I think as you pointed out, even bits of wood can be pulped into insulation for building, for instance, apart from wood in the construction. That would be a carbon store. Should you be leading the charge to reduce the amount of wood burning towards other alternatives in order to help the Amazon rainforest?

Lord Goldsmith: I do not pretend to be an expert on this. If it were the case that prime old-growth forest was being used to provide power in this country through things like Drax that would be abhorrent. I would absolutely very strongly oppose that. I do not believe that is the case. I am not saying it is not the case but I am not an expert. I would be astonished if it was the case.

Burning wood per se is not necessarily a problem. If you have woodlands and coppice being managed properly in a way that is good for nature and good for biodiversity and so on, and that coppice provides the power, the input for local biomass, I think that is a pretty good system from a climate biodiversity point of view. The question is always about where that wood comes from. The truth is I do not know enough about what feeds Drax to give you an authoritative answer. I made a commitment two weeks ago to look into it and that commitment stands. I have not yet honoured it, but I am going to look very closely at where that wood comes from. Maybe Edward can answer the question.

Q325 **Geraint Davies:** You said this thing about wood generally, but presumably you would accept that solar, wind, wave, hydro, all these ways of producing energy, are better than burning wood, which is after all a carbon store and a health problem, in the hierarchy of—

Lord Goldsmith: As I say, I am not an expert, but if you look at the embedded energy costs of some of those things the answer is: I cannot give you a proper answer. I would presume that what you are saying is correct. I do not really know, but I think well-managed woodlands—managed in such a way as to provide fuel for local biomass—are probably a pretty ecological way to manage woodlands and provide power, so I do not think it is something that we should be turning our nose up at. Equally, when you have a system that is as big as Drax, if you get it even slightly wrong, in terms of the input, that is going to have big implications, so we have to be sure that we do not. I am not an expert on this and I will probably never be an expert, but I will be looking at it in more detail.

Q326 **Geraint Davies:** Woodburning stoves in urban environments contribute 38% of PM 2.5 and we would be able to deliver World Health

Organisation air quality standards if we stopped people essentially burning wood in wood stoves in an urban environment. Again, isn't that something that should be perhaps in your in-tray to encourage Government to phase out urban woodburning so that we can help the climate and more immediately help our public health?

Lord Goldsmith: That is a big final question because it is not a simple yes or no. The reality is that we would struggle to meet the World Health Organisation's revised standards of five parts. I think they have only just begun. Roughly half of the 10 parts that we were being asked to deal with as part of the World Health Organisation recommendation, are things that are caused outside of our borders or by natural phenomena over which we have no control. It is not an absolutely black and white issue but, nevertheless, it is possible for us to do more than we are currently doing. It is also the case that doing those things might require a big ask of the public and an ask where the public appetite for green solutions is not exhaustive.

Our view is that we need to understand all the steps that would be needed in order to get as close as possible to the World Health Organisation standards, understand what steps that would require and then ask people for their views because it may be that banning barbecues is something that people would regard as a step too far, even if it does deliver—

Q327 **Geraint Davies:** No one is suggesting banning barbecues at all.

Lord Goldsmith: They are. A lot of people are.

Q328 **Geraint Davies:** I think we are talking about stopping the sale of any more wood burning stoves.

Lord Goldsmith: That is an example of something that can be done. There are lots of other things that can be done as well, but the reality is that I think there is an issue of consent that matters and, if we get it wrong—I have seen it in my own former constituency, where clumsy environmental policy completely switched off people's appetite for green solutions for quite a period of time. I think the Government needs to be very careful. We need to pursue whatever we can possibly pursue to clean our air and deal with these issues but we have to do so in a way that brings people with us.

Chair: Thank you. Dave, a quick supplementary.

Q329 **Dave Doogan:** Very quick, Chair, thank you. Lord Goldsmith has been very frank about the fact that he has some more reading to do on Drax. Could I invite him to write to the Committee, after he has done that reading, to confirm whether he still believes that it is an environmentally and ecologically sustainable way to generate power. I also invite him to clarify right now that the characterisation, perhaps accidentally, of Drax as a local energy producer—

Lord Goldsmith: No, that is not what I said.

Q330 **Dave Doogan:** That is fine then, because there is a role for biomass energy and heat production in areas that are off grid. That is completely not what Drax is, is it? It is a global enterprise requiring colossal amounts of feedstock, arguably, at some considerable cost to the environment and public health, Chair.

Chair: I will let Lord Goldsmith answer that and then I will bring Barry in.

Lord Goldsmith: Just to say I agree with the second point. If I said that, I certainly wasn't intending to say that. I was trying to make a distinction, exactly as you did, between local biomass solutions and the huge infrastructure that is Drax. I certainly will look into it. I am not in BEIS. It is a BEIS issue. I am very interested in knowing more about Drax, not least because of the questions that have been put to me today. I am not sure whether I am allowed to commit to writing on behalf of another Department but I certainly will—

Q331 **Dave Doogan:** It is extremely costly to the public purse. Subsidies to Drax are a BEIS issue and the energy supply issues are a BEIS issue, but the environmental consequences are a DEFRA issue.

Chair: Certainly, you can comment on the environmental consequences.

Lord Goldsmith: Then I will do so.

Chair: Thank you, Dave. Barry, very quickly, please, because of time.

Q332 **Barry Gardiner:** Two things on Drax and BECCS in particular. If you are using biomass in that way the IPCC's medium strategy for BECCS deployment would actually be for 12 gigatons of CO₂ per year. That would require up to 0.8 of a billion hectares of land, so it is absolutely not compatible with all the things that I know and I support and have been pushing in terms of nature-based solutions and nature and agriculture together. What I would urgently ask you to investigate is: why is it that, now that it is the Climate Change Committee that looks at this aspect of our own production, it has somebody who is an executive from Drax on its board? That I think is unacceptable.

Lord Goldsmith: That is a very interesting point and it is all new to me. Can I ask you, Barry, to email me about some of the things you just said, particularly the assessments that you just made from BECCS? Thank you.

Q333 **Chair:** We are about to vote. Just one very last question from me. We talked about the imports of wood. How can we create more of our wood that we grow ourselves to be incorporated into our buildings so that we import far less? Do you have a strategy, as you are looking not only at the biodiversity and the planting of woodland but also treating wood as a crop as well?

Lord Goldsmith: Yes. There is a tension that I should be upfront about. The tension is that we want to predominantly, when it comes to the use of public money, as I said earlier, buy as much solution as possible. That means having mixed woodlands—mixed native woodlands. The market for mixed native woodlands, the commercial bit, is less than it is, as you know, for conifers, so there is a natural tension there.

What I am hoping we can do, as we continuously upgrade the forestry standard, is to figure out how we can improve that standard to maximise the kinds of things I saw recently in the New Forest, which is mixed continuous woodland that seems to me—and based on everything I have read following my visit—extremely beneficial for nature but also provides a commercial outlet. That seems to me to be the kind of stuff that we want to see more of, and if we do we can increase the market. At the same time, I think that if we can resolve issues with MHCLG, which I think we very nearly have around the increased use of timber and buildings that too will provide a bigger market for the trees that we do grow in this country.

Chair: Thank you, Lord Goldsmith. Thank you, Edward. It has been a very good session. We have given you some tough questions but you have been very open and straightforward with us, so thank you very much, both of you. We look forward to putting this into our evidence and into our report. The Division bell has gone for the Commons so you, Lord Goldsmith, will not need to vote but we will, so thank you very much.