



## Environment, Food and Rural Affairs Committee

Oral evidence: [Defra's performance in 2013–14](#),  
HC 802

Wednesday 26 November 2014

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

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Members present: Miss Anne McIntosh (Chair); Richard Drax; Jim Fitzpatrick; Mrs Mary Glendon; Mrs Emma Lewell-Buck; Iain McKenzie; Sheryll Murray; Neil Parish; Mr Mark Spencer; Roger Williams.

### Questions 76–165

**Witnesses:** **Rt Hon Elizabeth Truss MP**, Secretary of State for Environment, Food and Rural Affairs, **Bronwyn Hill**, Permanent Secretary, and **Peter Unwin**, Director General, Policy Delivery Group, Department for Environment, Food and Rural Affairs, gave evidence.

**Q76 Chair:** Secretary of State, you are most welcome. Thank you very much for being with us today. We are going to go through the annual report and accounts. For the record, would you like to introduce your two colleagues?

**Elizabeth Truss:** Thank you very much for having me in front of the Committee this afternoon. It is a great pleasure to be here. Bronwyn Hill is Permanent Secretary at the Department for Environment, Food and Rural Affairs, and Peter Unwin is Director General in charge of policy.

**Q77 Chair:** You are all very welcome. The reporting period covers a time when there was, for the most part, a different Secretary of State at the helm. Are your priorities broadly similar to those of the immediate past Secretary of State? Are there any nuances of difference?

**Elizabeth Truss:** What I have sought to do is build on the positive progress made by both my predecessors in the Department, as well as deal with the issues we face now. My priorities are, first, to lead the world in food and farming; secondly, to protect the country from floods and animal and plant diseases; thirdly, to improve the environment; and, finally, to champion the countryside and improve rural services. Those are the priorities I have set out, and I think they build on the work that the Department has already conducted.

**Q78 Chair:** How would you plan to deliver on the rural economy and lead the world on food and farming?

**Elizabeth Truss:** Food and farming is at the heart of the rural economy. It is an extremely important sector in our economy and is worth £100 billion. It is our largest manufacturing industry and is bigger than cars and aerospace put together. One of the things I am keen to do as Secretary of State is raise the profile of this industry and make sure people in this country and overseas understand what a strong and competitive industry it is.

We have made a lot of progress in opening export markets. We have opened 600 new markets since 2010. Shortly, I am due to go to China to talk about how we can go further in products like pork and dairy. I also want to make sure that more British food is available in Britain. One of the first things I worked on as Secretary of State, which I had also worked on at the Department for Education, was the Bonfield report. That is all about making it easier for public sector organisations to procure British food. We are making good progress on that. At the moment there are a number of pilots in schools and hospitals, and all Government Departments are committed to implementing that by 2017.

I am discussing with the industry further aspects as to what we can do on issues such as labelling, promotion and industry structure. There are a number of issues around the dairy industry at the moment, which I know the Committee has been looking at. We have a huge opportunity. We have a growing world population and a fantastic product and very high welfare standards in this country. We have high standards of production. Looking at our wheat production, for example, its yield is higher than that of the Canadian prairies, and that is very impressive. There is a huge amount we can do, and I am very keen to work with the Committee on that.

Food and farming is a core part of the wider rural economy. The rural economy is worth £210 billion to our country and employs one in eight people. I see my role as helping the rural economy in terms of the work we do in the Department. We are about to launch our new Rural Development Programme. I have been in discussions with Commissioner Hogan about the shape of that, and we are keen to get on with that programme. My work is to promote rural and countryside issues with other Departments to make sure they are taking the steps needed. To give one example, the Department for Education has given an extra £390 million for the least fairly funded areas in England. This means that areas such as Cambridgeshire and Northumberland will get an additional £311 and £307 per pupil, so we are seeing more funding for schools in rural areas.

BIS has promoted the community branch fund to protect post offices. Many of those post offices are now going to have digitally enabled services so that people in villages and

towns will be able to access digital services at their post offices. Being a rural MP, I know that connectivity, both broadband and mobile, is probably the most important issue. I am very supportive of the Culture Secretary's roaming proposals. I could go on for some time about them.

**Q79 Chair:** I think that we are the eighth largest exporter particularly of agricultural products. Little Denmark probably exports more than we do. Do you have plans to increase that and perhaps give more assistance through UKTI, particularly to the dairy sector?

**Elizabeth Truss:** We have seen a 60% nominal increase in dairy exports over the last five years. That is good progress, but there is a lot more we can do. I recently went to the SIAL fair in Paris, which is the world's largest food trade fair, and I saw some fantastic dairy producers selling their wares. For example, Wensleydale, which has PDO status, and also a number of different cheeses from Lancashire and the West Country were there. Wyke Farms cheddar now has a deal with the French supermarket, Carrefour, to sell in there. There is also a huge amount of interest in dairy from Asia. I saw a number of Japanese buyers when I was at the food fair. I am going over to China to help with opportunities there. I think dairy is a big area where we can make progress.

I would also point to domestic dairy consumption. We import two-thirds of our cheese at the moment. Some people have asked me whether that means we should not import parmesan or brie, but most of the cheese we are importing is cheddar. One of the things that I have been pressing for is better labelling of dairy products. I had a meeting a couple of weeks ago with Commissioner Hogan, and I have asked for his support in that. He was very interested in the issue. Commissioner Andriukaitis, the new DG-SANCO commissioner, is producing a report on the labelling issue, which is due to come out in December. I hope we can make progress. Supermarkets have done some things in the area of labelling, but better labelling for dairy products is important, so that British consumers know when they are buying a British product and when they are not. All the evidence I hear when talking to companies that already export is how powerful the British flag is in terms of those overseas markets, and how much of a sales opportunity it presents. We are doing all we can to support the dairy industry in exports.

**Q80 Chair:** I have a small question on the Groceries Code and the role of the adjudicator. In terms of fruit and vegetable growers, that has been very welcome. It straddled both governments and the industry has found that very helpful. The only power that the adjudicator seems to have is the power to impose fines, so it came as some surprise to the Committee yesterday to learn that the statutory instrument, which possibly should have been laid in December of last year, still has not been adopted. Is that something you might consider as a priority going forward?

**Elizabeth Truss:** I read with interest the transcript of yesterday's Committee hearing and the issue raised by the Groceries Code Adjudicator. She made it very clear to the Committee that, should more examples be brought forward, she will look into them. I think that is an important opportunity for farmers and producers to do that. On the subject of the statutory instrument, that is a matter that I will be discussing with my colleagues at BIS now it has been drawn to the attention of the Committee.

**Q81 Chair:** I understand that at the time you took over as Secretary of State a Bill was virtually ready to be laid before Parliament on the future of the forest estate. I think that the Infrastructure Bill is now going through the House of Lords to the effect that the ownership of the forest estate will remain in government hands. Is there any particular reason it was felt unnecessary for the Bill to go forward?

**Elizabeth Truss:** On the subject of the Infrastructure Bill going through, there is an amendment in the House of Lords to make it absolutely clear that the public forest estate is exempt from that. That was never the intention of the Bill, but we wanted to make that absolutely clear, which is why there is an amendment. We have committed to a Bill when time is available, and that is something we continue to look at. To be very clear, I am completely committed to the public forest estate. I have a major forest in my constituency, Thetford Forest, which is a huge asset to the local community and is full of fantastic leisure opportunities. It is a working forest that helps to produce timber for the British timber industry, so I am very committed to the public forest estate.

**Q82 Chair:** Will you be making representations to the Chancellor to look kindly on the inheritance tax provisions, so that anybody who wishes to plant trees will not be hammered in that regard, particularly in relation to the National Forest Company, which encourages private individuals to purchase and plant trees? Is that something about which you would consider making representations to the Chancellor?

**Elizabeth Truss:** I will certainly look into that issue. I think our record on trees and forests over the course of this Parliament has been very positive. We are due to plant approximately 9 million trees. In addition, 1 million trees are planted in towns and cities, and we will have the highest level of woodland cover in this country that we have had for 700 years, which I think is a major achievement of this Government. I would want to see further progress made on that, so I will look at that idea.

**Q83 Chair:** Can I be clear: is that 9 million trees planted over the life of the Parliament?

**Elizabeth Truss:** Correct.

**Chair:** That is very helpful.

**Q84 Iain McKenzie:** Good afternoon and welcome, Secretary of State, and welcome to the panel. Good afternoon to each of you. Secretary of State, having joined the Department since the annual report, what is your assessment of the Department's work in 2013-14?

**Elizabeth Truss:** Significant progress has been made during this Parliament and over the past year. I pointed to statistics on exports, for example, where we have opened up a whole series of new markets. I think that has been very positive for the food industry. For example, we have seen the near completion—we continue to discuss it with the European Commission—of the Common Agricultural Policy negotiations. In terms of our

environmental improvements, a lot of positive results are coming through. Over the course of this Parliament we have cleaned up 10,000 miles of rivers. We have seen improvements in water quality and the quality of beaches. I think steady progress has been made. One point I would make about this Department in particular is that a lot of steps that we put in place now will not come to fruition for many years. For example, 150,000 acres of habitats have been created, but the benefits of those habitats and the population of them with wildlife and plants do not happen overnight. Putting those things in place is a gradual process

**Q85 Iain McKenzie:** Let me ask you a question about the make-up of your Department. Two ex-members of the Committee are now Ministers in your Department. Do you see that as a benefit?

**Elizabeth Truss:** I do see that as a benefit. I have very good expertise in the ministerial team in the Department and I have a very positive working relationship with all three of the Ministers that I work with.

**Q86 Iain McKenzie:** Do you see a third here? You do not need to answer that.

**Elizabeth Truss:** Is that a job application?

**Jim Fitzpatrick:** Three ex-Ministers at Defra might be of benefit to this Committee as well.

**Q87 Iain McKenzie:** Secretary of State, what are the main challenges that you see facing the Department in the year ahead?

**Elizabeth Truss:** First, making sure we are prepared for flooding eventualities. Last year we had the wettest winter on record. It is a major challenge for people in those communities as well as the Department. We have worked very hard to restore all of the flood defences with at least temporary protections so all communities are at least as well prepared as they were before last winter. We are putting a lot of funding into a long-term capital programme. For the first time ever, the Government have a six-year forward-looking capital programme to improve flood defences. As I said, we had the wettest winter on record last year. We do face the challenges of climate change; we are facing erratic weather patterns, and flooding remains a very important priority for the Department.

Secondly, animal and plant health is a very important priority. That was demonstrated a couple of weeks ago where we had the issue with the avian flu in the duck population in Driffild. It is a constant priority to me to make sure that we are horizon-scanning for potential animal and plant health issues, looking at what is going on overseas, potential threats in our country and at our preparations for bio-security. We have a monthly bio-security meeting to go through that. That is again a very important challenge we face.

Bovine TB is another very important challenge we face in the area of animal disease. Those are very much live issues, and will continue to be, for the Department. We

all know from what happened with diseases like foot and mouth just how devastating it can be for the countryside and rural economy, but also for the wider country, if we do not deal with those issues properly and make sure we are absolutely on top of them. Those are two of the challenges I would highlight.

There are other more political challenges—for example the new Common Agricultural Policy and trying to get a simpler version of that implemented, as well as trying to effect reform to some of the more problematic parts of policy. I would highlight the three-crop rule as an area that I have already raised with Commissioner Hogan as being problematic. I could go on for some time about the challenges I face.

**Chair:** You will hopefully have that opportunity.

**Iain McKenzie:** Chair, I think we could have a few questions later on some of the issues the Secretary of State has touched on.

**Sheryll Murray:** On the specific issue of flooding that you mentioned, have you had any conversations with your colleagues in other Departments? I am thinking, for instance, of the Department for Transport and the south-west rail link and road links in particular. We cannot have that happen again. The week before last that line again suffered some damage, and it is very vulnerable. It is a cross-party issue. You are responsible for the defences and the Department for Transport is responsible for the infrastructure.

**Chair:** You may like to take that as an observation. Perhaps Sheryll can put the point later when we reach flooding, because we are going to go into that in some detail, if everybody is happy with that.

**Sheryll Murray:** Fine.

**Q88 Jim Fitzpatrick:** Good afternoon. In a second I want to ask about your predecessor and the contrasting approach you have been taking. To go back momentarily to the answer you gave the Chair about our session yesterday with the adjudicator, when she said the SI had not been laid, she was very positive that when she announced an inquiry she got a very good response. One suspects the reason for that is that organisations outside knew she had recommended a fine of up to 1% of turnover, which is very significant. Given the fact that in the public domain that fine does not exist and will not do so until such time as the SI is laid, is there any chance you can give us a timeframe in your discussions with BIS and whether or not we might see it laid before March? If you cannot do that today, could you write to the Chair of the Committee to let us know the outcome? Without the fine it really gives her the appearance of not being as powerful as people outside might think she is.

**Elizabeth Truss:** Let me discuss that with BIS, and I will come back to you with an answer to that specific question.

**Q89 Jim Fitzpatrick:** Your predecessor described environmental groups, public officials and companies as “the green blob” and a “tangled triangle of unelected busybodies.” Certainly from our side of the House, he seemed to have a much more adversarial approach

than yours. You have come across as someone much more consensual in dealing with those lobby organisations who engage with Defra. Subsequently he has been very prominent in advocating departure from the European Union and so on. Do you think a more consensual approach is a better way to do things? The environmental lobby sometimes do get it wrong; nobody has all the right answers. How do you engage with them?

**Elizabeth Truss:** It is difficult for me to comment. What I can tell you is what I think we should be doing and what my priorities are. I am absolutely clear that improving the environment is a very important priority. I have recently given a speech on the approach we are taking as a Department, first on the progress we have made. I do think we have made significant progress. As a Government we have seen carbon emissions reduced by 6% since 2010 while at the same time growing the economy. My view is that a healthy environment and economy go hand in hand; we need both of those things. We will not succeed in the 21st century if we do not do both. We have seen an improvement in water quality in rivers. There has been a reduction in phosphates in rivers and an improvement in beach quality. I have already mentioned our record on woodland and trees, which I think is very positive.

About a month ago I launched the new Countryside Stewardship Scheme. Since countryside stewardship was first introduced, Government has learnt lessons in the intervening years. Our new scheme is much more targeted and focused on the environmental benefits we can deliver. I am particularly keen to make sure we use the most advanced technology to understand how our environment is changing, to understand the cause and effect and to use policy in the most effective way to deliver. That is why the Copernicus satellite is so attractive. It is a £3 billion EU project, but Defra is responsible for using the data from that satellite. It can detect things at quite a micro level. We can do things like monitor water and air quality and understand what is happening in habitats and understand things like pollinator and bird populations. I think that gives us a huge opportunity to achieve real environmental improvements in a much more targeted and focused way. I think there are lots of opportunities. I am keen to work with Nick. Of course, in any debate there are different sides of the argument, but I do not think that fundamentally we have to choose between economic and environmental progress. I think we can do both, and I think this Government are showing we can do both.

**Q90 Chair:** Nevertheless, are you concerned that the EU chief scientist is being removed and as yet we do not know whether that person will be replaced, and it is reported that this will give the environmental lobby in Brussels even more say over some of the future proposals coming out of Brussels?

**Elizabeth Truss:** I do not know the background to that decision at the EU. When I met the new environment commissioner, Commissioner Vella, he told me he was very committed to looking at science and basing his decisions on scientific evidence. One of the things we discussed at our meeting was much better exchange of data between the UK and the EU so we understand exactly where all the figures have come from, what they mean and we can share that more effectively. The role of chief scientist is very important. I rely very heavily on Ian Boyd, Defra's chief scientist, to give advice. I have also had a meeting with Sir Mark Walport to talk about how we can take a more systems approach to dealing with environmental issues at the Department. I would want to see that approach adopted at the EU. Until we understand what the next step is it is difficult for me to

comment specifically on that issue, but what I would say is that I want all the decisions based on the best available science.

**Q91 Mr Spencer:** Do you recognise the long-term challenge if Europe moves away from a non-scientific agenda to a more political one? Research and development taking place in Europe will lower and that will affect food security within the United Kingdom. There is also the morality to a certain extent of importing food that has had these products applied when they are banned by the European Union.

**Elizabeth Truss:** You make an extremely good point. The John Innes Centre, which is based near me in Norfolk, is a world-leading centre for plant research. If other countries are able to use the technology developed in this centre but we are not and we end up exporting food production, that is a huge problem. We have an excellent climate for food production in this country. I am keen to see productive agricultural land used for farming. There are all kinds of costs in off-shoring that production, and we need to look at these issues in the round. I completely agree with what you are saying about that.

**Q92 Mrs Lewell-Buck:** When we spoke to the Permanent Secretary last week, she said you did not yet know where the budget cuts planned for 2015-16 were going to be, as those conversations had not yet been had with yourself and Ministers. I am curious as to why you have left it so late to have those discussions.

**Elizabeth Truss:** I do not think we have left it late; that is the standard procedure in terms of setting departmental budgets. Defra has succeeded in making significant savings since 2010. We all recognise that the budget deficit is a major issue we face as a country, and every Department has to play its part in reducing that deficit. What Defra has done successfully is manage to reduce that budget while protecting frontline services. For example, we have been talking about animal health. We have protected the number of vets working in the Animal and Plant Health Agency since 2010. We have seen no reduction in the number of vets. Likewise, we have protected frontline flood staff, so what we are doing is working more efficiently. The Permanent Secretary and her team have done a lot of work, for example, to co-locate teams in offices. Not only does that save real estate space; it helps teams to communicate better with one another. There is more work ongoing in terms of sharing back-office services, working more efficiently and using IT better. I am sure it is something the Committee will discuss. It was certainly discussed last week with the Permanent Secretary. Implementations like CAP-D enable us to put a lot more of our activities online, consolidate the various payment systems we have been using with farmers and get more for less. Therefore, it is using IT and technology better and sharing back-office services better. My view is that not only does it save the Department money; it improves communication and means that people at a senior level within the organisation are getting data faster and in a more efficient way. I think there is further work to do on that. Those are the discussions I am having with the Permanent Secretary at the moment.

**Q93 Mrs Lewell-Buck:** You have said you do not feel it has been left too late. Bearing in mind we heard last week that discussions would happen by Christmas, normally

does it take only four weeks to have those discussions and make those decisions, because that is the timeframe we are looking at now?

**Elizabeth Truss:** Obviously, we talk about the Department's priorities, how we want to shape it going forward, and what outcomes we are looking for. In terms of detailed discussions about budgets, Bronwyn wants to come in.

**Bronwyn Hill:** This is perfectly normal. I remember having this conversation before this Committee last year. It is an annual cycle of budget-setting and discussions with Ministers. I do not think we ever stop talking about money and priorities with Ministers; it is just that we need to set budgets for our organisations and agencies early next year. Therefore, in the run-up to Christmas it is the normal cycle for most Departments. I have never worked in a Department that does not do it at this time of the year.

**Q94 Mrs Lewell-Buck:** I know you touched on it a little bit in your answer. Which areas in particular are you going to be cutting in the next round?

**Elizabeth Truss:** The whole philosophy of the Department has to be to get more for less, so we want to achieve the same outcomes on the front line. For example, I do not want to see a reduction in veterinary capability. The avian flu outbreak illustrates just how important it is that we have those high-quality personnel in our organisation. Hitherto, there have been duplications of things like IT systems which can create more work. I want to see more money focused on those frontline priorities while reducing expenditure on bureaucracy, duplication of systems and having two organisations in the same location but with different offices. I think there is more progress to be made on that. CAP-D is the major system we are working on at the moment. We can talk a bit about how that is working. One of the key ideas behind the way we are implementing CAP-D is that we use more in-house IT resource. Rather than outsourcing the contract, we have people doing the programming and fitting together smaller programmes so it is adaptable and flexible. That is an approach I would continue and would like to see spread more widely across the organisation, so we have that flexible internal capability.

**Q95 Mrs Lewell-Buck:** Secretary of State, I understand your answer, but I am curious as to what areas in particular you are going to cut. You have talked about back office and bureaucracy, but is there any strategic oversight of what particular areas within your remit you are going to cut, or is it a case of cutting different bits of different Departments, and salami-slicing?

**Elizabeth Truss:** It is certainly not a case of salami-slicing; it is about focusing more on the outcomes and not doing things that do not achieve those outcomes and objectives. One example is the work we are doing with the EU to try to get rid of the three-crop rule. If we proceed with the inspection regime as it is currently laid out with 100,000 farms, that will mean 5,000 additional inspections every year with inspectors going around checking what crops are in fields. I do not think that is achieving any of our outcomes in terms of leading the world in food and farming and improving the environment. Therefore, for everything we do as a Department we should check on that list whether it is championing the countryside. Is it protecting the country from animal and plant diseases? If not, we should not do it. That is the way I approach things, in a

similar way to the Environment Agency's approach to flood risk. It looks at the benefit and cost of each particular measure it is carrying out. The Department has come a long way in terms of sharing back-office functions, but there is still a lot of scope for doing that.

**Bronwyn Hill:** To give another example, although it is difficult to imagine one of the things we have been doing under better regulation is look at all the guidance that is produced, not just by the main Department but the Environment Agency, Natural England and everybody. I was quite horrified to find how much guidance is produced on batteries—batteries, waste and how to dispose of them. We are now going through a process of looking at all our guidance, which is over 800,000 pages, and reducing it by 80% to make it easier for businesses who want to comply with the rules to do so. Once we have invested that initiative to reduce it that is where it will stay. That helps me to save resources or redeploy them to other priorities. A lot of this is around invest to save and finding different ways of doing things by joining up, in the way we invited Natural England and the Environment Agency to do more joint working, partly to make it easier for farmers and others that they regulate but also to save money by doing things in an integrated way.

**Q96 Mrs Lewell-Buck:** Do you feel that the cuts that Defra has had have been fair compared with other Departments?

**Elizabeth Truss:** I think Defra has done a very good job of making sure that the savings made have been on improving efficiency, reducing the level of back-office spend and not cutting those key front-line services, like the number of vets in the Animal and Plant Health Agency. You asked about which things we would not do. I have outlined all the priorities: leading the world in food and farming—our food security is vital—protecting the country from floods; and animal and plant diseases. If we do not do that, it is a major problem. I referred to championing the countryside and improving rural services. The countryside contributes £210 billion a year to our economy and employs one in eight people. There is also improving the environment. We cannot have a healthy economy if we do not have a healthy environment. All of these things are mission critical, not just to the Department but the country.

**Q97 Mrs Lewell-Buck:** But do you think the level of cuts is fair in comparison with other areas?

**Elizabeth Truss:** Based on what we have achieved so far and the budget set for next year, I think we can continue to deliver our objectives within that budget. There is scope to use technology much better. One of the things I have been discussing with the chief scientist is a more systems-based approach to the environment, looking more holistically at the interrelationship between different issues. I also think we can get better value for money from the funding we get from Europe. Defra's budget is approximately £2 billion, but we also pass through £3 billion from the European Union in terms of Common Agricultural Policy and the Rural Development Programme. One of the things we are working on with Commissioner Hogan and his team at the moment is to make sure that Rural Development Programme is focused on important issues—for example helping

the dairy industry with investment to become competitive. I think we can make better use not just of our own money but money coming from the EU as well.

**Q98 Mrs Lewell-Buck:** What would your approach be in protecting Defra's budget in the next comprehensive spending review?

**Elizabeth Truss:** My approach is to focus on the outcomes. That is what is important. We need to look at how we achieve the goals we have set out in the most efficient way possible. Ms Murray mentioned working with other Government Departments, like Transport and DCLG. That is a big opportunity to do things effectively on those issues. There is a lot of scope to make sure we do things in a comprehensive, systems-based and clear way.

**Bronwyn Hill:** It has not all been about cuts. The Department, backed by Ministers, has made a very strong case to the Treasury. For example, we have managed to get an increase in capital allocations for flood defences. One example was the autumn statement in 2012 where we secured an additional £120 million linked to growth-related flood defence schemes. If I remember rightly, Leeds, Ipswich, Exeter and other places benefited, because we were able to give that evidence to the Treasury to show the link.

**Q99 Chair:** We will explore that. To stay with CAP-D, I think it is fair to say that historically new government computer programmes—I am thinking of DWP's child support programme and the 2005 CAP reforms—have not gone well. Secretary of State, are you confident that the CAP-D system will work smoothly, and on time?

**Elizabeth Truss:** I am confident of that. I have regular meetings with the CAP-D delivery team, as does the Permanent Secretary. It is an important priority for the Department to make sure it does work. The approach we have taken is a phased approach, testing out different elements of the system. One of the issues with previous projects has been the big-bang approach with the idea that everything has to be ready on a particular date. The team tests each part of the system to make each part of the system work. There are various elements to the system, one of which is already being used by other European countries to create data for their CAP systems. These are tried and tested elements that are being put together by an in-house team. I have mentioned technology already. It is my view that IT is a mission-critical part of what we do. We need that in-house expertise to make sure we are implementing it effectively.

I cannot pretend that the process with the European Commission is always simple. As people who receive our data updates will know, we are still discussing details, for example about how the hedge policy within EFAs will be implemented. As soon as we get those data out we give it to farmers. We could not have designed the programme a year ago and had it ready because those policy details had not yet been confirmed, but we are on track in terms of each of the technical updates to the system, and we are very much on top of making sure it does happen, and it happens on time. We are testing it. We have over 100 users on the system currently testing some aspects of the system, and we will grow that over time. Rather than saying, "You go over here and produce this system and we will test it on the day", this is an iterative process where we have people on the system testing it.

**Q100 Chair:** It is a pity that in my area 28% of my constituency will not receive fast-speed broadband, and that is the area where all the farm and rural businesses are. That is something you may want to take away with you.

**Elizabeth Truss:** I will take that up with the Culture Secretary, as I have very frequent discussions with him on mobile and broadband speed.

**Chair:** Please, no more marketing letters that we will have 95% coverage across the country when we are only going to have 82%. It would be welcome if that was noted.

**Q101 Neil Parish:** Welcome, Secretary of State. Carrying on in the same vein, given that Defra's negotiations did not achieve a perfect post-2015 CAP—that is probably the under-estimation of the year—will you ensure that the Commission's mid-term review takes account of the UK's view on reducing complexity? I understand that you and the Chair met Commissioner Hogan to talk about these things. As far as I can see, the trouble with this CAP reform is that we have almost gone backwards from where we were before. Are you going to try to get on the front foot to reduce it in future?

**Elizabeth Truss:** You are absolutely right. It is not all that we had hoped for. It is a very complex system, and a lot of countries have the same concerns that we have about the level of complexity. I met Commissioner Hogan a couple of weeks ago to talk about this. He is keen to see it implemented in as simple a way as possible, so the task over the next year is to make sure that the inspection regime is as simple as possible. One of the things I have been pressing him for is to allow different ways of doing that inspection. Can we use things like satellite imagery to carry out inspections, particularly on the three-crop rule? Is sufficient flexibility and allowance going to be given to farmers? We are working very hard with the Commissioner on immediate implementation and making it as simple as possible. I would like to see the three-crop rule removed. There is strong evidence that it does not contribute to environmental objectives. At the same time, it creates a huge problem for farmers. I want farmers to be producing the crops that the market and consumers want to buy, not what is dictated at European level. I am very pleased to hear that Commissioner Hogan has met the Chair.

**Chair:** It was a small delegation from the Committee.

**Elizabeth Truss:** I found him to be a very pragmatic, straightforward person, and I am strongly hopeful that we should see some improvement. As soon as I got back to London, I invited him to visit London and one or two key rural areas. I will possibly invite him to Norfolk.

**Chair:** North Yorkshire is even more rural.

**Elizabeth Truss:** It is a growing itinerary. The reason I wanted to invite him over was to talk about the importance of food and farming to the British economy. He is keen that people see farming as a mainstream industry that contributes to jobs and growth—that is very much my agenda—removing bureaucracy so farmers can get on and farm and produce the crops we want them to. I am keen to develop an itinerary for him so he can meet some of our farmers and see what is going on on the ground in Britain and what

practical improvements can be made. I understand that he might also visit the NFU conference in January.

**Chair:** He was very keen to come.

**Elizabeth Truss:** There is full engagement. The point I am keen to get across is an understanding of what an important economic issue it is for us here in the UK.

**Q102 Neil Parish:** While you are talking about Commissioner Hogan, is the word on the street that he is going to change his attitude? I know we should not speak ill of previous commissioners, but Commissioner Ciolos in particular seemed to like his bureaucracy and taking CAP reform in the wrong direction. The three-crop rule is very much about parts of eastern Germany and others with huge amounts of maize crops. We seem to have a blunt weapon in this country to solve a problem there. Do you see a softening of that line with the new commissioner?

**Elizabeth Truss:** He was certainly very positive about the growth and jobs agenda. He did say he wanted to see things be simpler and did not want farmers to be penalised; he recognised there was a lot of complexity, particularly initially when the system was being put in. I was very pleased to hear that. I met him in the very early stages of his period in office. I told him that he would be a very popular man if he got rid of the three-crop rule. I am very pleased he has met the Committee. I continue to make the case—I hope others will—and I am keen to see a good programme for his visit to get that message across.

**Q103 Neil Parish:** In your earlier evidence today you also talked about food security. On this Committee we are all keen to see greater food security and more food produced here and sold and exported. I understand that Commissioner Hogan is also keen on food security, which would be on a European-wide basis, so did you see a meeting of minds on that? What do you think you can perhaps gain from it?

**Elizabeth Truss:** I think that is absolutely his view. He sees food security as being very important, and he sees food and farming as a major contributor to the economy. That was the perspective he came from at the meeting, which I think is positive, and I hope we see more efforts on the simplification agenda, as well as looking forward to the next CAP and seeing how that might be reformed.

**Q104 Neil Parish:** The trouble is that I have too much history on this matter. Commissioner Fischer Boel took a much more open-market view and in my view was a much better commissioner than Commissioner Ciolos. I am hoping that with Commissioner Hogan perhaps we will to some extent get back to where we started with Mariann Fischer Boel. We have to have food security but we also have to recognise the market better and not make the CAP so complicated. Do you think this is in his mind?

**Elizabeth Truss:** I certainly hope so. One of the points we made and discussed at the meeting was the importance of Europe as a whole being competitive, because we are not just competing against ourselves but with other countries. I mentioned that our wheat yields are up there with the Canadian prairies. There are some areas of agriculture where

we are doing extremely well, but we need to be competitive and outward-looking. Various changes are happening. I think the global prognosis for food and agriculture in the long term is good, but there is increasing market volatility. We have to help our farmers manage that and find ways to ensure the industry is meeting the challenges of competition. I do not want to put words into his mouth. Maybe the Committee might want to have Commissioner Hogan appear before it. I very much hope that is the agenda, because that is what we need to do. I know that the industry in this country can be and is competitive.

**Q105 Neil Parish:** I have a smaller point but one still very concerning to dairy farmers. Did you talk about the dairy package at all and what could be done for dairy farmers in this country?

**Elizabeth Truss:** We did. The specific issue I raised with Commissioners Hogan and Andriukaitis on dairy was about labelling. Can we have better labelling for dairy products? There are things we can do within the Rural Development Programme. We had a phone call about that last week with Commissioner Hogan, and we are working on that too. There are things we can do for the dairy industry at a domestic level as well, but we all recognise that it is exposed to a global market. Prices are volatile. They have been higher; now they are lower. The expectation seems to be for a recovery in the middle of next year. I have had discussions with the NFU about what can be done to help farmers manage that volatility so it is not going from feast to famine. That is an important issue. Minister Eustice had a meeting on this subject last week with the dairy industry.

**Q106 Roger Williams:** Miss Bronwyn Hill told us last week that there is a potential for CAP disallowances from previous years so there would be a requirement for Defra's accounts to be qualified in the future, even though the accounts have not been qualified this year. Can you tell us how Defra is preparing for that eventuality?

**Bronwyn Hill:** The important point we are making is that because the EU auditors come and inspect member states, including the UK, usually two or three years after the scheme years to which it would apply, they have only got up to 2011. That was the point I was trying to make. Therefore, they have not started on scheme years 2012 to 2014. When they come we make our case and say whether or not we think there is a problem, but the qualification of our accounts is a matter for the National Audit Office. What the Comptroller and Auditor General has said is that he takes account of disallowance in relation to the sum total of our budget. It is a technical thing and it is his judgment.

The challenge for us is that the years in which we pay disallowance are a bit volatile and difficult to judge because they rely entirely on when the European Commission chooses to collect it. Clearly, we can try to manage disallowance down by investing in new IT systems and targeting our compliance regimes, but the accounting treatment is a matter for the National Audit Office. I was simply saying that we are doing everything we can to avoid future disallowance, but we have a legacy and also slight volatility in the way the European Commission chooses to pick that up.

**Q107 Roger Williams:** Have you thought about what possible disallowances the Department may be liable for after 2015, and do you make any contingency planning for that?

**Elizabeth Truss:** It is extremely hard to tell where we are now because we have not even buttoned down the full details of the scheme.

**Peter Unwin:** We have looked at the three main causes of disallowance from the previous round. The first was not having sufficient mapping data. We have introduced a new land parcel identification system, a new mapping system and a new CAP system. The second was to do with the compliance framework and being able to show through the IT system how each act had been complied with. We have a completely new compliance framework to address that. The third is just the sheer complexity of the scheme. As the Secretary of State has been saying, we have been fighting as hard as we can with the Commission and the European Court of Auditors to ensure that that complexity can be reduced and, as far as it remains, it can be recognised when people come to audit. Those are the three things we have focused on in minimising the risk of disallowance going forward, but obviously it is early days.

**Q108 Chair:** On historic payments, is it the case that penalties for schemes under the current CAP will only be fully calculated and settled by 2019-20?

**Bronwyn Hill:** That is our current estimation.

**Q109 Chair:** It must play havoc with the budget.

**Bronwyn Hill:** The arrangement we have had with the Treasury over the current Parliament is that they recognise we cannot control all of the volatility because it relies on what the EU decides and when it collects the money. What we have had historically is an agreement to have a ring-fenced budget, which is an estimate of what we expect to incur, and adjust that and flex it forwards normally because they do not collect it. Putting our evidence into the next spending review, we would argue very strongly for some sort of arrangement like that so disallowance does not affect our ability to deliver on our other priorities.

**Q110 Chair:** It seems a bit harsh to take it out of the 2019-20 budget when it relates to 2015. Can I come back to you on getting in early to see the EU Commissioner? Indeed, he did mention seeing you and the visit to London as well. In terms of the review by 2017, you would obviously welcome that, but do you think that is going to give the Department enough time to work out how well the reformed CAP is working?

**Elizabeth Truss:** Yes. I am keen to see more things in the review. There are some items, for example the three-crop rule, where we know that in principle very few people are in favour of it. A number of scientific papers have suggested it does not generate any environmental benefits. We know that it is going to create an additional inspection burden on the RPA, so there is not much to like about that policy. I am not sure that trying it out for two years is going to change our view of it significantly. Likewise, under the new system all the hedges will be mapped, so where farmers put their hedges will be mapped

and we will have that data. That is a more one-off cost of putting it in. There is a question about the environmental benefits those schemes are going to deliver relative to the Countryside Stewardship Scheme where we have been able to target it much more specifically. The Countryside Stewardship Scheme is much more outcomes-based. For example, the wild pollinators and wildlife package will deliver specific benefits. I would much rather see schemes like that than the generalist approach in the greening measures.

**Q111 Roger Williams:** Miss Hill, perhaps you have experience of other Departments that deliver European programmes. Do they suffer disallowance in the same way as Defra?

**Bronwyn Hill:** When I worked in the Government Office, I had some experience of objective 1 funding in Cornwall, if any members remember that. That delivered quite a lot of benefits. This is not really about disallowance, because for some reason it is not called “disallowance” elsewhere. I think it is peculiar to CAP. The challenge is keeping very clear records and accounts, because the auditors can come at any time. I distinctly remember going out to help farmers in Cornwall to find their invoices. We had a team of people. What we found helped in those areas was early engagement with the Commission about how we were planning to implement the schemes, explaining very carefully to farmers why it was important for them to keep their invoices so there could be checks. My view is that it is a common problem for other European funding areas.

One thing we are doing now more than ever is engaging with the European Court of Auditors and making our case about the need for a proportionate approach. If there are problems in the system, or a risk of fraud, fine, but we believe that some of the penalties are becoming disproportionate to the risks to EU farmers, which is the rule that they should apply. We want to engage with them. I think we are going to have a workshop seminar early in the new year to go through some of our concerns about the need for a more proportionate approach which would apply to other Departments’ funding.

**Elizabeth Truss:** The reality is that CAP is 40% of the EU budget. Although Defra is less than 1% of the Government’s overall spending, it is 25% of all the measures in the Red Tape Challenge process that we have been going through. This Department is disproportionately affected by this issue, particularly if you compare it with the size of the Department. We have a very, very heavy level of engagement compared with other Departments.

**Q112 Roger Williams:** I have some memories of advising people to keep their invoices and receipts in similar circumstances. Secretary of State, one of the great difficulties about running farming businesses is that you are continually beset by things like volatility of commodity prices that we see with milk and the bad weather in 2012 affecting grain. What does the Department do to try to support farmers through those difficult times so they are in a position to have enough capital to invest for next year’s production?

**Elizabeth Truss:** This is one of the things I have been discussing with the NFU. The NFU is currently leading a project on how to help farmers manage that volatility, because it is fair to say some parts of the industry have been exposed to that volatility for some time. In dairy it is becoming greater, so we want to learn lessons from other parts, not necessarily in terms of what the Department can do but what the industry can do in

terms of contract structures to give more security to farmers. That is one of the things being explored currently. I know that Minister Eustice explored that at his dairy supply meeting, so that is important.

The other work we are doing is about competitiveness, making sure that in the Rural Development Programme we have in place the right capital grants, and that we have the right skills going into the industry. It is vitally important that we have people with the appropriate business skills wanting to enter food and farming. What always strikes me in visiting farms in my part of Norfolk is how high-tech a lot of those operations are. A lot of young people do not realise the opportunities that are available. One of the things we are looking at is how we can get more young people into the industry and have business practices to help drive competitiveness. It is a combination of things.

There is a will within the dairy industry to work on that. We have seen a lot of investment in dairy over the past five years, particularly by the five largest dairy companies. We have seen £870 million of investment in new capital, for example the new Müller butter plant in Shropshire and the expansion of the Davidstow cheese plant. We are seeing investment in dairy with better connections to make sure the business skills are there, as well as the management of volatility. We have seen high prices fairly recently in milk. According to the charts I see, prices are due to recover, so the question is how farmers are helped to bridge that gap.

**Q113 Roger Williams:** What role does the Secretary of State see for direct payments to farmers in getting them through these difficult times, and ensuring they can invest on a regular basis and have the wherewithal to produce next year's crops as well? You have been saved by the bell.

**Chair:** We will now adjourn and come back as close to 10 past four as possible, assuming there is only one vote, if that is agreeable.

**Elizabeth Truss:** Perhaps I might answer that question. As to how I see our role, we have the dairy supply code to which 85% of the industry has signed up. That is important in making sure contracts are dealt with fairly. I think we have a role in issues like labelling, making sure British products are properly labelled. That is one of the matters I am looking at, as well as working with the industry on things like contracts and how to manage volatility. I do not necessarily see the role as direct payments. It is about helping the industry be sustainable and competitive, because, as I say, I think dairy has a great future. I think there is going to be a much bigger market out there, as we see growing middle classes in developing countries.

*Sitting suspended for a Division in the House.*

*On resuming—*

**Chair:** Secretary of State, thank you very much for accommodating our quite brief lapse. Could we turn now to look at the badger situation?

**Q114 Jim Fitzpatrick:** The analysis of the first round of culls demonstrated that Defra had not met its targets in terms of numbers or humaneness. Can you update us on where you are and particularly on progress with vaccines for cattle and for badgers?

**Elizabeth Truss:** We continue to look at both of those issues. It is all part of our comprehensive strategy to deal with bovine TB. As you will be aware, we have the highest levels of bovine TB in Europe. Our strategy at the moment is improving cattle movement controls, vaccination in the edge area, so we are doing badger vaccination as well as culling where the disease is rife. We continue to fund research on both cattle vaccination and badger vaccination.

**Q115 Jim Fitzpatrick:** Is there any prospect of the vaccines becoming widely available and deployed, either in conjunction with or as an alternative to culling?

**Elizabeth Truss:** The badger vaccinations are being deployed in conjunction with culling. Obviously, we cannot be vaccinating diseased badgers, because they continue to carry the disease, but, in the edge areas where the disease has not yet spread, we are creating a buffer zone, and we are doing that through our vaccination projects, which we are doing in the edge areas. The badger vaccination process is working. There are various issues around the cattle vaccine, not least that we have not found an effective vaccine yet that has been licensed by the EU.

**Bronwyn Hill:** It is worth saying, as the Committee may know, you have to do very extensive field trials to show that you can tell the difference between vaccinated cows and unvaccinated but infected ones. The former Commissioner set out a timetable, which was quite a long time, it seemed to us, so what we have doing most recently is looking to design those field trials to make sure we get the right design, because you really only get a one-off look at this. It is really important that we can continue to trade, and, as you know, it is unlawful to trade in vaccinated cattle at the moment, so we need really robust field trials to demonstrate to the Commission and other international bodies that it is safe to vaccinate cattle.

**Q116 Jim Fitzpatrick:** You have had the independent expert panel to advise you on the first round. There was a legal challenge that you ought to use them, which was dismissed by the court. How do you intend to assess the success of the second round? Will you have a separate independent assessment? If not, how are you going to use the statistics to demonstrate whether that has been a success or not?

**Elizabeth Truss:** The independent expert panel was always designed to be there for the first six weeks, to advise on issues like the safety and humaneness. They produced a report. We responded and accepted all the recommendations of the report, and, as you have mentioned, the court found that the independent expert panel did not have to be part of the next year's proceedings. In terms of what we are doing this year, we are having independent auditing taking place on elements of this year's cull, which will be part of the report, as well as the work that the Chief Veterinary Officer is conducting, so it is his job to analyse the effectiveness of the culls, as well as the humaneness, and we will be reporting that when we have that in due course.

**Q117 Jim Fitzpatrick:** This is not a right and wrong situation, I do not think, despite the way that it has been argued in the House, where it has clearly been presented as two different polar positions. When I looked at the issue, for me it was 51-49 to 55-45. We looked at the science and we concluded on the side that we would not proceed to cull. With a different political perspective, you have looked at it and decided that a cull was the right way to go. How will you be able to tell whether the cull has been a success and value for the taxpayer? Do you think that is possible before the general election?

**Elizabeth Truss:** This is clearly a long-term strategy that we have to combat bovine TB. It is much longer than the horizon between now and not just the next general election but the general election after that. If you look at countries that have successfully eradicated bovine TB like Australia, or Ireland or New Zealand where progress is being made, it is not something that been achieved overnight; it is something that has been achieved by consistent strategy over a number of years. In answer to your question, this is not something that we are going to discover immediately. It is about applying the consistent principles of the strategy over a period of time. It is really important to understand that the cull is one element of that strategy; it is not the entirety of the strategy. Cattle movement controls are very important, as is the policy of vaccinating badgers in the edge zone, as well as the culling process.

Ultimately, I listen to the advice of the Chief Veterinary Officer on how effective the culling in the cull zones has been in terms of stopping the disease spreading. That is what I am looking at. I am looking at his advice on what is taking place, in comparison to the other work that is going on around the world. Of course, we will continually monitor the progress and look at the way forward, but it has to be on that evidence that he provides.

**Q118 Jim Fitzpatrick:** Since the initiation of the original cull, you have ramped up the restrictions on cattle movements, etc. Have discussions with the Welsh Government on the success that they seem to be meeting proved to be useful?

**Elizabeth Truss:** We are looking at what is going on all over the place. I have mentioned Ireland and New Zealand. The surface area that is covered in Wales is 1.5% of the total land space in the country. Also, that work has been ongoing for I think two years, if I am not mistaken. Again, these are long-term strategies to deal with the problem. We have a very high rate here in England. We have the highest rate in Europe, so we have a particularly difficult problem to deal with, and that is why we are taking the combination of measures we are taking. To look at something after two years or to look at something that has only been applied on a small proportion of land mass I do not think is the right approach. We have to look at the overall picture.

**Q119 Jim Fitzpatrick:** Given the cost to the taxpayer of £100 million a year in compensation for farmers, notwithstanding the emotional cost to farmers and families of the destruction of animals that they have brought up and reared and were looking to use for their lifetime, is the driver solely value for the taxpayer in terms of the policy? Animal welfare and the ability to eradicate the disease play a part in it, even if it costs more to the taxpayer. What is the main driver behind the policy?

**Elizabeth Truss:** First of all, the long-term future of the beef and dairy industry is very important. I have already commented on how important food and farming is as part of our economy. This is a serious threat to the beef and dairy industry, and of course the costs that you mention are serious costs that the Government faces, but those do not take into account the cost to the dairy and beef industries. The cost to those industries, as you have mentioned, is the emotional cost to farmers, who are devastated, but also we were talking earlier about making sure our industry is able to compete and is sustainable. If we are focused so heavily on dealing with bovine TB, that is a tension that is not then spent on thinking about how the dairy industry or the beef industry can succeed in the future.

One of the things I have been looking at is, overall, the competitiveness in different parts of agriculture. What is very clear is, in areas of agriculture where we have had serious disease, it has knocked us off course in terms of those industries being sustainable in the long term. It is very important for the sustainability of the industry. It is important from an animal welfare perspective; it is a terrible disease. It is also a cost to the taxpayer of continuing to deal with that. At the moment, the cost is forecast to be £1 billion over the next 10 years, as you have rightly pointed out.

**Q120 Neil Parish:** I am long recorded as believing that the cull is absolutely right to take out diseased badgers in areas where you have a lot of diseased cattle; that is the case both in Gloucester and in West Somerset. When you talk about the cost to the taxpayer of the cull, are you also going to include in that a cost of democracy, a cost of those that want to protest, those that thrash the badger traps and try to stop the cull? There is a huge cost there. When you are doing your figures, it would be quite a good idea for you to include that also.

**Elizabeth Truss:** The costs of policing the cull have been released for last year, as have the costs of a lot of the work that was done around the cull. Some of that work is things like the humaneness and safety of the cull, which will be a one-off cost, because we have learned lessons from last year; some of those costs we need to pay out only once. We do need to see the costs in the overall context of the threat to the industry. This is an industry that is tremendously successful; I mentioned that dairy exports have increased by 60% over the last five years, but it is hard to do that when you are also facing a disease that is a very serious threat to its future.

**Q121 Richard Drax:** Do we now have the equipment—I believe we have—where you can test a sett to see whether the badger inside is diseased or not? If you can, and you know the badger inside is diseased, then you gas it, rather than shoot it. Often, if you are shooting the badger out in the wild, they are healthy; they are going for a little wander. That is what badgers do at night. They are also quite hard to shoot, and you have protesters, so you risk endangering them as well, of course. Do we have some kit now that we can use to identify setts where the diseased badger is?

**Elizabeth Truss:** First of all, the culls were not conducted with just shooting. There was a lot of cage-trapping, which is an efficient method of carrying it out. I know that other techniques are used in other countries. Of course, we do explore options, but, just to be clear, we have not explored the option of gassing with live badgers.

**Bronwyn Hill:** I was going to add a point on Mr Drax's question about whether there is a perfect test for detecting outside the sett whether any of the badgers within it are infected. We set down in some detail the state of knowledge towards the end of the bovine TB strategy, and, at that stage, from memory, I think we said unfortunately at the moment it is still not 100% effective, because of the way in which badgers shed the virus and the disease. There is work going on, I think by Warwick University—I may be wrong—to try to improve the effectiveness of that test. At the moment, the test is not proven as much as we would like, but clearly that is an area where we would like to see some work.

**Q122 Chair:** Could you tell us when the field trials for the vaccination of cattle will start?

**Bronwyn Hill:** I do not have a date with me. Perhaps we could drop you a line.

**Peter Unwin:** From memory, the TB strategy published earlier this year sets out a programme; I think 2023 is the earliest that cattle vaccination is likely to come in. That was a programme set down by the European Commission a couple of years ago. Within that, the field trials are some way down the track.

**Q123 Richard Drax:** On ducks and avian influenza, following the outbreak at the duck breeding farm in Yorkshire, what steps has the Department taken to eradicate the disease?

**Elizabeth Truss:** Immediately the disease was notified to the Department, a Government vet was on site at the farm that day, who started conducting tests, ruling out various possibilities. As you know, we were able to confirm that there had been a case of avian flu, although the particular strain H5N1 was ruled out, which is the strain of most concern in respect of people. Immediately as that outbreak was confirmed, we set up our National Disease Control Centre. We put in place a protection zone of 10km around the premises. Since that point, the Chief Veterinary Officer has been leading daily meetings. There are three meetings per day where we bring together all of the different parties involved, so for example police, stakeholders like the NFU, the British Egg Industry Council.

**Q124 Richard Drax:** Can I be very rude and interrupt you? The meetings are not going to eradicate the disease, with all due respect to you. What are you doing to eradicate the actual disease itself, other than having meetings, which is all very good?

**Elizabeth Truss:** First of all, the 6,000 ducks on the affected farm were culled to prevent any potential spread of infection. The Chief Veterinary Officer is leading a thorough investigation of how that disease came to be on that farm, so that is tracing all of the people, equipment and products that might have entered or left the farm. He has also been working closely with counterparts in the Netherlands and Germany, where, as you are aware, there have also been outbreaks. It is really a very careful process of investigating and tracing exactly where this disease can have come from.

**Q125 Richard Drax:** Is it migrating birds, as was suggested? You are looking at it.

**Elizabeth Truss:** That is one possibility that he is looking at, but the cause has not yet been confirmed. The process is ruling out possibilities, but there is no definite confirmation of where it has come from. The point I was mentioning about the National Disease Control Centre, which is based in our Defra headquarters in London, is there is a forward operating base in Beverley, which is very near Driffield, and the people within that forward operating base are responsible for investigating the local area and testing in the local area to ensure that those local poultry keepers are free of avian influenza. Of course, the control centre is on constant alert for any other notifiable cases that may be reported to us, and those are followed up immediately.

There is a very vigilant process of looking across the country, working with devolved administrations on any potential cases that might be reported in those countries, as well as keeping a regular update on what is happening in the Netherlands and Germany. The important thing with these diseases is, first of all, taking very rapid action, which we took. Immediately as the disease was confirmed, culling was designated, the zone was put in place and the investigation commenced, but it is also about constant vigilance of any other potential cases that might arise.

**Q126 Richard Drax:** I understand, thank you. Are you confident that Defra has sufficient resources to deal with outbreaks of animal disease, of which we seem to be having quite a few? As part of the same question, do we need more animal and plant health experts, in your view, to combat any future diseases that we get?

**Elizabeth Truss:** The fact there was a Government vet on the site of the farm that day that the notifiable disease was reported does show that we are ready to act immediately where these cases do arise. As I have mentioned, protecting the country against animal and plant diseases is one of my priorities. That is why we have protected the number of frontline vets in the organisation, so there has been no reduction in the number of frontline vets, and it continues to be a priority to make sure the veterinary profession is well represented at Defra. It is a really important part of what we do.

In terms of the investigatory capacity, we have a monthly biosecurity meeting at Defra where we talk about the investigatory capacity, not just for notifiable disease but also for non-notifiable diseases. We have expanded that investigatory capacity, working not just with Government vets but with private vets as well, to make sure that they are all fully part of the surveillance work that we carry out, because, in the history of animal disease outbreaks—we have some experts round the table here—the important thing is to discover it rapidly and deal with it rapidly. The surveillance element is extremely important.

**Q127 Richard Drax:** If we had another foot-and-mouth outbreak, a very serious disease, do you have enough people on the ground—vets, staff and all the rest of it—to manage another thing on that scale in this country now?

**Elizabeth Truss:** As I say, there are probably people who were involved at the time in the foot-and-mouth outbreak. I remember how devastating it was. I think the issue there was making sure we act early enough, because, if you act earlier, you need fewer resources, because you can deal with a disease and clamp down on it. It is making sure we have that investigatory capacity that is really important. As I said, we have protected the number of

Government vets. We have access to a wide number of private vets who are part of our network, and we have expanded that investigatory network. In the case of very serious outbreaks, we also have arrangements with overseas veterinarians in countries like Australia as well.

What I would suggest is that my priority—and this is why we have monthly biosecurity meetings—is to catch these things early, because we never want to be in a position again where we have such a major outbreak. Prevention is the absolutely critical thing. For example, at the monthly biosecurity meetings, we look at: what is happening across Europe; where are the diseases; what are the biosecurity risks; how serious would those risks be if they arose? Compared to even 2001, we now have a much better access to IT and surveillance to be able to pick up those things that are happening.

**Richard Drax:** So it is in hand.

**Elizabeth Truss:** We are pretty obsessive about this is what I would say.

**Q128 Richard Drax:** We all have huge confidence, in this Committee, I am sure. Lastly from me, where are we with ash dieback? What is the state of play with that now?

**Elizabeth Truss:** One of the things this Government has done is prioritise plant disease, and that is why we have created the new agency APHA, which is the Animal and Plant Health Agency. For the first time, we have created a Chief Plant Health Officer to make sure we are monitoring and dealing with plant disease.

**Bronwyn Hill:** We continue to monitor cases that are reported to us. I cannot remember the figure off the top of my head, but I think we have had 902 in total, and so it is very important to maintain that monitoring to see how widespread the disease has become.

**Elizabeth Truss:** That is right.

**Q129 Richard Drax:** Is that 902 for the whole country? Where?

**Bronwyn Hill:** I think that is UK findings by 3 November 2014.

**Richard Drax:** Across the UK?

**Bronwyn Hill:** Across the UK. The second point is, as you may recall, one of the things we are very interested in is whether some of our ash trees we could get genetic resistance. I cannot remember the figures, but we planted a rather large number of ash trees, which we are now looking at to see if any of them look like they may be genetically resistant so that we would have a supply of plants that we could use to repopulate. I think 902 is the right figure.

**Elizabeth Truss:** That is the right figure.

**Bronwyn Hill:** It is about keeping an eye on how it is spreading.

**Q130 Richard Drax:** Have you looked at the plant security? I seem to remember, when your predecessor was around, it is no one's fault per se but there were quite a few holes in plants coming into the country and all of that. Has that been tightened up now?

**Elizabeth Truss:** Yes, and the point about our monthly biosecurity meeting is it focuses on risks to plant health as well as risks to animal health, so ash dieback is one of the issues we look at. There are a number of other potential threats. Also, we look at movements coming into the country. We have checks at the border as well, to make sure, but, as the Permanent Secretary has mentioned, it is a difficult disease to deal with, and that is why we are looking at these alternative strains of ash that may be resistant to the disease.

**Chair:** Can we turn to flooding, and Mark Spencer?

**Q131 Mr Spencer:** Thank you, Chair. I can tell you were getting stressed about timing, so I will be as quick as possible. Obviously, you are talking to the Treasury, and you must be talking about the next spending review.

**Elizabeth Truss:** I certainly am.

**Mr Spencer:** Are you having any discussions regarding the possibility of moving to a total expenditure classification for flood risk?

**Elizabeth Truss:** You had our Finance Director in front of the Committee, who said that we are in discussions with the Treasury about flexibility. I think flexibility is important. There is a question about what exactly that looks like, but I am committed to making sure we have the right resources in both flood capital and flood maintenance to do what we have to do.

**Q132 Mr Spencer:** It is fair to say we have had a few mixed messages. Minister Rogerson seemed to be quite optimistic that we might be making some progress, but the Chancellor has written to us. To quote him directly, he says, "There is also a timing issue: future plans for resource spending beyond 2015-16 are a matter for the next spending review, so any flexibility beyond that point would not at present be meaningful." I just wonder if you could clarify where we are at or give us reasons for optimism.

**Elizabeth Truss:** It is a fair point that we do not know yet what the contents of the next spending review are going to be, and we cannot bind future Governments on that. There is a case for more flexibility. It is something we want to have further discussions about. What we have done as a Government, and this is unprecedented, is set out a six-year programme of capital expenditure, because historically we have seen expenditure on flood defences rise and fall, and we actually need constant investment to make sure more and more homes and land are protected.

I think there are other questions. I am a big supporter of internal drainage boards. We have a very successful network of internal drainage boards in Norfolk. I want them to be part of the solution as well in terms of carrying out maintenance. We need to look at all of those aspects and options. One of things we are doing is eight pilots of the internal drainage boards taking on more of the work of the Environment Agency, which is important, and we are looking at developing more of those localised solutions. I cannot

promise anything in terms of discussions with the Treasury, I am afraid. I am very pleased to hear Minister Rogerson is optimistic. Maybe he has had some discussions with the Chief Secretary that I do not know about.

**Q133 Mr Spencer:** We all welcome fantastic capital schemes, but of course, once you have established a capital scheme, that has to be maintained. I just wonder if you are confident that there are sufficient funds within the EA to maintain these schemes that are coming forward. The more capital you spend, the more maintenance you will require.

**Elizabeth Truss:** We have put £35 million additional into maintenance this year and £35 million additional into maintenance next year. On the Environment Agency, I have had this discussion with Paul Leinster, the Chief Executive, who has assured me that that does cover the maintenance requirements, but, as I say, there is more we can do to have more local action, through internal drainage boards. There is more we can do to make sure the maintenance is being carried out in the best way possible, so that is not the end story, but, as I say, the Environment Agency are being clear that that funding is sufficient to do the maintenance they need to so.

**Q134 Mr Spencer:** Obviously, the extra money is very welcome, but is that enough in the long term, or are we talking about a short-term band aid to get us through?

**Elizabeth Truss:** I am sure a lot of Government Ministers would love to have 10-year confirmed spending plans and be able to do that. What we have got is this year and next year, which is a positive step forward. We continue to have discussions about issues like the flexibility between capex and revex.

**Bronwyn Hill:** I was just going to add a point that permanent secretaries would welcome 10-year budgets as well, but I am not banking on it. A point I wanted to make was that this is an area where we do set targets for the Environment Agency to keep their assets at a certain target condition. Whilst they took a bit of a hammering last winter, the money we have given them, the Environment Agency have said, will enable them to get their assets back into the target condition. That is a thing I would look to maintain and make very strong cases at successive spending reviews.

**Q135 Mr Spencer:** If we went into this winter and we had a repeat, is there enough room in the budget? Have you budgeted for a repeat of last winter?

**Elizabeth Truss:** First of all, last winter was the wettest winter ever, the wettest winter on record. We have already got to the position where every single community is at least as well protected as they were before last winter, if not better protected. There has been a gargantuan effort to get those flood defences in the right position for this winter.

**Bronwyn Hill:** We would not normally over-budget. I am not expecting to have another one-in-250-year event. If that were to happen, of course, we would look to our budgets again and have discussions with the Treasury to meet those needs. I would assure you. For example, last year, I vividly remember, during the east coast storm surge, the Environment Agency came to me to say, "We need a helicopter to get materials directly

onto the site to plug a hole in the seawall near Teesside, because otherwise the next time will engulf that complex”. We paid for it on the spot and they went off and did it, so, if it is an emergency, we are able to switch money to do the right thing.

**Q136 Mr Spencer:** What impact does that have, then, on other parts of the Department? Excuse the pun; it must be all hands to the pump. Does that really impact on other parts of the Department if you are all concentrating on winter floods?

**Elizabeth Truss:** That is part of the point. This is the discussion I have had with the Environment Agency. Not only have we protected frontline flood staff, but also other staff in the Environment Agency are available should there be an event that requires that extra assistance, as are staff in Defra. One of the things that we are working on—and we discussed the budget earlier in this session—is how we make sure resource is flexible so we can move to the issue, because the Department does not control the weather, but what we can do is be flexible and adaptable so, if those circumstances arise, we can do that in the best way possible. We are using our resources more flexibly, and that is a good thing.

**Peter Unwin:** In several years, we have had flooding incidents where we have needed relatively small amounts of money—£10 million, £20 million—to give the Environment Agency to deal with the unexpected, and we found those within our budget. When you get a major event like last year, a one-in-250-year event or whatever, that is when you go to the Treasury, as we did last year, and get extra money from them. It is that sort of process. It is fairly normal for us to deal with peaks in some winters.

**Q137 Mr Spencer:** I am sure the experience of last winter was fairly traumatic at times. Is there anything you changed specifically in the Department to reflect what happened last year so you are in a better place if it did happen again?

**Elizabeth Truss:** There obviously were a lot of learnings from last year. People worked flat out to get the flood defences in the conditions they are now, which is better prepared than they were last winter. The Environment Agency is making a lot of efforts to communicate with the public, so there has been a big communications campaign early in November about how people can deal with flooding if it happens. Also, as a Department, we now have a monthly flood resilience meeting, so we go through with all the different agencies what the outlook is, what the preparations are, making sure we have everything in place to deal with the situation, so we are constantly vigilant about the potential threat.

**Q138 Chair:** Could we move to Flood Re and where we are with the start date? Do you think we are on course to start Flood Re? Will it be in place by July 2015?

**Elizabeth Truss:** We are on course and we continue to have discussions with the ABI before we put in place the relevant legislation. The important point to note is that there is a statement of principles agreed with insurers for the interim period until Flood Re is up and running to make sure that flood insurance is available to all people.

**Q139 Chair:** When might you bring the legislation forward?

**Elizabeth Truss:** Relatively shortly. We are having the discussions with the ABI virtually as we speak, although most of the main negotiators are in this room.

**Q140 Chair:** That is fair enough. Has the state aid application been submitted to the Committee?

**Peter Unwin:** Yes, it has. The state aid is on course. Obviously it has still to be agreed, but that is on course. There are various hoops that have to be gone through, such as the application by Flood Re to the PRA, the Prudential Regulation Authority, but that is all in hand and covered by the discussions we are having with the ABI, and indeed now with the new Chief Executive. One of the things now is we are not just dealing with the ABI; we are dealing with Brendan McCafferty, who has been appointed the Chief Executive of Flood Re and is going to have to carry out the establishment of the company, so that has brought things on quite a lot.

**Q141 Chair:** It was explained to us when we did the scrutiny of the Bill, which seems a long time ago now, that, in the initial year or two, if there was a major event of the type that Mr Spencer described, presumably one-in-200 even, there would be a shortfall in the fund because the levy would not have built up sufficiently to contribute to a fund. Are you quite relaxed, are the Treasury quite relaxed, about the taxpayer effectively being the insurer of last resort in those circumstances?

**Elizabeth Truss:** This is an issue that we have been discussing with the ABI to come to an arrangement that is suitable for all parties. The taxpayer will underwrite it to a certain degree.

**Peter Unwin:** There is no direct money going from the Treasury into Flood Re, as you will know from the passage of the Bill. The levy will potentially count as a tax if, as we expect, the Office for National Statistics classify Flood Re as a public body. Through reinsurance, which is one of the things we are discussing with the ABI and Flood Re, a lot, if not all, of that liability, could be covered.

**Chair:** I am sorry, I missed that. Could you repeat that?

**Peter Unwin:** Flood Re will be able to reinsure a lot of its risk, and, using the levy and the premium that it collects, that will cover a lot, if not all, of the risk that it will face in those early years.

**Q142 Chair:** That is being negotiated, so will it be in place by July?

**Peter Unwin:** That will need to be in place by July, yes.

**Elizabeth Truss:** Yes, that is what needs to be in place. The discussions are about precisely that.

**Peter Unwin:** They have a contract out for their insurance brokers. We hope they will be signing that soon, and it is all part of the process to have that agreed by July.

**Q143 Chair:** You are confident there will not be any hiccups; there will not be a call on the taxpayer.

**Peter Unwin:** The Treasury are certainly watching that very closely, and they seemed confident last time we spoke to them, yes.

**Chair:** That is very helpful, thank you.

**Q144 Sheryll Murray:** Minister, I am referring to the marine conservation zones that apply under the Marine and Coastal Access Act, rather than the Natura 2000 ones. With only 27 marine conservation zones out of the recommended 127 so far, are you satisfied that Defra is achieving the requirements of the Marine and Coastal Access Act to form a network of these protected areas? Are you happy that you are meeting the requirements of the Act?

**Elizabeth Truss:** Marine conservation zones are extremely important, and we are currently working on potential new marine conservation zones. We expect to consult on proposals for designation for the second tranche early next year, but it is important, as with all these policies, that we get it right. It is a phased approach. We have already designated 27. We will look to do a further tranche early next year.

**Q145 Sheryll Murray:** Why is the programme for designating them so slow? Is it because you need absolute scientific evidence? Is it because the consultation programme is taking a long time?

**Elizabeth Truss:** It does require a lot of good research and evidence, and it is important that we designate these zones in the right places and look at it thoroughly. That is the work the Department is undertaking. These are long-term projects and, as I have said, it is really important we get it right.

**Q146 Sheryll Murray:** Could I just come on to ask a question about the interaction between your Department and the MMO? What work is being done in conjunction with the MMO to ensure that licensed dispersal sites, for instance, are being moved away from marine conservation zones and possibly phased out eventually? We clearly have to take account of the necessity for dredging our ports and harbours, but what work is being done to assure that the MMO is issuing licences in acceptable places, instead of in close proximity to marine conservation zones?

**Peter Unwin:** As you may know, having designated the first tranche of marine conservation zones, what is now happening is that Natural England are looking at the management measures that have to apply to those. They will depend very much on the specifics of each particular site. Clearly, in some areas, they might well be saying that the dumping of that sort of material would be totally inappropriate, and the MMO would then have to take account of that in any licences it gave for that. It is not a blanket rule that will affect every zone, because, as we know, the zones are all operated for different purposes, but the management measures that are decided for each zone will determine what can and cannot happen and what rules the MMO will have to follow in allowing any licences.

**Q147 Sheryll Murray:** Keeping with the MMO for a minute, how confident are you that the MMO are able to act responsibly? They seem to have been given some negative publicity at the moment with regard to this particular aspect, and also the fisheries management. Do you think it is perhaps time to have a review of that agency?

**Peter Unwin:** Minister Eustice is in very close touch with the MMO on all these matters. They have had a lot of challenging issues to deal with. As you will know, the issues around fishing quotas this year have been particularly complex, and they have had to make decisions to ensure we stayed within the European laws on that but to enable fishermen to carry out their livelihood as best as they possibly can. They have also dealt with some very difficult issues of the sort you are referring to on some of the licensing decisions they have had to make. They have had to balance the environmental concerns on the one hand with the need for development on the other, and ensure they follow both the domestic and the European legislation that covers them. The Minister is in constant dialogue with the MMO on those issues, and we think they are handling that well.

**Q148 Sheryll Murray:** If I could just turn to biodiversity, the Department has informed us that just under 25% of English water is now protected by marine protected areas, up from just 23% in 2003. Do you think this is sufficient progress in relation to the biodiversity strategy of 2020 marine outcomes in over 10 years?

**Elizabeth Truss:** This really goes back to your point about marine conservation zones and making sure we are making progress on that consultation.

**Peter Unwin:** Those zones have to be seen in the context of our wider protected areas, so we now have over 500 protected areas altogether.

**Q149 Sheryll Murray:** So you should take into account the Natura 2000 sites as well.

**Peter Unwin:** We are, in many ways, leading the world here in adding these sites onto the European sites that we already have, at the same time as we are introducing a world-leading marine planning system for our marine seas. That has to be seen in that context.

**Q150 Chair:** Do you know the flags? Filey—which is why I call myself the Thirsk, Malton and Filey MP—was left out of one. When might the flags be reviewed? If a coastal community like Filey was left out of one flag system, I think under the marine conservation zones—

**Elizabeth Truss:** Is this on beach standards?

**Chair:** Yes.

**Elizabeth Truss:** I must look into the case of Filey. Overall, the performance on beaches has been very positive.

**Q151 Chair:** Can I ask humbly if I could have some guidance as to how to do right by Filey so that they will be included? They feel very left out.

**Elizabeth Truss:** Are you suggesting they were not assessed?

**Chair:** I think there was a little local omission, which I will not go into here, but any guidance you can give me would be very helpful.

**Elizabeth Truss:** We will look into the subject of Filey, but, as I said earlier, the overall record on beach cleanliness is very good, and we made significant improvements.

**Q152 Mrs Glendon:** Can you say when the final evaluation of the biodiversity offsetting pilots will be published, and when the White Paper will be due?

**Elizabeth Truss:** I am currently waiting for the report on the outcome of the biodiversity pilots. Once I have that report, I will give it due consideration.

**Q153 Neil Parish:** On the biodiversity offsetting, I believe the Government is going in the right direction. Do you have similar views to the previous Secretary of State that biodiversity offsetting can allow developments to go ahead provided that we can be absolutely certain that mitigation and the hierarchy of that biodiversity is all observed and moved? What are your feelings on it?

**Elizabeth Truss:** As I say, I am still waiting for the report from the pilots to see how that has come about. At present, within the planning system, there is some measure of allowing that to happen. In my constituency, we are getting the newly dualled A11, which is due to open very shortly and everyone is very excited about it, but, again, there was a special protected area where alternative land was found, and I think that has been very helpful in that case. It is certainly something I am keen to look at once we have the results of those pilots.

**Neil Parish:** I cannot draw you further on your enthusiasm or not about biodiversity.

**Q154 Chair:** Let us try. Secretary of State, I think you went to visit the Hoo Peninsula as part of recent activities in Rochester. I know when I met a group of farmers there they were very concerned about this aspect, and I have to say it is not something I have come across in my own constituency. I think we are all in favour of mitigation, but without making things worse and depriving people of their livelihood, which I understood was the case there. Could we press you a little bit further, as Mr Parish has attempted?

**Elizabeth Truss:** I did enjoy my visit to the Hoo Peninsula.

**Chair:** I think they enjoyed seeing you.

**Neil Parish:** I am not sure, Madam Chairman, whether we are tempting the Secretary of State in the same direction.

**Elizabeth Truss:** I visited a very good apple producer, which produces a sixth of all the country's apples.

**Chair:** I think we have visited the same apple producer.

**Elizabeth Truss:** It is planting new orchards as well, which is very exciting. I do want to look at the reports of the pilots. There are some things, say for example ancient woodland, where it is quite difficult; the soil type is very relevant. There are other things where it might be an appropriate solution, and we need good infrastructure in this country and we should look at those options. What I want to do is have a proper look at the evidence and see the best way of implementing it. My observation is that this is currently already taking place in a lot of local planning decisions.

**Q155 Chair:** The point I would leave you with is possibly you could write to the Committee, when you have had a chance to look at the pilots. What struck me about the Hoo Peninsula was that, by trying to offset, it was being offset in such a way that they were taking the livelihood away from people who had traditionally farmed there. There has to be a balance reached in the way that it is offset; that is all I would suggest.

**Elizabeth Truss:** I will certainly be in touch with the Committee on that subject.

**Chair:** There are one or two things, if time permits, we would like to do briefly.

**Q156 Jim Fitzpatrick:** Do you think we will get Julian Sturdy's Private Members' Bill on the control of horses through before prorogation? I should declare I expect to be on the Standing Committee. Is there anything the Government can do if it does not go forward to progress the items contained?

**Elizabeth Truss:** I am a very large supporter of the Bill and I want it to go through. I am hopeful it will. There are various things it depends on. I will just mention, on the subject of horses, World Horse Welfare is based in my constituency in Snetterton. I have been to visit it. It is an issue of major concern to me, and Mr Sturdy's Bill is a very important Bill. I know fly-grazing is a major issue in many rural communities in particular.

**Q157 Chair:** Do you think we could implement what they implemented in Ireland? The rule they implemented in Southern Ireland led to all the horses coming over here. It is just something I leave you with. The House of Commons Library can provide—

**Elizabeth Truss:** I am not aware of the Irish case, so I would need to look into that.

**Q158 Chair:** I am sure the Department would like to look at it. Can I ask very briefly, will your final decision on beak trimming be made before May next year?

**Elizabeth Truss:** I think the pilots are still ongoing. I know that Minister Eustice is working very closely on those, but I cannot make any promises on the timing.

**Chair:** Will the results of the trials be made public?

**Neil Parish:** Can I follow up?

**Chair:** We are really trying to finish, Mr Parish.

**Neil Parish:** These trials have been—especially the one in Bristol—an absolute disaster and we are not ready for beak trimming now.

**Q159 Chair:** Will they be made public?

**Elizabeth Truss:** I would hope so.

**Q160 Mrs Glindon:** Does the five-yearly review of the list of protected species in the Wildlife and Countryside Act 1981 provide enough opportunity for the legislation to remain relevant and current in terms of the species that it protects?

**Elizabeth Truss:** That is a very interesting question. One of the things we are aiming to do through the new Countryside Stewardship Scheme is to deal with some of the issues with declining species. I am concerned about farmland birds. We have already made progress in previous stewardship schemes, but there is more that can be done. I will certainly look at that list and see where it fits also with the European Union list of protected species. I will look at that point further and write to you.

**Q161 Mrs Glindon:** In your view, are there sufficient mechanisms in place to ensure that European nature directives remain dynamic in terms of the species and habitats they protect?

**Elizabeth Truss:** I met Commissioner Vella a couple of weeks ago, and I also met Commissioner Hogan. There are, in general, issues with EU environmental legislation. I am very concerned that we get the best possible outcomes in terms of biodiversity. I have had quite a lot of experience, for example, with the natural habitats directive in my own constituency. What I want to see is an environmental law that promotes positive outcomes. I am not always convinced that that is the case, so it is something I am keen to look at. How do we make sure we get the best outcomes, rather than having very bureaucratic, expensive processes that may not deliver those outcomes? That is something I will be looking at.

**Q162 Jim Fitzpatrick:** We visited Covent Garden market a couple of times over the past six weeks, and have seen the exciting plans by the market authority, but we have also heard from the tenants association and the petition they have got. Have you had a chance to look at their objections and the plans? Have you been able to take a view about what could or should be done?

**Elizabeth Truss:** First of all, it is very important that we have a high quality market that close to the centre of London. It is really vital for our food and farming trade. We and the authority are working very closely with the market traders, but we are keeping a watching brief on this.

**Q163 Chair:** On sugar quotas, are you receiving lots of representations on the changes planned to the sugar regime between cane sugar and beet sugar?

**Elizabeth Truss:** I have had some representations on them.

**Q164 Chair:** When you have a view, perhaps you might like to write to us as well on that. On the protected species, badgers is probably the wrong example to use, but we seem to give life protection for the various species—badgers, bats, newts—without going back and seeing whether they are in such good stock that it could perhaps be reviewed.

**Elizabeth Truss:** This is a point I am making about the Copernicus system and the improved data we are going to have on the environment and biodiversity, really understanding the interaction between different elements of the ecosystem and looking at replacing some of those things that are quite set in stone with a more flexible outcomes-based system. I have to say I think that is quite a long-term objective, but it is very important that we have environmental measures that genuinely improve the environment and improve outcomes, because sometimes there can be unintended consequences of those protection laws that leads to other species declining in numbers.

It needs to be looked at in the round. It is a very serious, large issue. I had a briefing recently from the British Trust for Ornithology, just talking about some of those issues. We are still at a fairly early phase in collecting really excellent data. One of the things we said in the pollinator strategy is we simply do not have good enough data about pollinators. We have hypotheses about the major cause of the decline, but we do not really have enough information and data. What I want to see is policy that is driven by that data so we are getting the best outcomes.

**Chair:** Could we just ask Mr Parish if he would like to return to his beak trimming?

**Q165 Neil Parish:** I chair an all-party poultry group and we have taken evidence on what has been happening in these trials to do with beak treatment. The breeding is not there yet to be able to ban it. Even the RSPCA accept that. All I am saying to you is that we have to have more time in order to get the breeding right before we go into a ban on beak treatment. I just wonder where you are on it; that is all.

**Chair:** Perhaps you would take Jim Fitzpatrick's at the same time.

**Jim Fitzpatrick:** I welcome your response to the Chair about the sugar regime and the sugar quota, because the biggest cane refinery in the world is in East London and there are hundreds of jobs dependent on a balanced approach to this. Between beet and cane in the UK, we have two good industries. The new sugar regime that Europe is bringing in could distort that balance and destroy cane refining here, which will have an impact on Commonwealth countries that supply, as well as other international trade agreements that are pending with Mexico and others. If you would look at that, Secretary of State, we would be very grateful.

**Elizabeth Truss:** I certainly will look at that. On the subject of beak trimming, I have regular discussions with Minister Eustice about this, who is very closely involved with the progress of the trials. We have to do what is right and take our time to make sure we do what is right is what I would say. I am following it very closely. As a general statement, I

am against making precipitate decisions that have unintended consequences, particularly for the welfare of animals.

**Chair:** Secretary of State, may I thank you, Mr Unwin and the Permanent Secretary for being so generous with your time today? Could you also convey our thanks to Minister Rogerson and Minister Eustice for making themselves available to help us with our inquiries? We look forward to seeing Minister Eustice next week. Thank you for being with us today.