



Environment, Food and Rural Affairs Committee

Oral evidence: [Work of the Committee 2010–15](#),
HC 942

Wednesday 11 March 2015

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[Follow-up evidence from Defra](#)

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Members present: Miss Anne McIntosh (Chair); Richard Drax; Jim Fitzpatrick; Mrs Mary Glendon; Iain McKenzie; Sheryll Murray; Neil Parish; Ms Margaret Ritchie

Questions 365– 458

Witnesses: **Rt Hon Elizabeth Truss MP**, Secretary of State for Environment, Food and Rural Affairs, **Bronwyn Hill**, Permanent Secretary, and **Nick Joicey**, Director General, Department for Environment, Food and Rural Affairs

Q365 Chair: Good afternoon and welcome. Thank you, Secretary of State, for being with us as part of our final legacy report of the work of the Committee. For the record, would you like to introduce yourself and your colleagues?

Elizabeth Truss: Thank you. I am very pleased to have been invited in front of the Committee today. I very much value the work of the Committee and I am looking forward to discussing the progress that has been made over the past five years under your chairmanship. On my right, I have Bronwyn Hill, Permanent Secretary at Defra; and on my left, Nick Joicey, who is Director General at Defra.

Q366 Chair: You are all extremely welcome. Thank you for being with us. Just a bit of housekeeping. We are expecting a vote at 4.00 pm, so we will try to get back as quickly as possible after that. Secretary of State, when you took office in July last year, there was a change of priorities from previous ones—possibly even earlier than that. Were you aware of the constrained resources that you faced in terms of the reduced resources following the austerity measures of the Spending Review?

Elizabeth Truss: What I would say is very much I was building on the work that both of my predecessors had achieved in the job in terms of my key priorities, which are leading the world in food and farming; improving the environment; protecting the country against floods and animal and plant diseases; and championing the countryside. In terms

of the resources, yes, we did face a very high deficit at the start of this Parliament and savings have had to be made in Defra, but what I saw and what we have achieved since is frontline services being protected—for example, the number of vets that we employ in the organisation, and the amount of money going into flood defences, which has seen a real-terms increase over the course of this Parliament—while at the same time changing the organisation so it is more responsive and also so we are sharing better between the different elements of Defra, whether that is the Environment Agency or Natural England.

Q367 Chair: Just while I remember, on behalf of the Committee can I thank you and, through you, your predecessors, and the Permanent Secretary and her staff as well, for the co-operation we have enjoyed from you in our successive inquiries? We have appreciated that. What would you describe as the main successes the Department has achieved over what has been a five-year period?

Elizabeth Truss: First of all, we have done a lot of work to make sure that food and farming is at the centre of the Government's economic agenda. It is a vital industry for the economy; it is worth £100 billion and it employs one in eight people. We have made major steps in terms of reducing red tape. We have reduced farm inspections by 34,000 a year; Defra guidance has been reduced by 80% during the course of this Parliament. We have opened up public-sector procurement much more for local produce through the Bonfield Report; we have now got compulsory country-of-origin labelling coming in in April for pork, lamb, goat and poultry meat; and we have done a lot to expand exports—we have opened up 600 new markets.

In terms of environmental achievements, we have helped create nearly 150,000 acres of field margins, wetlands and woodlands, and we have also launched our new countryside stewardship programme, which will be worth £3.1 billion and will be much more focused in terms of helping develop biodiversity and new habitats. We have seen the quality of our rivers and our waterways improve; the level of phosphates and sulphides has been reduced. We have launched a new national pollinator strategy—the first ever—to help address the decline in bees and pollinators that we have seen. One of our major achievements is we now have the highest level of woodland cover that this country has seen for 700 years. Over 11 million trees have been planted, including 1 million trees in urban areas. It was before my time at the Department, but I would point to the reform of the common fisheries policy as really being a very significant reform, giving more local decision-making power as well as implementing the discard ban.

I briefly mentioned floods and flood defences. We have seen an increase in spending in real terms during the course of this Parliament. We have seen an additional 230,000 homes protected. We have also seen more efficient spending at the Environment Agency. We have seen a 15% increase in efficiency in terms of that capital spending and, for the first time ever, we have laid out a six-year forward plan for capital spending on flood defences. That represents a real-terms increase and should see a 5% reduction in flood risk over the next six years.

I have mentioned already that we have protected the number of front-line vets in the organisation. We have also appointed a Chief Plant Health Officer for the first time. We take plant health very seriously. We have also put in place our strategy to deal with bovine TB, which, when we entered Government, was at the highest level in Europe, and

we are pursuing that comprehensive strategy of culling where the disease is rife, cattle movement controls, and vaccination in the edge areas.

If I could just comment on the wider rural and countryside agenda, we have seen huge improvements in connectivity over the course of this Parliament, in terms of both road connectivity and broadband connectivity. We have gone from about 40% to 80% now in terms of broadband coverage. We are seeing the gap between productivity in rural areas and urban areas beginning to close and we are seeing a higher rate of start-ups in rural areas than in urban areas outside London. The improvements in connectivity and also our work to protect rural services have been very important in that. Those are a few areas I would highlight where we have made significant progress.

Q368 Chair: Without putting words into your mouth, it was inspirational to appoint an agricultural counsellor in Beijing. That has gone down very well locally, if I may say. The Department will face a number of challenges in the next five years, not least from the Comprehensive Spending Review. Are you able to give the Committee a commitment today that you will defend the integrity of the Department to the best of your ability and particularly against any reorganisation that we may or may not know about at this time?

Elizabeth Truss: The Department has a very important role in terms of protecting the natural environment, the vital importance of our food and farming industry, protecting the country from plant and animal diseases, and championing the rural economy. I see those really at the heart of our long-term economic plan for the future. We have already taken steps on our budget. For example, the six-year capital programme that is now being guaranteed for flood defences means that we know that that money is going to be in place. In the past, we have seen changes in the level of flood-defence expenditure; there has not been the certainty there. For the first time, we have been able to lay that out for six years in the future, which means not only can local organisations plan but we are also doing very well in terms of getting partnership funding to augment those services. What is important from my point of view is what outcomes we succeed in achieving. That is why I am very keen to see further progress on areas like water quality, air quality and biodiversity—in terms of expanding the acreage of habitats that are being created—and that is the way we should look at how we are spending our budget. During the course of this Parliament, we have succeeded in reducing expenditure in some areas but improving the way we deliver services by sharing back offices between the organisations—there is more scope for doing that—and digitising services as well. We can continue to make progress in delivering more on the ground at the same time as making our organisation more efficient and flexible.

Q369 Chair: With hindsight, are there any opportunities that you feel the Department may have missed or issues you would like to have introduced that you felt you were unable to?

Elizabeth Truss: I was appointed last summer and we have got a limited period before the end of Parliament. I laid out at the NFU conference two weeks ago our long-term economic plan for food and farming. I certainly think there is more we can do in terms of promoting exports. We have seen exports grow to £19 billion, but I see much greater opportunities for the UK. By 2018, China will be the largest importer of food.

There is no doubt in my mind that other countries have had a head-start ahead of us. It is great that we have appointed Karen Morgan now as our food and agriculture counsellor in the embassy, but there is much more work to do to build a deeper relationship and make sure we are not just getting our pork products out there—which is now our number-two food and drink export—but also our dairy products, where there is a huge market as well. There is a lot more work to be done with the AHDB in terms of helping the industry become more productive and resilient, and there is more work we can do in terms of using data better in the Department, both on the farming side and on the environment side—making sure that the data we hold is widely available so that environmental organisations and farming organisations can use it for wider public benefit. I have a prospect of leaving the role—with the general election coming up—with a lot of things on the “to do” list.

Q370 Iain McKenzie: Can I ask you, Secretary of State—first of all, welcome to the Committee—how you would intend to make that data that you have just identified there more widely accessible by other agencies, etc.?

Elizabeth Truss: Maybe Bronwyn would like to comment on this as well. The organisation has a lot of legacy systems, which all have very interesting and useful data—whether that is information about water quality; whether it is geographical maps or information about biodiversity—and there is more we can do to make that data more widely accessible. For example, I visited Riviera Produce in Cornwall recently. They use precision methods in terms of their farming. That kind of data would be really valuable for the work they are doing.

Q371 Iain McKenzie: How would you make that accessible? Would you put that in a one-stop shop to brief—

Bronwyn Hill: Would it help to give you a couple of examples? As you know, we already share a lot of our data—for example, on flood risk; the Environment Agency puts that out through warning and informing, but they are working on having better maps, and better real-time information. We would use gov.uk, which is the main website for all information that is available to the public; it is a one-stop shop for people to go to. That is one example, but there are also future opportunities. There is a European Earth observation satellite called Copernicus, where Defra leads across Government. That data is already available, but what needs to be done is algorithms to translate it into usable data that both Defra and its organisations can use in the Department, but also, if we make it publicly available, then that is available to businesses, people, researchers and academics. That is just a future project, and we are already investing resources from the UK Space Agency in working out what we call a route map as to where to start, where to put the investment and how best to make it available. That is a great future opportunity for us. The Secretary of State is right to stress we have, even after reforms, still some 30 arm’s-length bodies, and one of the core ways in which we can improve our efficiency and our services is to make sure that we do things once and we do them well across all of those organisations, particularly when it comes to mapping. The Rural Payments Agency has maps; the Environment Agency has maps; Natural England has maps. One of the things we want to do is to say, “How can we get all of our mapping into one place so that we collect the information once and use it across all of our bodies?”

Q372 Chair: Is that available free of charge? Sir Michael Pitt intended that it would be, but I understand that the Environment Agency charge for these maps. Is that the case?

Bronwyn Hill: I would have to check on that. Our intention would be as far as possible to make them available free of charge, especially on things like flood risk, where we have a commitment to share those with the insurance industry.

Elizabeth Truss: Yes. They are available.

Chair: That is very helpful.

Q373 Sheryll Murray: Can I just turn to your network bodies for a minute? Much of Defra's work is carried out by its network bodies rather than by the Department itself. Is this model conducive to an effective and cost-efficient Government Department?

Elizabeth Truss: There was clearly a review of the network bodies at an early stage in the Parliament. In many cases they perform a specific role, whether that is a delivery role in the case of the Rural Payments Agency or a specific regulatory role in the case of Natural England and the Environment Agency. There is a useful role there. However, through the process of the triennial review, we have been looking at ways of those organisations operating more efficiently—for example, where they are in the same region, co-locating office space. Significant savings have already been made by doing those various things. There is more we can do, particularly in terms of back office functions like finance and HR, and I know that is being looked at. There are important regulatory functions those organisations carry out. However, that does not mean we cannot work much more closely together. The previous question about data is extremely relevant, because one of the issues the organisation faces is legacy IT systems, which are not necessarily very compatible with each other. There are opportunities with those contracts coming to an end during the course of the next Parliament that would enable a much more agile approach and having a single set of data available for those organisations, which hitherto has not been possible because there have been legacy IT contracts that have prevented that.

Q374 Sheryll Murray: What you would say, in summing that up, then, is you are taking steps to encourage co-ordination between and across the various bodies whose remit is potentially very closely linked.

Elizabeth Truss: Yes, absolutely.

Q375 Sheryll Murray: We had the review of the MMO published today. How will the Department take forward the conclusions from the review of the MMO?

Elizabeth Truss: It is what I have said more broadly about these bodies. The MMO has a specific role, but we need to make sure that it is working closely with other organisations. For me, it is particularly about the customer at the end having a single interface rather than feeling that they have to deal with lots of different bodies. That has been one of the issues. It is still an issue on farm inspections. I mentioned that we have

reduced the number of inspections overall, but I would like to see much more of a sense of a single point of contact so people do not feel that they are having to cut through lots of bureaucratic red tape. What we need to become as an organisation—and I refer to all the organisations in Defra—is much more focused on each customer rather than the organisational structure.

Q376 Sheryll Murray: I have a couple of specific questions. There has been an awful lot of criticism of the way the MMO has been engaging in the quota management. For instance, we saw a lot of fisherman who were not able to go out and earn a living just before Christmas. Do you think that any review that you are undertaking should include more open and transparent quota management, engaging the industry in a way that it has not been engaged before?

Elizabeth Truss: I would certainly be very happy to look at that.

Q377 Sheryll Murray: With regard to working across the departments, marine licensing I understand is up for a review at the moment, with a particular question on the dispersal sites. I know they are being reviewed, but do you think there could be improvements there to ensure that we are carrying out the correct stewardship with regard to what we allow to be disposed of in the sea?

Elizabeth Truss: That is certainly something I am very happy to look at as well.

Q378 Sheryll Murray: Thank you very much. Finally, in line with your reduced budget, could you perhaps consider looking at a reduced or merged number of network bodies in the future?

Elizabeth Truss: My focus hitherto has been on what those bodies are delivering and the outcomes we want to achieve in terms of improving the environment—whether it is improving water quality, creating more habitats or helping the food-and-farming and fishing industries in terms of delivering more British produce, both sold here and overseas. There can be helpful changes made in organisational structure, but what we do not want to do is spend our time reforming the structures at the expense of improving the operations. As I have said, there have been various issues that have hampered that reform. Some of these legacy IT contracts, which, regrettably, do not come up until the next Parliament, have made it more difficult to work across those organisations. There is a lot of scope for sorting those things out and making sure that we have much better co-ordination in terms of whether it is dealing with fishermen or dealing with farmers, rather than those individuals having to go to lots of different organisations. That would be my first port of call: to sort out what the organisation is doing first.

Bronwyn Hill: One example of where we are doing this on a pilot basis is around the subject of farm inspections. It can be very annoying as a farmer if you have one inspector turning up one day, someone else the next day and someone else the next. We are trialling a tool so that the inspectors from across the different bodies—the Rural Payments Agency, the FSA, the Environment Agency and Natural England—can share intelligence on who is going to see which farmer when. We are just looking at that in the

West Midlands and I am very hopeful that that will give us a tool with which we can do much better joining up. It does not really matter to the farmer who they are from or why they are coming, but not having one every other day of the week is probably what they would prefer. We call it the one-business approach, or one-stop shop, which is our strategic approach to reducing cost but also improving the service that we are offering to farmers and others.

Q379 Sheryll Murray: Just one last question: you have talked about looking for markets abroad for the food industry. With the discard ban coming into the fishing industry over a number of years, there is potential to perhaps look at markets abroad with regard to the baby-food industry and other industries like that connected with fishing, where the over-quota fish or the unmarketable fish could be used. Would you be looking to help them as well as the farming industry with regard to that?

Elizabeth Truss: Absolutely. I met a very interesting company in Torbay last week, and we were discussing precisely this issue. They are already exporting seafood and fish to China, and one of the things we are discussing is how that can be part of our food export plan. There is a huge opportunity in that area.

Q380 Neil Parish: Afternoon, Secretary of State. You announced four priorities for British farming at the NFU conference, including “making EU rules work for us”.

Elizabeth Truss: That is a work in progress, by the way.

Neil Parish: Yes. Having had 10 years on the other side trying to interpret what these rules were, one of the big charges of the CAP is it is very difficult to have 28 countries and have very similar rules, and one size does not fit all. I very much agree with your argument, but how do you see about developing it?

Elizabeth Truss: You are right about the issue of having 28 countries and a lot of those policies not suiting all of the countries. For example, the three-crop rule, which is already causing problems for our farmers and I want to see go, has been designed because of issues in other countries in Europe and it does not suit our farmers; there is significant crop rotation in this country already. That is a classic example of a rule I do not think should have been set at a European level. The common fisheries policy does show a positive way forward. Reform was achieved on that agenda. We were able to secure the discard ban, but also more local decision-making on issues like quotas in local waters. There are a number of issues. First of all, some of the details of the common agricultural policy, like the greening rules, I would like to be decided at a more local level. Also, issues over pesticides. Again, the process is cumbersome. People have different attitudes to how to use the science. I am very clear that science should be the basis on which decisions are made, and that is a subject that should have more local decision-making rather than the EU process. One area where we have made progress recently is GM, where countries who do not want to have GM are able to not have it and others are able to explore those options. That is the way forward. Commissioner Hogan, who visited a farm with me and also met stakeholders—he spent a significant amount of time in and around Birmingham listening to the issues the industry has—has certainly said to me that he has

understood the importance of jobs and growth in food and farming and how the EU rules need to be simplified to help that be achieved.

Q381 Neil Parish: Certainly that is a step in the right direction. That leads me quite neatly into the next question. The aim of simplifying CAP rules is very often at an EU level. Defra has constantly argued for but did not get a simpler scheme. Given that, why should other countries support the UK's position on simplification now? I would add in there: we saw Fischer Boel, the previous agriculture commissioner, was good at moving towards simplification; Ciolos was not; I am hoping Hogan might be. What is your experience so far? Are you overly optimistic at the moment or not?

Elizabeth Truss: Hogan has said that his number-one priority for 2015 is simplification, and we have accepted that. We have submitted some suggestions on how things might be simplified. Just to be clear, that is simplification of the way that the regulations are implemented rather than changing the regulations themselves. I would like to see the regulations changed and there will be a review; however, in the short term, I want to see the implementation simplified as much as possible. An example of what we are asking for is that we are able to use geotagged photography in inspections for the three-crop rule rather than having to send inspectors out to farm to see whether or not the crops are in the ground or stubble is in the ground. That is an example of the type of thing that we are calling for. This is just in terms of the implementation of those rules. More broadly, it does need to be simplified. It is also worth commenting that many of the policies that affect food and farming are not in Commissioner Hogan's remit. Commissioner Andriukaitis is responsible for issues like GM and pesticides. I have also met him and he is due to be coming to the UK very soon, where I am going to be particularly focusing on the issue of pesticides and farmers' access to those products. There is also Commissioner Vella, the environment commissioner.

Q382 Neil Parish: Can I just come in on you there? One of the issues is that the Commission always said that if they were going to withdraw one chemical, there should be another one available, but that has never really happened. What you find with some crops is there are just not chemicals available, especially for some of the smaller crops and especially fruits. You intend to press that, do you?

Elizabeth Truss: Yes. I had a roundtable of top fruit growers last week and they raised that issue with me. I will be raising that with Commissioner Andriukaitis. In the longer term we do need to see more local decision-making on those types of issues, though, because inevitably 28 countries are going to have different views on which products they want used in their country, and I do not think that is something that needs to be decided at an EU level.

Q383 Neil Parish: Finally on those two questions, you have not had too long in the job yet, but what chance is there of gaining a consensus across the EU member states to simplify and to bring more back to national decision-making?

Elizabeth Truss: We are working with other countries on simplification, in both the short term and the longer term. There is a group of countries, and specifically the Stockholm group, which is in favour of deregulation on these issues.

Nick Joicey: Just to add to that, following the emphasis that Commissioner Hogan put on simplification in his confirmation hearings, we were very pleased that we were able to work with the Stockholm group of countries to write to Commissioner Hogan putting forward our ideas and proposals on simplification, but also underscoring the commitments that exist to review the ecological focus areas by 2017 and also to report on the impact of the CAP by 2018.

Q384 Neil Parish: Yes. You just need to encourage more people into the Stockholm group so it is a majority and not a blocking minority.

Elizabeth Truss: We are constantly talking to potential allies on this front.

Q385 Neil Parish: Good. I thought you would be. Final question. What success have you had with convincing the EU that the rules on hedge trimming are too restrictive for English farmers? As you know, lots of farmers, after cutting the winter barley or whatever, want to get into the fields to trim their hedges, and it just makes sense. While we have got to protect them for nesting birds, there just seems to be too long a period where farmers cannot get in to trim their hedges. How are you getting on?

Elizabeth Truss: I can completely understand; it is a major issue for farmers in Norfolk, as I am sure you can appreciate.

Neil Parish: Yes.

Elizabeth Truss: We have succeeded in securing a derogation for August. That is my understanding of where we are.

Bronwyn Hill: Sometimes you have to look at it on a case-by-case basis. It may depend on the purpose for which the farmer needs to get access. There were special rules around if you have to do it because of the crops that are in the adjacent field, etc. We have got some flexibility; that is probably the right way of describing it.

Q386 Neil Parish: I slightly fear your answer there, because it sounds a bit complicated to me. Are farmers going to be able to go in in August or not?

Elizabeth Truss: They have to specifically apply. That is the answer.

Q387 Chair: Could you possibly write to us on that? I have been contacted by the drainage boards in my area, who—if I have got this right—would do most of their trimming of the banks of the rivers in August. It would be very helpful if you could write to the Committee—because it is very technical—in the next week, and then we can use it in our—

Elizabeth Truss: Yes. I am happy to. We have already got a letter that we can send out. They do have to apply specifically, but it is something we have asked the EU for and have succeeded in securing.

Q388 Neil Parish: You will make that application reasonably simple, will you?

Elizabeth Truss: As simple as possible.

Neil Parish: Good answer.

Q389 Iain McKenzie: Secretary of State, you did speak earlier and gave an example of simplification, as you saw it, of interpreting the EU legislation. It seemed to me that that simplification was more orientated towards modernisation—technology approach. Are you saying the same thing—that an approach can be simplified through technology, if I can put it that way?

Elizabeth Truss: In an ideal world, we would not be inspecting for the three-crop rule, because it is not a rule that we supported. However, given that that has been implemented and clearly there would be non-compliance issues if we did not do it, we want to reduce the burden of inspection both for the RPA and for farmers, which is why we think looking at geotagged photography would be a better way than physically having to go and inspect the farms. It is a simplification in terms of the way that we inspect it rather than the policy itself.

Iain McKenzie: Is there some looking at simplification going in the other direction, away from technology into the basics?

Q390 Chair: I think what the Secretary of State is saying makes a lot of sense. I think what you are saying is that it will be a geo photograph rather than having to send an inspector out.

Elizabeth Truss: Precisely.

Chair: The satellite is there, so it is simplifying the mapping and how you would do it.

Elizabeth Truss: Exactly.

Q391 Chair: Can I just follow up what you have said on the review that Commissioner Hogan is committed to? Do you think that will be a meaningful review? Have you been able to discuss it with him at any length so far? You mentioned in answer to Mr Parish that you are talking to our allies. It would be helpful to know who our allies are in this progress towards simplification.

Elizabeth Truss: Yes. In terms of the discussions with Commissioner Hogan, he said that simplification is a priority. However, that does not mean changing the regulations; it means altering the guidance. As we know, though, sometimes the guidance can have a very strong influence on what has to be done, due to the role of the auditors, so

that is significant in itself. We have put forward about eight specific proposals, which I am sure we would be very happy to share with the Committee, on how we want to see the guidance changed to make it easier for farmers and easier for our inspection regime in terms of delivering the contents of the regulation. In terms of broader reform, he has said that he is in favour of broader reform but not on the same timescale. What we are looking at is the review in 2017, although I have been discussing with him ideas about potential alternatives that farmers could use rather than using the three-crop rule, for example. We are looking at every possible avenue—both making it simpler in the short term in terms of implementation and getting a really significant review in 2017, but also looking at hybrid solutions in the interim beyond year one so it is not as complicated for farmers in year two. That is the overall strategy. We submitted our thoughts last week; we are waiting for a response. He is personally very positive. What I find encouraging is that he sees food and farming as part of the jobs and growth agenda, wants EU farmers to be able to compete with farmers in the rest of the world and supports greater access to technology to be able to do that, so that is all positive.

In terms of the Stockholm group, which are the specific countries that we are allied with, that is Denmark, Sweden, the Netherlands, the Czech Republic, Estonia, Latvia and a few others as well. We will speak to any country that is helpful on various agendas. For example, I have recently had discussions with Germany on the issue of organic products; there are a number of issues that France, as well, are concerned about. There is a constant list of countries that we are discussing various issues with. A large proportion of people are of the view that the new system is very complicated, hence why Commissioner Hogan has launched this simplification exercise.

Nick Joicey: I am just going to add to that that the ideas that we have submitted very recently that the Secretary of State was referring to are designed to be immediate and practical steps that could be taken to simplify the implementation, but we are also looking at those intermediate reforms that we can introduce.

Q392 Richard Drax: Good afternoon, Secretary of State. You said: “CAP-D is a 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.” According to the Rural Payments Agency, 66% of farm businesses have now registered for the new online basic payment system. Do you know how many of those applied over the phone rather than online?

Elizabeth Truss: The people who applied on the phone applied on the phone to get the password that they use to log in online. Those people have been able to register online; it was how they obtained their password and user ID. Roughly 90% obtained it by ringing up and getting the user ID sent to them, but since then they have got onto the system and been able to register online. Across the country, just over 64,000 farmers are now registered online onto the system. That represents 74% of farmers in the south-west of England and 76% of farmers in Yorkshire. A significant proportion of farmers are registered. Of all of the farmers who applied on paper last time, 56% have now registered online. This is the people who were not registered online last time—now 56% of those. Those farmers have been specifically targeted by the RPA—they have been sent letters;

they have had phone calls. In our statistics, when we asked farmers, “What prompted your registration?” 11% of them said it was a call from the RPA that helped them get online.

Q393 Chair: Just to back up what Mr Drax said, when I met the local farmers during the February recess, they told me that they could not get online—I do not know if that is Mr Drax’s experience—because of the broadband issues. Do your figures reveal how many were not just getting the registration number, or the password, but were registering online?

Elizabeth Truss: Those are people that have registered online. They have gone into the system, they have registered and they have looked at their land. It is not 100%, but it is roughly 80% across the country.

Bronwyn Hill: Is it worth, though, explaining that for those people where they do not have good enough broadband access, the RPA is running the digital support centres? The idea is that you ring up—it is the same phone number: 03000 200 301—and you book an appointment to come in and see the RPA at a digital support centre, of which there are 50. The idea is that you have that phone call so that the RPA can go through with you the papers and information you need to bring with you to the appointment, because we do not want to waste people’s time. We would encourage you and your constituents who are farmers to ring the RPA and talk to them about what would work for them best, because we have had some very positive feedback about how helpful the RPA call centre has been in helping people understand whether they could do it from home on their own computer or whether it would be better for them to make an appointment, bring the paperwork and come into their digital support centres.

Q394 Richard Drax: We have heard a lot about this, because we have had the RPA in here on certainly two occasions I can think of and they have expressed this plan, which I am glad to hear is working. The point we all raise—we would like to maybe have an answer, Secretary of State, if we can—is that we are living in a first-world country. We have got farmers who are now having to rely more on broadband and being online. There are significant parts of the countryside—a lot of the constituencies here and across the House of Commons—that do not have broadband at all, and many of those are farmers. What are you doing, Secretary of State, to really push our Government, other Ministers and BT to get this broadband rolled out as fast as we can? Where are we with that so far as you are concerned?

Elizabeth Truss: I do have regular discussions with Sajid Javid about broadband in rural areas. I know it is an issue in the south-west of the country and in other parts of the country. We have moved from 43% broadband coverage to 80% broadband coverage across the country. As Bronwyn says, where there are specific issues we have set up digital support centres where people can go and process their claim. We do have a plan to extend broadband more broadly to 95% by 2017. We need to make sure that people are able to register by 15 May, and what we are doing is really targeting those people who previously have not registered online. They are getting letters and phone calls from the RPA, and we are offering every assistance if they want to come in to a digital support centre or do the work over the phone. I know it is an issue for some farmers and they have raised it with me directly.

Q395 Richard Drax: All this is very worthy, but it is this 5% that we are all concerned about. 2017, 2018, 2019; the years are rolling by. Many of those in that 5% are farmers. What are you doing to push whoever you need to push to get an alternative form of delivery, perhaps, to get broadband into these 5% areas? What is going on there?

Elizabeth Truss: This is a specific issue that I have been discussing with the Culture Secretary. We are looking at what is the solution for the 5%, because it is very important that everybody has access to broadband.

Q396 Richard Drax: Will the system be capable of conducting complex operations effectively, such as mapping and land transfers, ahead of the May application deadline?

Elizabeth Truss: The system is operational at the moment for that. As the Chief Executive of the RPA, Mark Grimshaw, has said, there have been issues in terms of speed. What we are doing is working on making sure that it is fast enough for farmers to input that data. The approach that has been taken on the system this time as opposed to last time is to be building up the capabilities gradually—so, making sure that we had the registration process working. There were a few issues with that, which you have identified. We created a workaround and now we have almost 80% of all farmers registered. The next phase is the ability to check maps—that has now been put in—and, after that, the ability to map features and to exchange entitlements. That functionality is up and running. It is not as fast as we would like it to be and the RPA is working on that at the moment, but the absolute objective is to make sure that all people are able to register by that deadline.

Q397 Richard Drax: Does the RPA have a contingency plan if this all goes pear shaped, which sometimes computer systems, as we know, do? For complex operations like mapping and so forth, will you have a back-up plan if it all goes wrong?

Elizabeth Truss: The maps are up and running. Everybody who has been on the system can view their maps, and they are reporting a very low error rate with that map. We have a plan to get everybody through the system and the RPA will do what it takes to make sure that happens.

Q398 Chair: That is not a contingency plan.

Elizabeth Truss: No; it is the plan to deliver it.

Q399 Sheryll Murray: Could I just turn back again to the figures on broadband? Whilst I am very aware that you have quoted a figure of 80%, in my constituency, for instance, most of that 80% is spread amongst six towns. It is very disproportionate to use a figure covering a wide area when you have got a lot of the rural countryside where the broadband connection is a lot lower than that. I am really concerned when you say, “We have got nearly 80% of people registered”. You have given us a figure of 74% for the south-west. Is that going to become 100%? Is there a problem because a lot of the people in the very rural areas live in “not spots”? Finally, how far away are these help centres from the

rural locations? When you are in a rural area, you have a long way to travel and some farmers just simply will not be able to afford the day away from their land or whatever to make an appointment. I would like a little bit more information on how that works.

Elizabeth Truss: As I have said, of the people who applied on paper last time, 56% have now registered online, so we are reaching the hardest to reach. There is the 44% of them who did not, but paper is 30% of the total. That is quite a small proportion of farmers who were either not online last time or have not succeeded in getting through on the system this time, and those people are receiving proactive phone calls from the RPA about where their nearest digital support centre is and how they can get onto the system. The rules have only just been confirmed by the EU, but we have just recently sent the BPS handbook through the post, so those people should be very aware of the need to get on the system. We are doing all we can to help people get on the system and being very proactive about that. We are whittling down the numbers. I do not know if we have got the total of the numbers who applied on paper last time.

Bronwyn Hill: It may have been 13,000, but we would have to check that.

Elizabeth Truss: Something like 13,000. We are talking here about just under half—let us say 6,000 farmers. Those are the difficult-to-reach farmers who did not apply online last time and we have not yet got online. It is in that order. Those people can be targeted and given the help. We can get you the locations of the 50 digital support centres.

Chair: I think we have it. It is up to 30 miles.

Bronwyn Hill: We aim to set them up within 30 miles. There is also a list of about 13 other organisations who have agreements with the RPA to help—possibly the NFU, and charities that help farmers. We are doing the most we can.

Elizabeth Truss: Yes. I have a weekly meeting with the RPA, where we go through the particular categories of customers and which part of the country they are in. 70% of farmers were already applying online last year; of the remainder, 56% are already online, so we really are talking about 6,000 or so who need that extra help. By dealing with the easiest cases first, we can then focus our efforts on those final people.

Sheryll Murray: When you talk to Sajid Javid about broadband coverage, you are talking to him about making the finances available for people who cannot get a fibre connection to get other connections that would perhaps help our farmers in rural areas be able to compete on a level playing field.

Q400 Chair: Can I just come in here? You, Secretary of State, dare I say, are falling into this marketing trap of “5% by 2017”. I have the map from North Yorkshire for superfast broadband that assures me we will only have 82%, and it is not at all clear that it will be superfast broadband; it might still only be 2mb. It would be very useful to have perhaps a note of where we are across the country, because each of us can go to our own community.

Elizabeth Truss: Yes.

Chair: I would like you to take away from here, possibly, the fact that it is not 5%; it could be 18% in my case and higher in other cases.

Elizabeth Truss: Yes. That is an average across the country. I do understand—

Sheryll Murray: It is just not relevant with the rural areas.

Q401 Chair: It is not 5%, as Mr Drax said, where the farmers are. Can I just press you as well on this contingency plan? The window closes on 15 May. That window I understand also has to be for basic farm payment claims to have been submitted—not just to be registered but the claim to have been made. What would really help the Committee today is to know what this contingency plan is. I cannot speak for Devon, but I know in North Yorkshire they will still be at the height of lambing round about the end of April and the beginning and middle of May, and they are deeply worried that—you know that bill that you have to pay that you put at the bottom of the pile—we get to 15 May, or 10 May, and farmers have not submitted their basic farm payment claim because of broadband issues or because of lambing. What is the contingency plan?

Elizabeth Truss: In terms of the broadband issues, we have approximately 6,000 farmers who have neither applied online this time nor did it last time. We are working with those farmers specifically to make sure those claims have been made where they need to be made. We are working directly with them. It is not a contingency plan; it is a plan of proactive communication to make sure that that claim is submitted. That can be done through a digital support centre that is run by the RPA, making claims on site—essentially, the RPA working with that farmer to submit that claim. That is how we are going to approach those things. The way I look at it is we have got almost 80% of farmers now registered. That is the first stage in the process, where they are registered and they can look at their map. The next phase is to make sure the features are mapped and any entitlements are exchanged. Once that is done, submission can take place. Getting people registered is the important part of the programme. That means that we can then take those farmers through and get that done, and that is what Mark Grimshaw of the RPA is working on. We can do that through the system. It is not a contingency plan; it is a plan to move all of the claimants through the system by 15 May. What I am doing is tracking how many are registering and how many are getting through the entire system and, over time, once we have got all the functionality laid out, we will be able to make sure that is happening.

Bronwyn Hill: Perhaps I could just emphasise that point. The more farmers who register, the more the RPA will be able to track and trace the ones who have not registered yet and get in touch with them actively and phone them up and encourage them to come in. There is a point that if someone says, “I am not coming in”, you cannot make them come in and register, but we are doing everything we can to contact them. The fewer numbers you get who are still to register, the RPA will concentrate their efforts in terms of reaching out and getting them to realise that they need to do something soon. There is a role, if I may, for constituency MPs who fear it may be difficult for their farmers—it is lambing; we all understand that—to really just encourage them to ring the RPA, make touch and discuss how they are going to register. We are using every form of proactive communications that we can think of to enable everybody to get their payment.

Q402 Sheryll Murray: Just very quickly, are you confident that we are not going to see the farcical mess that we saw last time?

Elizabeth Truss: Absolutely. I have spoken to Mark Grimshaw about this extensively. We do have a plan to get everybody through the system by 15 May.

Q403 Iain McKenzie: Secretary of State, you made reference to the countryside stewardship schemes in your opening remarks. Also, Natural England told us last week about how they would be fewer in number and deliver more for the environment. How satisfied are you that the arrangements for the new schemes deliver the most cost-effective outcome?

Elizabeth Truss: A lot of the schemes will be targeted on landscape scale improvements—so, “Where do we need to see specific improvements in biodiversity?” and targeted in that way. We have not launched all of the details of the schemes yet. For example, we have announced the woodland scheme and we have announced the water scheme, but we will be announcing more details in due course.

Q404 Iain McKenzie: How will you make farm owners aware of these new restrictions and options that are present in the schemes? How are you making farm owners aware of that?

Elizabeth Truss: We will be releasing information in due course. In some cases, it will be a question of which scheme you are able to apply for in your area. There are some schemes, like the wild pollinator and wildlife package, that will be available more broadly. What we have is a combination of some schemes that are more universally available and others that will be targeted on specific landscapes where we have specific objectives. We have made huge progress in terms of environmental stewardship over the years in making sure they are more targeted and deliver value for money.

Q405 Iain McKenzie: So you will be matching up the landscapes with the options first of all and making farmers aware of that.

Elizabeth Truss: Precisely, and that is the role that Natural England will carry out. They are looking at the specific landscapes where specific objectives or a particular water catchment area need to be achieved, and the scheme will be launched on those bases. They will be approaching farmers proactively and inviting them to become part of that specific scheme.

Nick Joicey: We have sent information out directly to farmers and to stakeholder groups. At the end of December we sent out information about the countryside stewardship scheme and then last month we sent information about the woodland and water capital grants schemes. We are reaching out to people actively.

Q406 Ms Ritchie: You are very welcome, Secretary of State. Moving on to the issue of the dairy industry, we called earlier for the Groceries Code Adjudicator to be given new powers to investigate the relationship between processors and retailers. We made that proposal to you in a letter and you responded by saying that that would “not be appropriate”.

Further to that, we had our inquiry into dairy prices. What discussions have you had with the Department for Business, Innovation and Skills on the possibilities of any changes to the Groceries Code Adjudicator's powers? We believe that the farming industry, and particularly those in the dairy sector, would welcome more powers for the Groceries Code Adjudicator.

Elizabeth Truss: First of all, the regulations have now been laid for the Groceries Code Adjudicator to have fining powers up to 1% of turnover, and those powers will come in in the new financial year. That is significant progress in terms of giving the GCA the teeth that she needs to carry out her work. Our officials at Defra are talking with BIS officials on precisely the issue of the remit of the adjudicator to make sure that we have got it right. We are looking at that specific proposal at the moment.

Q407 Ms Ritchie: What is the timeline for the completion of those discussions between your officials and those in BIS?

Elizabeth Truss: We do not have a specific timeline for those discussions. It is something we are looking at at the moment.

Q408 Ms Ritchie: Have you had direct contact, Secretary of State, with your opposite number in BIS regarding this particular issue?

Elizabeth Truss: I have discussed the issue with Vince Cable in the past, yes.

Q409 Ms Ritchie: Do you hope to do so before the completion of the Parliament?

Elizabeth Truss: We have only got a limited amount of time left. I do think it is important that we do make sure that the Groceries Code Adjudicator is working properly. We need to look at the impact that the fining powers have. The impact that has on the industry will be very important. It is part of a broader set of issues we need to consider with respect to the dairy industry. We have got a fantastic dairy industry in this country; it is very competitive and productive. What I note is whilst British products are vastly predominant in the area of liquid milk, we are importing 50% of all dairy products.

Q410 Chair: Secretary of State, if I could just intervene—and I know a number of colleagues do wish to—when we published our report into the dairy pricing and the dairy sector, the very next day, the Prime Minister said, which was music to our ears, that not just would the regulation be laid, but that the remit of the Groceries Code Adjudicator, particularly to look at the supply chain pertaining to the dairy sector, would be looked at as a matter of urgency. I understand that the review is not due until 2016, and yet we are seeing further concentration in the industry, with Dairy Crest merging with another processor. Would you not argue the case that this really is a matter of urgency, before we see yet more dairy producers leave the sector, and that this is an extremely vulnerable supply chain? We have all got individual, small-size dairy producers. I think we are below 10,000 dairy producers in the country. It really is urgent to focus on that remit. If you wait until 2016 to bring them within the remit of the Groceries Code Adjudicator, as the Government intend to do, we will be letting dairy farmers down.

Elizabeth Truss: We are examining the remit, and that is being discussed between Defra officials and BIS officials. We need to look at the impact that the fining powers have on the Groceries Code Adjudicator, which could be very significant. There is also the wider issue about investment in processing capacity in the UK and creating the right investment climate for that, as well as promoting exports. It is very significant that we import 50% of our dairy products. I have had meetings recently with Arla, with Müller and with Dairy Crest, looking at the potential to fill some of that gap.

I also think there is a very important role—and I was delighted that it was mentioned in your report—for country-of-origin labelling for dairy products. We are seeing that come in very shortly for products like poultry and lamb, and it ought to be there for dairy products as well, because, at the moment, there are quite a lot of misleading dairy products on our shelves. The Groceries Code Adjudicator has a role to play, but there is a really important role for the dairy industry itself in terms of filling that gap in the dairy product—the yoghurt and the cheese—that we are currently importing, as well as the butter. 50% of all of that we are importing, which, for a country that is naturally very strong in dairy and has a perfect climate for it, is concerning.

Also, on export markets, some of our European competitors are ahead of us in terms of exporting to China, which will be the biggest importer of food by 2018. The GCA is part of the answer, but there are wider questions that need to be addressed, particularly about the focus on the liquid milk market as opposed to the product market in this country.

Chair: We are going to hold the questions on labelling, because we have a question on labelling.

Q411 Neil Parish: On the Groceries Code Adjudicator, we are the greatest grass-growing country in Europe, so we can produce excellent milk. We have had the statutory instrument laid this week to have the fines, so that is great news, with what the Prime Minister drove as well. Have you met with the Groceries Code Adjudicator, just to see her existing powers and how far she can take them? I rather wonder whether we ought to try to push the remit where it is as far as we can go, and then try to increase her remit and encourage her to take up more investigations. She is going to do a couple now, but I would like to see one or two of the big retailers really stung. Then perhaps we might see a change of attitude.

Elizabeth Truss: The Farming Minister, George Eustice, has met with her to discuss precisely those issues. We held a recent dairy meeting at Defra, where we discussed the specific issue of the Groceries Code Adjudicator, as well as the dairy code of practice. We have a review group looking into that too, so both of those are important.

Q412 Richard Drax: Secretary of State, another thing that is crippling the dairy and beef industry, of course, is bovine TB. I have two questions. The first is very simple. Do you believe that wild animals in this country that have no natural predator need to be culled as a matter of course to ensure that disease does not spread in any animal, whether it be deer, fox or badger? As a matter of principle, do you agree that is necessary?

Elizabeth Truss: These issues have to be looked at on a case-by-case basis. The reason we are undertaking the badger cull is for disease-reduction purposes, and that is a very important part of the strategy. The strategy involves cattle-movement controls, vaccination in the edge areas, but also culling where disease is rife. The absolute aim of the policy is disease-reduction and eradication. We have looked at the successful policy in Australia to eradicate bovine TB, and also the policies that are being used in Ireland and New Zealand, which have reduced the level of bovine TB and have involved culling in the wildlife population. For me, it is disease-control, specifically with reference to badgers, that we are looking at.

Q413 Richard Drax: Could you just remind the Committee exactly where we are with this cull, so we are all exactly clear, if the Government are re-elected, where you would go in the months and years ahead?

Elizabeth Truss: We have just completed the second year—we completed it at the end of last year—in terms of the cull in Somerset and Gloucestershire. The Chief Veterinary Officer was very clear that those culls that were conducted last year show they can be safe, humane and effective, and that is why we will be continuing, should a Conservative-led Government be elected, with the strategy. This is the 25-year strategy we have outlined to eradicate bovine TB.

Q414 Neil Parish: Will you be increasing those areas?

Elizabeth Truss: The strategy envisages culling where the disease is rife.

Q415 Chair: When the adjudicator appeared before the Committee as part of our inquiry, at that stage she had not conducted one investigation. I hope that you are not saying to the Committee today that, because she had not used her existing powers, that will prevent her being encouraged to conduct investigations in the future. Her evidence read more like a constituency engagement, our diaries over the weekend.

Elizabeth Truss: My understanding is investigations are being undertaken.

Q416 Chair: Were you surprised that she had not conducted one, prior to earlier this year?

Elizabeth Truss: It is clearly dependent on the approaches that are made to her. One of the things she did do, in the evidence she gave to the Committee, was to encourage more people to come forward. I am hopeful that people will come forward through things like trade bodies so that they do not necessarily have to face the issues they sometimes face in the supply chain.

Q417 Chair: The Committee concluded, though, we would like to see her conduct investigations off her own back, because, in many of these supply chains, the producer or the

grower is so small that they would be clearly identified. Is that something that you will positively encourage?

Elizabeth Truss: Certainly, we want to see farmers treated fairly, so we want to see the code being used, absolutely.

Q418 Ms Ritchie: Moving onto food labelling, Secretary of State, in December 2016, new mandatory nutritional labelling for processed foods will apply, due to new EU rules. Do you think the split responsibility for labelling between Defra and the Department of Health remains an effective division of responsibility?

Elizabeth Truss: I do. As I have commented before about issues of Government organisation, there are all kinds of different ways you can organise things. The important thing is that we work closely with the Department of Health and with the FSA on those types of issues.

Q419 Ms Ritchie: In relation to the whole issue of food labelling, food protection and supply chains, you will be aware that a Food Crime Unit was advised to be set up, in the recommendations made by Professor Chris Elliott, in order to prevent instances of further food contamination like what we saw and witnessed in 2013. The Food Crime Unit, as we understand it, has been established. Are you confident that it has got the resources to execute its duties and responsibilities?

Elizabeth Truss: Absolutely, I am. The Food Crime Unit has investigatory capability. I understand that it is already carrying out investigations. It has a budget that it has been given by the FSA to carry out that work. We are committed to implementing all the recommendations of the Elliott review.

Q420 Ms Ritchie: Do you think that the budget you have received to execute such work is sufficient, is adequate and will not impact, because it was not additional, on other aspects of work within that particular sector?

Elizabeth Truss: The FSA have been very clear that they can manage to find that funding within their organisation and continue to carry out their other work.

Q421 Ms Ritchie: What will happen if they are not able to, because of funding or other issues, and you, as Secretary of State, feel there is a need for this work to be carried out in a fair, proportionate and adequate manner?

Elizabeth Truss: It is right that the work is carried out within the FSA. I think it fits well with their remit. I am satisfied, from what I have seen, that they do have proper budget; that they do have staff with those investigatory capabilities; that they can carry out this work. We do have good standards in this country of traceability and food safety, and we are very much leading the way in terms of establishing a Food Crime Unit to look at those issues specifically.

Q422 Chair: Would you just like to expand a little bit on what you told us there about the country-of-origin labelling, which sounds very good news?

Elizabeth Truss: The compulsory country-of-origin labelling will be coming in for pork, lamb, goat and poultry meat from 1 April 2015. The specific issue that I am pushing at the moment with both Commissioner Hogan and Commissioner Andriukaitis, who is due to come to the UK very soon, is the issue of country-of-origin labelling for dairy products, which I think is important. The EU are shortly due to release a report on that issue.

Q423 Neil Parish: Under the country-of-origin labelling, how long does that goat, sheep or cow need to be in the country before it becomes resident in that country? I know there are certain rules over this. Yes, it is not quite as simple as it sounds. I have been there before.

Elizabeth Truss: I do not know the detail.

Nick Joicey: I think we need to write.

Bronwyn Hill: We had better offer you a note, because it is quite complex, and it depends where they have lived.

Neil Parish: It is quite complex, because they go on holiday and then they become that particular country's cows and sheep. I am just interested in that.

Q424 Mrs Glendon: Secretary of State, I would like to ask you about fracking. Given that it is Defra's responsibility in assessing impacts on water and water quality, can you say why, in January, at the Bill stage of the Infrastructure Bill, the Government accept the Labour Opposition's amendment that would bring in certain conditions to be fulfilled before fracking could take place, but then, in the Lords and when the Bill returned to the Commons, the Government weakened that amendment with their own amendment? Could you comment on that?

Elizabeth Truss: My understanding is the amendments that we accepted were things that were largely taking place already, through either the Environment Agency's operating procedures or voluntary agreements with the industry. This was providing reassurance in law for measures that would have been undertaken. The important point is that, provided it is carried out in a safe way that is properly regulated—and the Environment Agency have been doing a lot of work on making sure they have proper processes—the environmental impact is limited to a very low level and should not affect issues like groundwater.

Mrs Glendon: But you can understand the reason, perhaps, why I asked that question of you.

Q425 Chair: Just before we leave that, Secretary of State, one of these protections is not clear and does not exist, as we heard in evidence yesterday from Third Energy. In particular, it is how you describe protected areas. The Minister did accept on her feet that

there would be an exclusion and a derogation from any form of fracking in or under national parks. We now have a situation where there may be an application for a licence submitted before the end of this month—in my own constituency, in Ryedale, so I declare an interest—and yet the implementing regulations, we are told, will not be laid before the House before the new Parliament assembles, before 1 July 2015, so it is not as clear-cut as you might think. Is that not a matter of regret?

Elizabeth Truss: I do not know about the specific application.

Q426 Chair: Let us just talk about national parks, without referring to any particular application in any part of the country. Is it your understanding that national parks are protected areas; sites of special scientific interest are protected areas; and there will be no fracking either in those areas or beneath those areas?

Elizabeth Truss: It is my understanding that those are protected areas. However, the details of how that will be implemented will be in the regulations, rather than the primary legislation. On those specific issues, which is a matter of the regulations that will be laid by DECC, that is an issue for the regulatory component, rather than the legislation. There is a considerable amount of detail around that that will have to be determined and consulted on.

Q427 Chair: It is just you are the Secretary of State for rural communities, and national parks are your responsibility.

Elizabeth Truss: Yes.

Q428 Chair: So it would have been better, possibly, to have had the protection on the face of the Bill—now the Act.

Elizabeth Truss: There is always a question about what goes on the face of a Bill versus what goes in regulations. To get sufficient precision, which is required, it is better to have it in regulation, which are more easily adjusted, rather than having those specifics on the face of a Bill. As you say, there is a distinction between what is happening in and under an area of outstanding natural beauty. There needs to be detail on that, which needs to be discussed, so it would be better to have it in regulation, and that is the decision that was made by the Department of Energy and Climate Change.

Q429 Chair: You will not recall, but that is not what we said when we were in Opposition.

Elizabeth Truss: I was not there then.

Q430 Mrs Glendon: Can I just ask you, then, when you expect the onshore hydraulic fracturing safeguards set out in the Infrastructure Act to come into force?

Elizabeth Truss: I do not have that information, I am afraid.

Bronwyn Hill: Shall we write to you on that?

Elizabeth Truss: That might be a matter that DECC is leading on. Essentially, DECC leads on the overall issue of fracking. My responsibility is to make sure the proper environmental protections are in place, through the Environment Agency. That is the work that I focus on. In terms of the overall legislative and legal structure, it is a matter for DECC.

Q431 Mrs Glindon: I am not sure if you can answer this one. Do you recognise the impact that the lack of certainty regarding timings will have on operators and investors in the shale gas industry in England?

Elizabeth Truss: We would all like certainty for the industry, and I do think that shale gas does offer significant opportunities, in terms of both lower energy costs and jobs, in this country. We would certainly like to see it laid out, but it is important we get it right. There were concerns expressed around the time of the Infrastructure Bill. A lot of those procedures were already part of voluntary agreements or part of what the Environment Agency had agreed to do through their processes. I think it was right, because there were concerns, that that was confirmed in the Bill and, likewise, we need to make sure that these developments are able to command the support of local communities and of the House. Inevitably, those things can take time.

Q432 Mrs Glindon: I spoke earlier of my party's view on what happened with the Bill and the subsequent Act. Do you think the public is as convinced as the Prime Minister and the Government that safe fracking is necessary to our long-term economic plan?

Elizabeth Truss: As I have said, my responsibility is for the environmental implications of fracking. The report from the Royal Academy of Engineering and the Royal Society was very clear that, provided the right regulatory regime is in place, it has minimal impact on the environment and can be conducted very safely. My responsibility is to make sure that the Environment Agency are doing that job.

Q433 Chair: We were very grateful for the letter you gave us recently about the redacted report, which regrettably you are not able to share with the Committee, but you did say that the reports referred to in it are available. Would it be possible to let us have access to those reports—this was in your letter—or at least their references?

Elizabeth Truss: My understanding is those references were in the release of the FOI.

Q434 Chair: Are you keen that water companies should be statutory consultees to fracking, which I think does fall within your responsibilities?

Elizabeth Truss: That is not a specific issue I have looked at. I can certainly write to you on that subject.

Q435 Chair: I would be very grateful. Are you on course at the Department to start the policy review on abstraction of water round about the end of the decade?

Elizabeth Truss: We are on course to do that.

Q436 Chair: Are you aware whether any abstraction policy in the interim might be compromised if fracking companies perhaps took more water out than they were meant to?

Elizabeth Truss: My understanding is that it would be a very limited amount of water in the case of fracking companies. We discussed this issue when I appeared in front of the Committee talking about fracking, but our view is it would not have implications for that abstraction process.

Q437 Chair: Just finally on this, as the custodian and guardian of the countryside and rural communities, do you believe that as much detail as possible should be submitted at the time an application is made, so that those living locally will know exactly what the impact is going to be? For example, as we heard yesterday, instead of having one wellhead, in one particular application, there might be up to 50. Does that not amount to a potential industrialisation of a rural area?

Elizabeth Truss: It is a matter for the planning authorities to consider the impact it would have. In terms of the surface impact of a fracking operation, it is very similar to existing onshore oil and gas operations. I have highlighted in the past that Wytch Farm in Dorset is an onshore site, which has the support of the local community, and, of course, anybody putting forward a planning application needs to make sure they do so in a way that does command that support, because it will need to be approved through the planning system.

Q438 Chair: Of course, that is not fracking for shale gas at depth, involving hydraulic fracturing, in Dorset.

Elizabeth Truss: But, in terms of the way it looks on the surface and the impact on the local community, it is judged to be relatively similar.

Q439 Chair: But you would agree that the difference between one wellhead and 50 is rather large.

Elizabeth Truss: That is a matter for the planning process.

Q440 Iain McKenzie: That is a good link into water and flood insurance, Secretary of State. The last time we spoke about flood insurance, we were told that requisite state aid approval was on course with the Commission. I wonder if you could update the Committee on the progress or otherwise.

Elizabeth Truss: Are you speaking specifically about Flood Re?

Iain McKenzie: Yes.

Elizabeth Truss: The Flood Re programme is on course for delivery this summer. That is the answer to that.

Q441 Chair: Could we just press you a little bit? When you say “on course”, there are a number of regulatory hurdles to overcome, of some significant nature, including the state aid application and the reference to the PRA, or whatever it is now called. You are confident that that will all go through before the deadline of July.

Bronwyn Hill: Is it worth me just giving you a bit more detail on what the Secretary of State said?

Chair: That would be very helpful.

Bronwyn Hill: I can confirm the Commission approved the UK’s application for state aid on 29 January, so that has been done. When we talk about “on course”, obviously Flood Re needs to set itself up as a company. You may have seen in the newspapers that they have a Chief Executive, a Chairman and a Chief Financial Officer due to take up positions on 1 March. They have appointed a reinsurance broker and a managing agent. There are a lot of things that need to be put in place for this to work, and, as we know, they then have to make a fairly detailed application to the PRA and, I believe, the Financial Conduct Authority as well. They are in the process of making those applications, so they are not there yet. We will also have to lay a statutory instrument to give effect to the primary legislation.

What we are saying is that we are still on track to seeing them established in July, but we are very conscious that there is a lot of work that Flood Re, the company, then have to do to get their licensing and approvals and to start taking in policies. Obviously, the statement of principles continues to apply until Flood Re is established.

Q442 Richard Drax: The Botanic Gardens story, Secretary of State, is a rather sad one, according to my notes here and what we have heard in the news. Maybe it is worth reminding the Committee it was made a UNESCO World Heritage Site in July 2003. It celebrated its 250th anniversary in 2009. Wakehurst Place is home to Kew’s Millennium Seed Bank, the largest wild-plant seed bank in the world.

The Science and Technology Select Committee’s view of the situation there is a little bit dire. If I just give one or two highlights, a recent report highlighted a financial black hole of £5.5 million a year and that 47 core science posts have gone. Kew said that Defra has cut its funding by £2 million a year, and the extra money from the Government that has been announced—two one-off payments of £1.5 million and £2.3 million—the Science and Technology Select Committee says is not enough. The Committee has also accused Defra of micromanaging Kew’s finances. Finally, the report says that the Natural History Museum—and I shall ask whether you use comparators to fund Kew in a minute—receives £44 million a year. That is more than twice the amount that the Royal Botanic Gardens gets. How is the budget for Kew Gardens fixed each year?

Elizabeth Truss: First of all, can I just say what a vital asset Kew Gardens is? It is incredibly important. I have visited it myself. It is important from a point of view both of

reaching the public but also of the scientific work that it carries out. In response to what you said, the fact is that, over the past five years, we have provided more funding to Kew on average than the previous three years before that, and we do not have the figures for the prior years. In fact, on average, the funding to Kew has increased.

What is really important is I recently met the Director and the Chairman of Kew to talk about how the operation can reach out to a wider audience, but also make sure that the science conducted at Kew fits better with the wider science that Defra carries out. There is a programme taking place at Kew to reform what it is doing and put it on a sustainable footing for the future. I have seen the future plans for Kew. I am very confident that will mean more science taking place there, more access for the public and greater achievements in the future. This Government have invested more in Kew than was invested in the previous three years, and a lot of that has been with a view to putting the organisation on a sustainable long-term financial footprint and being able to raise that funding so that it can continue carrying out that work.

Q443 Richard Drax: Forgive me; I do not mean to be rude, but how is the funding determined? Defra provides half the funding for Kew Gardens. How is it actually determined that you give X pounds from Defra? How do you work it out? Is there a comparator?

Elizabeth Truss: The budget is set by Defra. We discuss it with the directors about what their future plans are.

Bronwyn Hill: It is worth making clear, in terms of the points the Science and Technology Committee was making, that Kew have often come to us with requests for specific amounts of money for particular projects, for example underwriting the refurbishment of the Temperate House, which is a major, important project for them, and support for the Millennium Seed Bank. Over the years, a number of specific lines of funding for particular projects have grown up, which is their reference to restricted funding. We also give them a line of unrestricted revenue support grant.

Q444 Richard Drax: So more money is being given to projects outside the core work.

Bronwyn Hill: There is a combination of steady-stage grants and some capital projects or specific projects. What we have said is: it would be good to sit down with them, have a look at that, review it, and, where we can, regularise it so that they get more money unrestricted, in their words. The restricted bit will be where we have made an offer in respect of a particular project, for example the refurbishment of the Temperate House. We have also looked at the freedoms that other museums have had, and we have relaxed some of the restrictions where we can, but we had to be satisfied that they had the right capability and capacity to really operate properly, and that is what the new Director is doing. He is improving, through restructuring—

Q445 Richard Drax: Are you implying that they are not running things properly; therefore, you are hesitant?

Bronwyn Hill: Historically, we had some concerns. The new Director, as he said, has done some restructuring to put them on a stable, proper basis going forward, in return for which we are giving them more freedoms and flexibilities. We remain open to further conversations with the Director about how much further we could go.

Q446 Richard Drax: So you would argue, Secretary of State, that you have not reduced the budget. I am just wondering on what basis the decision was taken to reduce the budget, and you are saying it was not; actually, you have put in more money.

Elizabeth Truss: Yes. We have put in more money, on average, over the past five years than was put in, on average, over the three years of 2007 to 2010. A lot of that money, as Bronwyn has said, has been capital investment. That is important, because, as the Director wants to do, it is about investing to put the organisation on a sustainable basis long-term.

You have made the comparison with the Natural History Museum. Kew is a major scientific organisation that is part of Defra's overall science programme. We invest £200 million a year in science, and what we want is to make sure we link up our science expertise better across the Defra network. It really refers back to the conversation we were having earlier about the role of the Environment Agency and Natural England. Rather than seeing Kew as a completely standalone organisation, we want to link it better and make sure we are using that world-leading science to benefit producers and environmental groups here in the UK.

Q447 Richard Drax: But have you ticked them off for losing the 47 core science posts, as it says here, in exchange—as I think you are hinting, from what you are saying, Ms Hill—for putting money into little pet projects that perhaps they should not be.

Bronwyn Hill: It is probably right to say we provide a stream of grant support, plus money for capital expenditure on estates, etc. Within that, it is for the Director, his Chairman and the Board to decide how best to use that money. It is entirely up to the Director and the Board that they have chosen to do this restructuring, which, they believe, equips them much better for future capability. For example, I understand that 15 of the 47 science posts were vacant at the time. We have to give them the freedom to take those choices, so we do not dictate exactly how many scientists they should have. It is also important to remember that they also have charitable income. There is a very successful charitable trust. They do not just look at the Defra funding alone; they have income from the charity as well.

Elizabeth Truss: It is important, always, with organisations, to recognise it is about what the output and outcomes of what they do are, rather than necessarily which posts are where. Certainly, there have been reforms made in the organisation to deliver more output. For example, one of the areas they are focusing on is education and making sure schools are more able to use Kew. That is a very worthy objective, as a former Education Minister, in terms of enabling children to learn about the environment, botany, etc. You have to look at what the organisation does, and they do have some really exciting plans for the future.

Q448 Chair: When we did our inquiry into plant health issues, we were rather alarmed by the low number of experts and academics on plant and tree health. Has that improved?

Elizabeth Truss: I am not sure I have the previous figures, Chairman.

Q449 Chair: Perhaps you could write to us, but I think it was under 10 academics.

Elizabeth Truss: We are the first Government that has appointed a Chief Plant Health Officer, because we see it as such a priority. We have a monthly biosecurity meeting, where we review all the potential biosecurity issues on plant and animal health. We obviously have Fera, in York, which conducts leading—

Chair: It is in Ryedale.

Elizabeth Truss: I did not know that.

Chair: You must come and see it. It is at Sand Hutton in Ryedale, in Thirsk and Malton.

Elizabeth Truss: I have been there. I am terribly sorry for not inviting you.

Nick Joicey: Just to pick up on the appointment of the Chief Plant Health Officer, and leading back to the last question, she has been working very closely with the new Director of Science at Kew, and also with Defra's Chief Scientist, about the development of Defra's overall scientific strategy, and then also the Kew strategy and how those reinforce one another. It links back to what we talked about earlier about working across different agencies.

Q450 Chair: It would just be helpful to have a note as to how many academics there are now with this kind of knowledge. If ash tree dieback continues, then landowners on private land will have to pay for the removal of dead trees. Have you worked out what the cost will be to the public purse of ash trees that will have to be removed from public highways and hedgerows, where they exist?

Elizabeth Truss: No, we have not, as far as I am aware. We are carrying out a considerable amount of research into dealing with Chalara. It is a serious threat and it does highlight the vital importance of trying to stop these diseases entering the UK in the first place and how important biosecurity is. It is one of the key issues that our Chief Plant Health Officer is focusing on. She gives us a regular update at our monthly meeting on it.

Q451 Chair: It was an excellent piece of work that the Department did on the Natural Environment White Paper. Is the Department planning to do more in the future on biodiversity, protecting and offsetting, and other issues in the new—

Elizabeth Truss: Certainly, the new countryside stewardship scheme is very focused on creating habitats, as I have said, on more of a landscape scale and more targeted in the particular areas where we need to see biodiversity improve. We have created, over the

course of this Parliament, 150,000 acres of habitats, and that is, of course, a vital precursor to improving biodiversity. The second issue I would identify is non-native, invasive species, which is, after loss of habitat, the second largest cause of a loss of biodiversity. Another major focus of our biosecurity programme is preventing the invasion of the non-native species.

Q452 Chair: A conclusion in one of our reports on the CAP reform was whether Defra would consider the introduction of a dispute-resolution mechanism for those agricultural schemes, particularly relating to common land. Is that something that you might progress?

Bronwyn Hill: I am not sure about the dispute-resolution mechanism, but we know there are issues related to the common land and how the new rules will apply, given the complication that not all people who are entitled or own bits of common land apply. Perhaps we can give you a note when we are in a position to update you on where we have got, but we recognise the challenge of applying CAP to common land.

Q453 Chair: It was a recommendation that we were particularly keen on, so it would be helpful if you could bear that in mind. Do you believe that, in the Department, you are taking a strong enough interest and an early enough intervention in European drafts? I am particularly thinking back to the Water Framework Directive.

Elizabeth Truss: We do monitor all the things emerging, try to influence them at every stage and have a list of priorities across the board, so, yes, it is a very important focus for us. I spend a lot of time meeting European Commissioners.

Nick Joicey: Yes. We were keen to ensure that, very soon after her appointment, the Secretary of State was able to meet Commissioner Vella, Commissioner Andriukaitis and Commissioner Hogan. We have been following that through, and we also work very closely, as you would expect, with the agriculture and environment team in the UK representation in Brussels.

Q454 Chair: Does that filter down to official level at the Department as well?

Elizabeth Truss: I am speaking to them at 5.00 today.

Chair: We will release you.

Bronwyn Hill: I am quite proud that Defra is still seen amongst Whitehall Departments as maintaining the skills in European negotiations, handling and influencing. The work that we did on the reform of the common fisheries policy shows how important those skills are, both now and in the future. I am not saying we are always successful. There is more to do on CAP. Given that quite a lot of our work has a European dimension, it is absolutely part of what we want our people to be skilled at doing.

Elizabeth Truss: The strategy on working with the European Union is very well co-ordinated across the Department. What I am looking to do is extend that approach next to China, which is another strategic priority for us. We are looking at the way that we

interact with Europe and developing the same kind of model for the way we interact with China, so we do have that deeper relationship to improve our trade links, but also more broadly sharing of information on environmental issues as well.

Q455 Chair: Have you got any officials currently on fast track in the European Commission—DG AGRI or DG ENV?

Nick Joicey: A number of officials are on secondment from Defra in Brussels, in the permanent representation there. We have also got officials on secondment to DG AGRI and we run an active programme of ensuring there is a rotation of officials between Defra and the relevant DGs in Brussels. We are also, of course, as Bronwyn was saying, working with other Government Departments, and also with the Cabinet Office, to make sure that we are making best use of those EU skills across Whitehall and that we contribute to the programme for new entrants to get that European experience.

Q456 Chair: Are there any developments on the EU sugar regime that we should be aware of, in terms of duties?

Elizabeth Truss: I do not think there are any further developments, as far as I am aware.

Q457 Chair: You would flag that up to us. Finally, looking ahead to our successor Parliament, in five years' time what would you like to say were the Department's main achievements and responses to challenges in that time?

Elizabeth Truss: Are you saying for the last five years?

Chair: For the coming five years, looking ahead.

Elizabeth Truss: Oh, what do we want to see? First of all, we can do more on British food and farming. We have already seen a big increase in exports over the course of this Parliament, including the doubling of exports to China. Given that China will be the biggest importer of food by 2018, that is a huge opportunity, which we and the industry need to seize, as well as improving the amount of British food we consume at home, particularly in the public sector. I hope we can achieve the full implementation of the Bonfield Report.

We are also looking ahead to a new common agricultural policy, which I would hope to be considerably simpler than the existing one, and continuing to make progress on our environmental stewardship—so more improvements in reducing water and air pollution and an increase in habitats. We have seen 11 million trees planted over the course of this Parliament; I would like to see that over the next Parliament. We have already laid out the six-year programme for flood defence, which will reduce flood risk by 5%.

I would also like to see us make significant inroads into dealing with bovine TB. It is a central issue for this Department to deal with, in terms of both cost to the Department and the impact it has on the future of our beef and dairy industry, as is making sure that we have all of our data and IT systems working in a very efficient way so that the public,

farmers and environmental groups can access all that information and we can do more, as a Department, for less.

Q458 Chair: Secretary of State, you have been very kind and very generous with your time. As I said earlier, all the co-operation from you and your Department has been much appreciated. Thank you to you and your team for being with us today.

Elizabeth Truss: Thank you very much. This might be my last appearance in front of the Committee before the end of Parliament, but you never know.

Chair: You have been very kind. As we release you, thank you very much indeed.