

Environmental Audit Committee

Oral evidence: The Future of the Natural Environment after the EU Referendum, HC 599

Wednesday 7 September 2016

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Members present: Mary Creagh (Chair); Peter Aldous; Geraint Davies; Zac Goldsmith; Mr Peter Lilley; Caroline Lucas; Kerry McCarthy; John McNally.

Questions 1 - 111

Witnesses

I: Dr Thérèse Coffey MP, Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs, and Mr Robin Walker MP, Parliamentary Under-Secretary of State, Department for Exiting the European Union.

Examination of witnesses

Witnesses: Dr Thérèse Coffey MP and Mr Robin Walker MP.

Q1 Chair: Before we begin, I would like to set the scene for the session. The Committee agreed before the summer recess to write to Defra and the new Department for Exiting the EU seeking assurances that environmental considerations would be properly considered as part of the process of leaving the EU and that environmental protections would not be weakened as a result. This is the beginning of a wide-ranging hearing resulting from that letter. The Committee's inquiry on agri-environment schemes and rewilding will begin formally in October. Can I begin by welcoming our two new Ministers, Robin Walker from the Department for Exiting the EU and Thérèse Coffey who is our lead Minister for this Committee? We are looking forward to a long and fruitful co-operation with you in the future. Thank you both for coming.

Can I begin by asking if you could set out for us what role each of your Departments will play in the upcoming exit negotiations in negotiating the future of the UK's environmental law and policy?

Dr Coffey: The Prime Minister has been quite clear that she will lead the negotiations. Obviously she has set up a department and I will leave Robin to speak for that.

In terms of Defra, our policy officials, some people have been seconded already to the Department. I think one of the women here today, Gemma, has moved from Nobel House down the road to 70 Whitehall. Meanwhile policy officials within Defra are busy working up all the different elements and going through all the different aspects of what is affected by the EU.

What is fair to say to the Committee, Chair, is that come what may we are committed as we put in our manifesto to have a better environment, one that we will hand on to the next generation in a better state than we found it. I wouldn't want anyone to be under an illusion that just because we are leaving the EU that makes any difference to our environmental ambitions for the people of this country.

Mr Walker: Very much reiterating what Thérèse said in terms of the manifesto commitment and the centrality of that, obviously the role of our new Department is to support the Prime Minister in the negotiations and to make sure that we have the right position. As the Secretary of State said earlier this week, we are striving to build a national consensus around the way forward. We are in the process of meeting and listening to as many organisations as we can, many institutions across different sectors—across business, across the voluntary sector and the environmental sector of the devolved Administrations—with whom clearly we will be having a lot of engagement over the coming weeks and months as we prepare a UK position on the negotiations and of the triggering of Article 50. It is a complex piece of work and we need to understand the intricacies of how environmental policy affects the

interaction with other sectors, with trade. We will be working very closely with Defra on that. As Thérèse said, we have already had a number of people seconded from Defra and some from DECC as well to make sure that we have the expertise we need on that front. But clearly we will be engaging with every Government Department, and we will be engaging with devolved Administrations, in particular, to make sure that we have their views on board as we approach a common view.

One thing I would say from a personal perspective is that I was with one of your erstwhile members, Rebecca Pow, when she launched the All Party Parliamentary Group for the Environment inquiry into how Brexit would affect environmental issues, and was doing that as a Back Bencher before I was asked to do this job. When I was asked to do this job I was very keen to take responsibility for all the environmental issues within the Department because I think it is something that is hugely important to get right. It hugely important we continue on the course, which I think Britain was achieving before we joined the EU, of being one of the leading countries in the world when it comes to environmental legislation and leadership on international issues, and that we take the positives we can from our EU relationship and build on those.

Q2 **Chair:** That is helpful. I have the organigram of the new Department. I am looking across at the different Directors-General—market access, justice, policy co-ordination, strategy and planning, trade and partnership. Where does environment sit in that new structure? Is it under trade?

Mr Walker: It comes into a number of different areas. Clearly there is a cross-departmental co-ordination area in that organigram. The relationship directly with the responsible Departments would be there. Under market access, yes, clearly there is a very important role for environment. I also think we will continue to have a number of international partnerships in the environment space. So the trade section is headed “Trade and Partnerships” rather than simply trade. It will also come into some of my work in that respect.

Q3 **Chair:** So there is no one specific person charged with the environment in your Department?

Mr Walker: In terms of ministerial responsibilities I will be taking on that responsibility, under the Secretary of State obviously. To give the full Defra picture, David Jones will be taking responsibility for fisheries and farming but I will be leading on the environmental side.

In terms of the officials we have a number of people who come from the Environment Department and are bringing expertise in that respect but in terms of that organigram and the different sections, the environment comes into a number of those sections rather than being one.

Q4 **Chair:** So it is crosscutting issue rather than having its own specific locus?

Mr Walker: That is correct.

Q5 **Chair:** Just so you are aware, Rebecca Pow may be coming along a bit later on. She hasn't formally stepped down yet and she might be making an appearance later on.

To go back to you, Thérèse, on the Department's co-ordination. You have cuts of 15% planned over the next four years. You lost 900 staff last year. How confident are you that you have the kind of resource to be able to second people out when you have had such severe staff cuts?

Dr Coffey: I am confident. Obviously prior to 23 June this was not the policy of the Government so I can't pretend that we planned for it but the Department is regularly reassessing priorities. That has happened; obviously this is important for us to get right. I am led to believe, been assured, that we do have the right balance of knowledge and skills. There is detailed planning going on on how we deliver this. I think I am right in saying that we are also building on the Defra family. So there are a number of ways Defra in itself is trying to get more efficient in the way it achieves things anyway. There are all sorts of innovations. I was even seeing today in the Department about how we now use aerial vehicles in order to do the work in a quarter of time that we used to do when we were looking for a plant disease. So they are always ongoing. I am very confident that we can make that balance right.

Q6 **Chair:** Just to come back to this, you are about to make 15% cuts over the next three or four years. Trying to do the ordinary day job at a time of depleting staff resources, while having this, one would argue, almost completely new day job thrust on your staff, there must be quite a lot of people doing quite a lot of overtime or extra time. Are you hiring in consultants? How is it looking? It cannot all be done by unmanned aerial vehicles, I would suggest.

Dr Coffey: That is true but some of the work that was being done by people can, perhaps. The EU team are going through that level of detailed work. We are trying to recruit for some people to do some of the specific work.

Q7 **Chair:** How many?

Dr Coffey: Off the top of my head, I can't remember.

Chair: Okay, if you could let us know, that would be great.

Dr Coffey: I think that is an ongoing assessment. We do recognise the scale of the issue in that regard but the Government, I am led to believe, is working between the Cabinet Office, the Department for Exiting the European Union and indeed our own Department. We will make sure that we have the resources we need to do to work on this as well as delivering the key things for which Defra is responsible.

Q8 **Chair:** There is a bit of discrepancy between answers to parliamentary questions on which Department will lead on the process of consulting with industry, the public and NGOs on new environmental policy once we leave the EU. Some answers have suggested it is Defra; some have suggested it is the Department for Exiting the EU. Which one of those is

right?

Mr Walker: I would suggest that if we are talking about once we leave the EU the answer would be Defra. The role of the Department for Exiting the EU is to support the negotiation, to set up the position; it is not to run policy after that time. So I would say we would want to set things up in the right way and in consultation with Defra to make sure that as part of the process—the Secretary of State talked about repatriating the responsibilities to an extent, strengthening the sovereignty of the UK Parliament. It will be for future UK Parliaments and future Defra Departments to set that agenda.

Dr Coffey: The Committee will be aware that in our manifesto we said that we would develop a 25-year environment plan. That is underway. I am hoping we will be able to publish the framework fairly shortly. So that almost, in effect, provides the vehicle to do that kind of consultation with the public, with NGOs, with industry. Earlier in the summer the Defra family organised a series of those kinds of meetings—I think there were 14 that took place around the country—reflecting the combined regions that Natural England and the Environment Agency work around. So they pull people in.

I am hoping we will be able to publish the framework soon with more detailed work for next year. Now, of course, since the decision by the nation to leave the European Union, it slightly changes the potential remit of that and how people can then put in. For some people they will want some issues, others they will see it as a blank piece of paper going back to first principles. But that is coming and I am sure you will play an interesting role in that.

Chair: I am sure we will. Peter, you wanted to come in?

Q9 **Peter Aldous:** Thank you, Chair. Thérèse, you talked about building on the Defra family and I just wonder what consultations you might already have had with such members of the family as the Environment Agency and Natural England and if you have had those discussions, what their feedback might be and what you envisage to be their role going forward?

Dr Coffey: I am brand new to Defra so I have only seen Defra in its new format where the chief executives of the Environment Agency and Natural England now form part of the Executive Committee. So they are arm's length bodies and have that independent element to pursue that but they are much more engaged. I would not say that at this moment in time I would see them as outside bodies; I see them very much as part of the discussion. But we are still at a really early stage; officials are just going through things as we are now, so I cannot stand here and say that all of a sudden we have had loads of discussions. We have been basing it around the premise of the 25-year environment plan.

Q10 **Chair:** Which is delayed, isn't it? It was supposed to be published by the end of September and it is now going to be more like later on in the winter. Is that correct?

Dr Coffey: I think the decision when the new Administration was formed—I joined then—was we were just dealing with the outcome of the referendum. It was a good opportunity to do it in almost a two-stage process—obviously I have had to get my teeth into it, so has the new Secretary of State, on how it looks and feels—and indeed I am hoping we will be able to publish it soon. That then engages people. I expect we would then be able to come up with a full environment plan next year.

Q11 **Chair:** Okay. The Institute for European Environmental Policy has warned that the pressures on Government risk a situation that is not conducive to carefully considered policymaking on key areas of environmental protection.

Can tell us what steps you are taking to alleviate the risk? You have mentioned recruiting extra members of staff. If you could write to the Committee and let us know in what areas those are, I am sure we would all be interested to hear.

Dr Coffey: I do not even know if those decisions have yet been taken. What I might be able to write back might be very limited. I do not want to mislead you that there is some kind of organigram created because I am not aware of that. There may be but I will clarify.

Q12 **Chair:** So there may be some new staff recruited. What about mitigating the risk? As you are making environmental policy while doing this extra job, what else can you do, do you think, to alleviate the risks?

Dr Coffey: We were going to do this 25-year environment plan anyway and to me that is what the policy is for the future. It is just a slightly different context that we have. We are no longer part of the EU but just remember the environment is a shared competence anyway. So although quite a lot of our environment laws derive from the European Union, often that is through multinational agreements that we are parties to as well. Again, I do not want anyone to be thinking that just because we are leaving the EU all of a sudden there will not be these environmental protections.

I do want to stress that we will continue to be focusing on the outcomes that we want to achieve in that 25-year environment plan. I would rather take the time to get it right rather than just rush it because I think we do have this unique opportunity now to consider what is best for the environment, for the outcomes for the people of this country.

Chair: About 80% of our environmental regulations and laws come from the EU but we will get into the detail of legislation in a minute.

Q13 **Kerry McCarthy:** As the Chair said, Defra was stretched with the 15% cuts and there were cuts in the previous spending round. The Chair also asked about new staff that you may be getting. However, with the staff seconded over, what were they covering when they were at Defra and is that gap being filled? Is that work still being done?

Dr Coffey: I do not know the answer to that question.

Kerry McCarthy: Okay. I think that would be useful to know as well.

Mr Walker: What I would say is it is a relatively small proportion of Defra's overall staff.

Dr Coffey: Eight people have been seconded.

Kerry McCarthy: Yes, but from what I gather of the Department it was pretty stretched anyway so eight people leaves a gap.

Q14 **Caroline Lucas:** The Prime Minister famously said, "Brexit means Brexit" but could you give us a bit more flesh on the bones of what Brexit means for the environment?

Dr Coffey: The Government is committed to leaving the environment in a better state than the one we inherited for the next generation.

From my perspective, being in or out of the European Union does not change that ambition, that commitment. I will keep referring to the 25-year environment plan because that is the model; that was going to be model if we stayed in the EU and it is going to be the model now we are leaving the EU. I think we can come out with something next year that I think will have long legs, the 25 years, but remember, Caroline, that there are all sorts of strategies that we have been following that we have signed up to, for example the UN programme on biodiversity that then filters through the EU. That strategy is still ongoing.

Q15 **Caroline Lucas:** Would you accept it makes it more difficult to be able to have that ambition of leaving the environment in a better state than it was before if we are not working with our partners, given—as the Chair said—so many of our environmental problems are by their very nature cross-boundary?

Dr Coffey: Just because we are no longer to be part of the EU does not mean that we will not work with either the EU or indeed other countries.

Q16 **Caroline Lucas:** My question was, do you think it would be more difficult?

Dr Coffey: I do not see any reason why it needs to be more difficult.

Mr Walker: I think it is important to recognise the UK has played a lot of different multilateral roles over the years in lots of different organisations in terms of promoting a better environment and the EU has been a big part of that. Certainly it has to date—

Caroline Lucas: The biggest, major.

Mr Walker: Absolutely, but I think there is nothing to stop us continuing to work multilaterally as a country with all sorts of partnerships through the United Nations, with our other friends as well, and I think crucially, very clearly, the Secretary of State made clear in his statement the other day that while we are leaving the EU we are not leaving Europe. We will continue to have very important bilateral relationships with our

neighbours and a relationship between the UK and the EU. We will want to be a good neighbour in that respect.

- Q17 **Caroline Lucas:** You said you do not think it will make it any more difficult but before the referendum, the then Minister for the Environment told us that the process of leaving would, in his words, “be a long tortuous negotiation”. Does the Government still expect that to be the case?

Mr Walker: We are certainly not saying it is going to be an easy and instant process. It is clear—

- Q18 **Caroline Lucas:** Is it going to be long and tortuous? Those are the words of the former Environment Minister.

Mr Walker: I think it is clear that we have an important negotiation before us, which is going to be challenging but what we want to make sure of is that we are representing the views of the British people and addressing the concerns of those groups that have concerns, while also making sure that we deliver on the aspiration to come out of the European Union. Part of that process is the engagement process, which we are just beginning, of talking to all the various different constituencies, which will include voluntary organisations and many environmental groups, to understand from them where they see the challenges but also the opportunities and to understand how that can then feed into our negotiating position. Obviously what I cannot do is give you a line-by-line commentary of what our negotiation will be because it is too early in the process for that. The environment must be part of that because, as Thérèse pointed out, the environment is a key part of the manifesto on which this Government was elected.

- Q19 **Caroline Lucas:** It is a key concern of many people about Brexit, as you will know. So far, basically, in terms of trying to get flesh on the bones, we keep being told to wait for a delayed report, that we do not know when it will happen, so there is some concern around what the environment might look like after this process. The Government have said they are committed to seeing what they call a successful outcome from leaving the EU, how would you define success and failure in the environmental sphere with a bit more detail than saying, “The environment will be better off than it was before”? What is it actually going to look like? What concrete outcomes do you wish to see coming out of the exit negotiations?

Dr Coffey: Hopefully there will not be much concrete as that is not always good for the environment.

Caroline Lucas: Tangible.

Dr Coffey: Tangible, I know, I am being flippant.

We are still in the process of forming that policy. We are still looking through the 25-year environment plan, I appreciate that might be frustrating, Caroline, but that is what we set out to do.

Caroline Lucas: It is.

Dr Coffey: If you think about some of the ways we co-operate with our European neighbours across the Republic of Ireland, you can think of some of the things that we are starting potentially to move to would be like approach to catchment areas of rivers. So, the Cumbrian Flood Action Plan is a different way of trying to look at aspects of water quality, flooding and so on. We are working, I believe, with the Republic of Ireland. There is no reason why we can't continue to work in a collaborative way that benefits us and other members of the European Union in some of the common challenges that we have. I think we are going to do some pioneer projects, so we have an opportunity to experiment. We were going to do that whether we were in the EU or not, but again there is no kind of hanging back from trying to make our country and the people in it enjoy a better environment, whether that is about the marine conservation stuff that we are looking at off Devon and Norfolk, or about Manchester looking at an urban project—and we will work with them. So there is no shortage of ambition. As I say, the plan you are eagerly awaiting is going to form the basis of that.

Q20 **Caroline Lucas:** You said next year. Do you mean the first half of the year, second half of the year?

Dr Coffey: To be honest, we are going to publish the framework fairly soon and—

Q21 **Caroline Lucas:** Fairly soon? In the next few months?

Dr Coffey: The framework, but the plan will be next year. I cannot give you a date for next year.

Q22 **Caroline Lucas:** One last question, if that is all right, Chair? Can you talk through again the process of what will happen in your understanding with environment legislation of which, as you will know, there are huge amounts that have been negotiated through the EU? Is the plan that that will get automatically transposed into UK law and then there is an ongoing process to decide which ones to keep, which ones to ditch? What is it actually going to look like? I think there is a real concern out there that somehow 40 years' worth of painstakingly drafted environmental legislation is just going to be lost.

Mr Walker: It is too early to say exactly what the process will be because we are at the beginning of the process of preparing for negotiations, but from the meetings that I have had so far and from the engagement we have had from stakeholders, there is no one suggesting that it would be a good idea to scrap the legislation that exists to date. I would say that we will at the appropriate time obviously have to look at a whole body of UK law that relates to EU law as it stands and a large chunk of that is in the environmental space. Given the Government's commitment to leave the environment in a better state than we found it, it would be highly logical to make sure that we carry forward as much of that as we can but obviously that will be a subject for further

engagement down the line and I cannot set out a final position right now. I think it is important to—

Q23 **Caroline Lucas:** The initial position would be helpful.

Mr Walker: The initial position is that if the Government wants the UK to continue to be a leader when it comes to the environment we will need to continue to work with our neighbours. In that respect there is a benefit to equivalence when it comes trading terms as well. That is where I would expect to start from but we cannot commit now to exactly what the approach on each individual bit of legislation will be.

Dr Coffey: You will be aware that EU law applies until the day we leave. All this part of the detailed work that is being undertaken or is gradually being undertaken. You will be aware quite how much law affects the environment.

I do not know precisely now Parliament will address it, and I expect that is a matter more for Robin, but to some extent Parliament scrutinises whenever the law changes in some way or another. So I do not feel that you will miss out on some opportunity to have a level of scrutiny in the future.

Chair: We are going to come back to that very detailed scrutiny. We have some questions on that later. I have three short supplementaries from Geraint, Zac and Peter.

Q24 **Geraint Davies:** The Prime Minister made clear today that she wanted to forge new free trade agreements outside Europe and some, like Nigel Lawson, would go further and say they want to turn their back on Europe and just have these free trade agreements. Have you thought about the contents of TTIP and CETA and other trade agreements that do have barbed contents in terms of the environment, in particular the powers for fracking companies and others to fine Governments who do not pursue their fracking desires? What safeguards for the environment would you want to see in these new trade deals?

Mr Walker: You and I both sat on the BIS Select Committee inquiry into TTIP. We perhaps had different views at that time. I think it is important to remember that we are still a member of the EU, we are still engaged in supporting negotiations that are taking place between the EU and other countries, so I am not going to get into the business of criticising potential deals, of which, in the case of both TTIP and CETA, the UK has been a very strong supporter of making sure that we have free trade agreements. Clearly within those agreements it is very important that we take into account the role of the environment and the importance of it to UK businesses, the importance of equivalence where possible. You and I will disagree, I suspect, over ISDS and the impact that that has. I point you to the evidence we had on the BIS Select Committee that the UK is already subject to an awful lot of ISDS systems and those have not led to the results that some people are reputing that they do.

Q25 **Peter Aldous:** I think over the last 40 years the EU has provided a stage

on which the UK has been able to play a role globally. The UK has a long history of doing that and there is no reason, in fact, we should do it post Brexit. Do you think it might be an opportunity with the 25-year environment plan to perhaps look at it again and reshape it so that it has a more outward looking approach?

Dr Coffey: From what I can see so far, I think the UK has been actively involved. We have not just delegated our commitments to multinational agreements or just to the EU. We are often a signatory in our own right, we obviously represent the interests of the UK overseas territories, and the EU's position has to be decided by the European Council. The UK has already fed into that. We can step out a little bit more perhaps. I have asked for a bit more detail on some things but I am led to believe in the Convention on Biological Diversity we are very keen to do more on aspects of synthetic biology, which is something places like Japan and Australia and the US are very keen to do something on and so far perhaps the rest of the European Union has not been as interested in that sphere as we have. So there will be opportunities to step out but I do not think you should think that we are not already integral in very active negotiations, as is happening when I go to an illegal wildlife trade conference in a couple of weeks' time.

Q26 **John McNally:** Pursuing this line of thought: following the referendum the then Minister for the Environment stressed the importance of cross-border environmental issues. Does the Government envisage that co-operation with the EU cross-border environmental issues will continue after the EU and, if so, how?

Mr Walker: Absolutely, yes. I think it is very clear that there will continue to be cross-border issues. The environment goes beyond our borders in many respects. One very good example of that is obviously in Ireland where you have Northern Ireland and the Republic of Ireland with a number of issues around water where they will need to work together and we will need to make sure that we support that through the NIO and through the support that the UK Government gives to devolved Administrations.

To come back to my boss's statement the other day in the House, we are not leaving Europe, we are leaving the EU, and we need to make sure we have structures that can support that engagement going forward.

On the point Thérèse just made about having a world view when it comes to environmental issues and issues of animal welfare as well, Britain has a fantastic position in the world to be able to use our soft power to influence global discussions and we should absolutely be continuing to do that.

Dr Coffey: I can see things on biosecurity. Quite a lot of our issues get blown in on the air, so air pollution. It is absolutely imperative that we continue to work with our neighbours. We are part of the OSPAR convention in regard to marine conservation and marine issues and will continue to be an active player, obviously not part of the EU in that but in

effect working with the other member states of the EU and of course the other ones like Norway, Iceland and Switzerland who are part of it. We will be very clear in what we need to achieve there for the North Atlantic.

Q27 John McNally: Pressing you a wee bit further on that, again this Committee has been extremely successful in persuading the Government to take up the ban of microbeads and I congratulate everybody on this Committee, especially the officials. It is a wonderful step forward but on issues such as microbeads, where is the Government position on benefits to action at international level, which you have spoken about, and how will we work with a cross-border coalition that originates within the EU if we are stepping outside the EU?

Dr Coffey: You will be aware that through the EU we have that kind of readymade process but we already work with other countries around the world and within regions in order to have specific action plans. I come back to the fact that it is a shared competence. I can imagine the Committee was particularly pleased with the announcement by the Secretary of State. It kind of builds a little bit on what George Eustice said to this Committee a few months ago but I am really pleased and your report into that and its clear recommendations were welcome.

I would flag that the rest of the EU has not done this. We have gone ahead and we have announced that we are going to do a ban. John, what I would put across to you is we do not have to rely on the EU for everything, but I am sure that the EU will take notice of what we have done and may step up its own efforts.

Q28 John McNally: As you mentioned there, the beneficial thing is the transnational agreement was agreed by everybody. These microbeads travel vast distances so we need an international agreement; it is to be hoped we will pursue that. I just hope that our position is not weakened by not being part of that. However, I would like to bring you back—

Dr Coffey: I genuinely believe, John, there is no reason to think that our position is going to be weakened.

John McNally: You don't?

Dr Coffey: No. At the moment we often discuss with a common voice, which brings strength, but there is no reason why we can't agree with the EU on issues that really matter to us, and there is no reason why we can't have a voice sometimes when we want to be stronger on matters that affect our country but also those of our overseas territories.

Q29 John McNally: I have just one more to ask. As things currently stand you are aware of the environment and agriculture matters are devolved, in particular to Scotland, but much of the money that was spent on that comes from our share of EU funding. Does Westminster intend to match that money or are we going to try to force some cuts on Scotland?

Dr Coffey: You will be aware of the announcements made by the Treasury regarding these schemes at the moment and their

announcement that they hope to say more around the time of the Autumn Statement. I cannot add anything more to that.

- Q30 **Chair:** Can I perhaps press you on that? The Government has announced that the CAP Pillar 1 will be funded up until 2020 or whenever we leave the EU but there is some question mark, isn't there, over Pillar 2 and the ERDF, the European Agricultural Fund for Rural Development, and there what we have been told is that anything decided prior to this Autumn Statement coming up in 2016 is fine but the Treasury will decide on a case by case basis. Is it correct then that every farmer that wants to have a Pillar 2 payment or higher level stewardship scheme signed off after the Autumn Statement is going to have to have it rubberstamped by the Treasury?

Dr Coffey: Let's just start with where we are. There has been a 13% increase in expressions of interest for stewardships.

Chair: That would be why; they are trying to beat the deadline.

Dr Coffey: I am just flagging that there has been so it is not a case that people have stepped away; we have seen a step up. Natural England is scoped up to handle those applications. You are right, I agree with you, I am sure that the fact that there is this deadline has increased people's interest. Quite a lot of the agreements that people sign up to are multi-year, so there is funding going to be carrying on. I really cannot add any more now apart from saying that we hope to say more about this and future schemes potentially at the time of the Autumn Statement.

- Q31 **Chair:** You will be approving or not approving these schemes. Do they then go to the Treasury for individual sign-off or collective sign-off? Or what is the process? This is two months away.

Dr Coffey: I am not aware of any process. The process is as it is today—Natural England goes through all these different schemes—but the deadline has been set by the Treasury in regard to Pillar 2.

- Q32 **Chair:** What about the broader funds that are worth much more to local communities? Pillar 2 is just under £1 million a year but the European Agricultural Fund for Rural Development is £851 million a year. Do you see that funding going forward into 2017, 2018 and 2019?

Dr Coffey: I can't add anything more to what I have said, that we will continue discussing it and hope to say more at the time of the Autumn Statement.

- Q33 **Chair:** Is that a financial decision or is that a political decision?

Dr Coffey: It is a Government decision.

- Q34 **Chair:** Yes, but is it driven by finances or politics? There will be councils who might have been lulled into a false sense of reassurance about the various regional development funds, social fund opportunities that are coming, that think that come 2018 or 2017 they can put in an application for them again. I am trying to understand. Is the Treasury going to say, "We are going to cut X from your budget so there will not be this much

for the ERDF" or are you going to say, "We are going to guarantee everything until we leave"? That is what I am trying to get a feeling for?

Dr Coffey: I am saying I cannot give you that answer until we come out with something around the time of the Autumn Statement.

Chair: Okay, thank you.

Q35 **Zac Goldsmith:** Can I just pick up one point in relation to that? My understanding is that the pledge to farmers is that the overall envelope will be protected between now and 2020, so it is about the quantum of funds available, and that is not going to change as we repatriate CAP. My question is, does that mean the manner in which that money has been spent up to the point of our leaving the European Union will continue until 2020 or will we be free between now and 2020 to change the formula by which CAP funds are invested?

Dr Coffey: I think I am right in saying Pillar 1 funds have been guaranteed because that is the majority of what a farmer receives. So there is an element of certainty and stability, but I genuinely cannot say anything more until we can say something towards the time of the Autumn Statement.

Q36 **Zac Goldsmith:** If Pillar 1 then has been guaranteed up to 2020 what does that mean for any change in the way those funds are allocated—if, for example, we were to shift the emphasis towards compensating farmers for things that the market does not recognise, such as public goods, environmental goods, the kind of things that campaigners have been calling for for years and a position has been well held by the British Government in its representations to Europe over many years? Caroline Spellman and her predecessor and successor have been pretty good on this issue but we have not achieved very much. We are now able to theoretically. Are you saying that until 2020 we can change the criteria but none of that will come into practice or effect until after 2020?

Dr Coffey: What I can say is that I have heard your concerns very clearly. I know about your letter sent to the Prime Minister, and what I can say is that I hope we will be able to say more at about the time of the Autumn Statement but not before that.

Mr Walker: If I may I will add to that. I think it is important to recognise 2020 is not a deadline in terms of the Brexit process. It is important to recognise your point about at what point you get control. The theory would be you get control over the policy at the point when Britain leaves the EU.

Zac Goldsmith: I understand that.

Mr Walker: So that would depend on the Article 50 process and so on. We would not be able to make changes to policy before that point, but the point is that the funds that are committed will be committed.

Q37 **Zac Goldsmith:** My point was that if the commitment we have made to reassure farmers is that the status quo will remain until 2020, logically

that means there is not a lot we can do to change the criteria by which those subsidies are allocated. That is a question, not a statement, and I accept your answer that you have to wait and see.

On the broader point, and back to the purpose of this session, obviously Brexit is an environmental opportunity for the reasons we have just been discussing, particularly CAP, but it is also a risk. The risk that most people are concerned about is that we will slide back in relation to key environmental directives, the Habitats Directive, the Birds Directive, the Bathing Water Directive and so on. These are seen to be important pieces of environmental legislation. I know I am not going to get a forensic answer from you now because you cannot provide that but I am interested in pushing you on what the process has been and is likely to be in terms of the Government's assessment of the value of these directives and what place they will have in post-Brexit Britain.

Dr Coffey: We are going through all these different things and stages. What is accurate to say is that there are some directives that are not part of needing to be decided in regards to trade. There are some directives that are appropriate to market access to trade, but there are some that are pretty domestic. So we will be able to take our own assessment of that but I want to emphasise—you and I vote in different ways—we are not trying to get out of any environmental commitment. The Government is very much committed to that. We extended the life of the Natural Capital Committee. We are very much a part of wanting to make this better. It is not about trying to make the environment worse inadvertently or deliberately. We want to make it better. I believe the opportunity is to potentially take an approach that might be a bit more holistic, much more focused on outcomes rather than inputs and specific rules. I am not referring specifically to habitats there but it may be—and I would expect—that when somebody goes through the list of invasive species it might be able to recognise ones that are very specific to the United Kingdom and ones that are not. I expect to go through that in that level of detail.

I do not want people to be worrying that we are suddenly going to have an excuse for going back to the smog of the 1950s. That is far from the case.

Q38 Zac Goldsmith: I very much take that from you and from Robin. I know that both of you share my interest in these issues and that is true of other members of Government as well, but it is not true of everyone. That concern is very real. Whether it is justified or not, there is a genuine concern there that Brexit will be seized upon as an opportunity to scale back on some of these very important directives. Really what I am asking is for you to use the first opportunity, if not now then soon, to provide the level of reassurance that people are waiting for to hear about these directives. I know you cannot provide that now but if that message could go back very loud and clear to the Government it is something that there is a big demand for.

Mr Walker: We hear that loud and clearly and I do think that part of our process as a Department in preparing a position needs to be listening to things like the conclusions of this Select Committee inquiry. So that is part of the point of engaging with this is so that we can say that we want to be taking views on board from a wide variety of—

Dr Coffey: Robin makes a very strong point. The engagement is there. I recognise what you say, that there are perhaps groups of people you may think of who just think, “Well, let’s get rid of all that green whatever”. Absolutely not; we are absolutely committed. It is in our manifesto, several of us in this room stood on that and I expect the other members of the Select Committee also want a greener environment.

Q39 **Zac Goldsmith:** Just one last question. The assessment of these directives, will that be done by you, by your Departments, by Committee, by Royal Commission? Has that been decided yet?

Mr Walker: I don’t think the process in that sense has been decided yet but clearly it is part of the engagement. Our department is also part of the engagement but what each individual Government Department will be doing is looking at how they are affected by existing EU law and how that would translate into a UK policy. So that is one of the areas where we will be working very closely with each individual Government Department and when it comes to the environment it is very clear there is a lot of work for us to do with Defra.

Zac Goldsmith: Thank you very much.

Q40 **Mr Lilley:** Isn’t it the case that Brexit means Brexit and what Brexit means is taking back competence? How we use that competence is a separate matter. Wouldn’t therefore the legislation reflect that when you initially incorporate existing directives—directives mostly are already in British law—and regulations into British law so that we at a subsequent point can alter them if one proposes that but initially we know that we put to rest the concerns Zac and others have that the process for Brexit is not a process of deregulation or abolition? We will simply incorporate existing laws and Parliament can review them at a later date if it wishes to.

Mr Walker: That has certainly been an approach in many countries becoming independent and setting out for the first time. I cannot sit here at the very beginning of the process and make absolute commitments about the exact way we will go through legislative changes at the end of the process but there is absolute logic in what you are saying in terms of the process of UK Parliament taking control over UK laws; there is no necessity for removing any body of law up to that point.

I do not want to make commitments here on exactly what the process will be in however many years’ time at the end of this. The important thing is that that is an option.

Q41 **Mr Lilley:** Given that it must be a priority to do this as speedily as we can, subject to doing it thoroughly and in a way to minimise uncertainty,

it would speed it up in the ways you have just discussed but it would slow it down if we include in the Brexit process alterations in any existing laws, either to make them tougher or more flexible.

Mr Walker: Again, I would say that we have a complex enough negotiation on our hands anyway and we do not want to do anything to complicate that process further. So there is absolutely logic in what you are saying there.

Q42 **Mr Lilley:** One thing you said earlier intrigued me. You referred to the benefits of equivalence in trading terms. Are there any countries outside the EEA where the EU requires equivalence in environmental standards in order to trade with them?

Mr Walker: I do not know the answer to that question. The reason I brought it up is that it was one of the things that when we were meeting the business groups they were talking about. Obviously there are aspects in which we would like to be able to maintain equivalence in order to be able to sell products. That was the basis on which I made the comment. It was not particularly to say that equivalence has to exist in different aspects but it is one of the aspects just to illustrate the fact. What we were not seeing is lots of people saying, "Our No. 1 priority is to scrap environmental law".

Mr Lilley: All right, that is excellent; nor is it mine.

Q43 **Kerry McCarthy:** We have obviously already touched on the Birds and Habitats Directives. There seems to have been a different approach during the referendum campaign—partly influenced, I guess, by which side the Ministers were on. The then Defra Minister, Rory Stewart, seemed to make clear that we would not want things to change, that the existing environmental law, he used the phrase, "was very close to what we think is sensible" and we will try to continue that path whereas the Farming Minister, George Eustice, said that in the event of a Leave vote the Birds and Habitats Directives would go. He described them as spirit crushing. I know that I have been on panels with him when he has slightly said that was misinterpreted. What is the view in the Department now? It is rather vague as to which bits might be retained, which bits are protected under the Wildlife and Countryside Act and so on. What is the view in terms of the spirit of those directives?

Dr Coffey: I think the spirit is there. It is coming back to the fact that we still want a better environment. So it is not a case of trying to rip up protections.

I did speak to George briefly as we came to Parliament earlier about this. I cannot put words into his mouth but the impression I got from him, which builds on what I said earlier, is that again it is more about wanting to focus on outcomes rather than prescriptive inputs, which some of the directives were about at times. In particular regard to birds and habitats, we are keen to ensure that we have appropriate habitats. We want to protect vulnerable species. Again, I do not want us to think that we are trying to have a worse outcome; we are not.

Q44 **Kerry McCarthy:** I think his argument was there was lots of paperwork involved, lots of measuring and so on that would be involved, that he would like to see scrapped. Have you given any thought to how you could achieve that but yet still achieve the outcome?

Dr Coffey: It is too early, Kerry.

Q45 **Kerry McCarthy:** But that will be an exercise?

Dr Coffey: Perhaps. We are really at a very early stage in this entire process in the Department.

Q46 **Kerry McCarthy:** When Professor Andrew Jordan gave evidence to the House of Lords EU Sub-Committee he was saying that without the protection of the EU Environment Agency, the European Court of Justice, and the European Commission to underpin the legislation, even if it was adopted in this country it would be zombie legislation because there would not be the enforcement mechanism. I suspect that you are going to say that you have not had a chance to give any consideration to that, but are you aware that that could be an issue? On the face of it the legislation could be saying the same thing but if it is not underpinned by those structures it would not be as effective and there would not be recourse to people to try to enforce that legislation.

Mr Walker: When we come to it at the end of this process, there will have to be an awful lot of law reviewed where it currently refers to EU bodies to make sure that we are defining the appropriate bodies to take that forward under UK jurisdiction. That will be part of the process that Parliament will have to go through right at the end of the process and there will be a major review of the whole statute book in that respect. Obviously it will be for the UK Parliament and the UK Government to make sure the law is working properly and has the right force behind it.

Dr Coffey: Robin is right in that principle. I think it is fair to say the Department is aware of that potential issue but if I give you the example of the air quality zones, it was the Supreme Court of this county that did the instruction and that is why we are going ahead with insisting the five areas have clean air zones. It was not an ECJ decision, it was a Supreme Court decision. I do not think you should worry and nor should Professor Jordan. How can I put it? The law is the law and that is what we should follow.

Q47 **Chair:** Could I just press you on that? The European Communities Act will probably have to be repealed. Is that correct?

Mr Walker: Yes, at the end of the process I think it will certainly have to be repealed and many laws referring to it would have to be amended.

Q48 **Chair:** Okay, so have you given any thought to what the process will be for the many laws stemming from that and what the democratic oversight of that process will be? Will it be a Royal Commission? Will it be Parliament that oversees that? Or will we absorb all the legislation and then revoke the stuff we do not want, or will we revoke everything and then bring the stuff back in?

Mr Walker: There is a great deal of thought being given to that. As I tried to make clear in an earlier answer, I cannot commit right now to exactly what the approach would be at the end of a multi-year process but it is certainly one of the things that it would be useful for this Committee to give a view on.

Q49 **Chair:** Do you not think that creates a huge amount of uncertainty for businesses going forward in that they may be developing new products and services and be unaware about which environmental legislations will apply? Obviously the EEA countries, the EFTA countries do, as we said, have to abide by noise and waste provisions, and so on, but do not have to apply the Birds and Habitats Directives, about which your colleague said—we have the quote in our brief about what he said—but he did use the words “spirit crushing”. Is that disagreement going to be resolved in Defra?

Dr Coffey: I do not know exactly the context in which George made that comment. The impression I got from my briefest of chats with him was he was thinking more about a lot of man hours, woman hours, getting used to focus on process rather than output so, about whether there is some way we can think in the future of those principles and how can we better focus on that. I think we all agree, we can have as many rules in the world but if it does not generate the outcome you want—you will be aware that the way environmental legislation has evolved, and has done in our country for some time, has been more about frameworks and doing the detail through secondary legislation. So focus on the outcomes and some things will work and other things will not. That is our lesson, isn't it, from trying different things over the years?

Q50 **Chair:** Coming back to Kerry's point about the zombie legislation, one of the reasons it went all the way to the Supreme Court on air quality was the issue of the ultimate threat about going to the European Environment Agency, the Commission and the European Court of Justice. If you incorporate EU law without having those institutions ultimately to enforce them, do you think you would get the same results in UK law?

Dr Coffey: I do not see any reason why we would be trying to make laws worse. We are not. Quite a lot of what we have in this country is already largely domestic legislation. There is often then multi-layered protection with different European designations. Peter is my constituency neighbour so he knows my part of the world. I think I have 10 SACs; a lot of the constituency is AONB; all these designations already exist and there are laws that apply to that. So, again, I do not think there is anything to concern people.

In terms of zombie legislation, I do not think it is a case that we can zombie legislation. EU laws will apply until the day we leave. There is a programme of work being laid out and the details will be gone through so if there are gaps we will identify them.

Q51 **Chair:** The Wildlife and Countryside Act is one of those major British laws that transposes some of that legislation and the House of Lords EU

Sub-Committee heard that without recourse to the underpinning directives the Act alone would provide significantly weaker protection. There is definitely a theme of concern coming from our legal advisers on this.

Dr Coffey: We will have to go through the detail and make that assessment.

- Q52 **Kerry McCarthy:** Can I come back on that, Chair? Minister, your colleagues in the Ministry of Justice concluded a consultation at the end of December last year on cost protection rules in environmental cases, therefore bringing environmental cases to judicial review. I have asked what has happened to that consultation and I was told we would be enlightened at some point. The suggestion is that it would make it prohibitively expensive for people to bring environmental challenges to court so my concern is that there is an attack on both fronts: you do not have the recourse of going to these institutions if it is not underpinned by the EU, and also we are finding it more difficult to take cases anyway. So I would ask you, while you are looking at this, to talk to your colleagues in the Ministry of Justice as well about what they are planning to do in response to that consultation.

Dr Coffey: That is a very helpful suggestion.

- Q53 **Chair:** Finally on *The Guardian* article in which your colleague, George, said the Birds and Habitats Directives would go: are you saying they will stay?

Dr Coffey: I am saying that I understand George was speaking in a personal capacity during the referendum campaign and was not articulating Government policy.

- Q54 **Kerry McCarthy:** I have just received an answer from you to a written question today. It was the question I tabled on 2 September that was asking the Secretary of State if she will make it her policy—

Dr Coffey: That was very quick of me to reply, wasn't it?

Kerry McCarthy: To incorporate in domestic law the objectives of the EU Habitats Directive and the EU Birds Directive. The response from you was, "The Government is considering the impacts of the decision to leave the EU, including future arrangements for existing legislation. The Government remains committed to conserving our natural environment building on the UK's long history of wildlife protection. This includes the manifesto commitment to the 25-year environment plan." That is not a "yes", is it?

Dr Coffey: What I am trying to convey to you and to the Committee as a whole is that the Government is absolutely committed to having a better environment than the one we inherited.

- Q55 **Kerry McCarthy:** But I was asking if you would incorporate in domestic law the objectives of the Birds and Habitats Directives—

Dr Coffey: Kerry, I am building on what I said to you earlier. We are going through this in a step by step process.

Q56 **Kerry McCarthy:** It is kind of a “maybe” then?

Dr Coffey: I have the feeling there is an Oasis track there, isn’t there?

Chair: It is definitely maybe. We are going to move on. Geraint.

Q57 **Geraint Davies:** Minister, you know there is a great concern about air quality obviously and we all know now that 40,000 people are dying a year from diesel pollution at a cost of £20 billion. At this stage can you give a commitment to retaining EU air quality standards because of course the UK does not have any of its own standards and the World Health Authority has only advisory standards. So in order to retain mandatory enforceable standards we need to continue with the EU air quality standards. Are you prepared to give that commitment today?

Dr Coffey: We want better air quality. I will be quite frank here, off the top of my head, I had assumed that these elements had been transposed effectively into UK law. In essence, we are taking action; we are going through a process at the moment with the air clean zones. That legislation has been open to any council to bring forward those quality zones. We are in the process of effectively now requiring five cities to do that and we will bring forward secondary legislation if we are required to force them to do it, but so far those five cities are being enthusiastic in wanting to have better air quality.

Q58 **Geraint Davies:** That was in response to your Department being hauled through the court, the Supreme Court, dragging and kicking, to provide that in order to satisfy EU air quality standards, not to require you to have our own domestic standards. So what confidence can we have that in the future, after Brexit, we will not end up with worse standards and even worse action and more death?

Dr Coffey: I do not think we will. I think our air quality is better than it has been previously and that does not mean it is the best in the world but we will continue to strive to have better air quality and there are a variety of actions to undertake that but a lot of that has to be delivered locally.

Q59 **Geraint Davies:** With respect, in terms of the numbers, we are now in a situation where half of new cars are diesel, a third of the stock is diesel, and there are greater concentrations, NOx is a big problem, and the medical reports keep on coming out. There was one in yesterday linking diesel pollution to dementia; we have foetus development impinged; we have children with 10% less lung capacity in urban environments. I appreciate Sadiq Khan is doing something in London but it seems to me that we do generally need to get an assurance through from you that we will retain the air quality standards from Europe and enforce them in the foreseeable future. Can you give that undertaking?

Dr Coffey: Just very briefly. I have a particular interest in Alzheimer's and dementia—I am going to try look at the detailed research about it

myself—but you must recognise the Alzheimer's Society has not placed a huge amount of weight on that report and that study is a very small sample and so on so—

Q60 **Geraint Davies:** No. That is emerging evidence. There are other authors of it but there are—

Dr Coffey: As one of the few people in this place who has a PhD, I am really keen that because one scientist says something does not mean it is fact so—

Q61 **Geraint Davies:** But you do accept that 40,000 die people a year and we are doing a “pooh-pooh”—I do not care about the Alzheimer’s so much—the issue is the 40,000 deaths.

Dr Coffey: You raised it so—

Geraint Davies: I know but you agree it is a big issue, don’t you, killing tens of thousands of people? I just want to know whether you will retain the new standards or throw them away.

Dr Coffey: I genuinely believe that the EU Standards are already part of domestic legislation so I am not sure why you think they are not.

Q62 **Geraint Davies:** No, they are.

Dr Coffey: They are, okay.

Geraint Davies: So the issue for the whole of the Committee is, are you going to throw away environmental standards from the EU? I am focusing on the important air-quality ones because we do not have our independent ones.

I do not know whether Robin has a view. The 1950s situation with the Clean Air Act was mentioned, and at that point 12,000 people were dying a year in London. The figure now is 9,500 people a year are dying from air-quality problems. It is a disaster. What are you going to do about it or will you make it worse?

Mr Walker: The example you give of the 1956 Clean Air Act is an example of where the UK took a lead in putting environmental legislation forward before other countries had done and before the European Union, and before we were a member of the European Union, and that is something that I would expect and hope future UK Governments will continue to be doing. Obviously we will want to meet the terms of our manifesto in terms of leaving a better environment than we inherited. That clearly includes the cleanliness of our air.

Q63 **Geraint Davies:** So is that a commitment to at least keeping the minimal standards of the EU? Because I am saying we did something in 1952 or whatever and now it is getting worse again. We are becoming the dirty man of Europe again. Can we at least get a commitment, because if it was not for the EU Standards you would not be in court for unclean air and so we need those standards?

Dr Coffey: I want to just be clear. The standards for the EU on things like nitrous oxide; they are part of UK law now. I recognise what you are saying, Geraint.

Geraint Davies: It came from the EU.

Dr Coffey: I recognise what you said. I don't think we are intending to try to repeal laws as part of this process and I am trying to put across to you the outcome that we'll be seeking is better air quality than we have today. So I would want you to be assured that this will be a really important issue for our Government. We are working with those five zones but any council today can do this.

To give you a bit more insurance, not assurance, I am taking a personal interest in this. I am meeting the new Roads Minister, John Hayes, next month. We now have a joint unit between Defra and DfT, particularly looking at emissions, and that is something that is new within the last year and it is recognising that we want to make progress in this area. You do not have to keep—

Q64 **Geraint Davies:** Maybe I have not been clear so I will read this one line: "The 2010 Regulations, and equivalent regulations in the 12 nations, were introduced using the provisions in Section 22 of the ECA". They would, therefore, lapse if the ECA were repealed without any specific exception. So I am just saying we need that EU law to be retained otherwise we do not have any air quality standards, in that case you would not be taken to court and in that case more people would die. So will you give an undertaking to sustain those standards and will Robin, too?

Mr Walker: I think you just heard from Thérèse that we want the air to be cleaner. We want to continue the process. There will be a process. When it comes to looking at the ECA there will be a process of going through the whole statute book to make sure we know the implication of change, we know what needs to be updated and we know what needs to be changed. I think the point that Peter made earlier is a valid one but we will want to make sure that is as simple a process as possible, so as much stays the same as we can ensure at that point.

I think it is important that the objective here is the objective of the UK Government to have cleaner air and that is already enshrined in our legislation. Of course we all want to make sure that we have the right legislation in place to support that going forward.

Q65 **Geraint Davies:** But the issue, are they measurable, enforceable standards and targets, not just vague ideas, "We want clean air"? There are standards that need to be fulfilled and if you do not you go to court. I am asking for an undertaking that we will not just throw them away and say, "We hope we will have clean air in the future. We will do something about it", which is the outcome-based strategy you seem to have, which does not have any stick—

Dr Coffey: I thought you wanted enhanced standards.

Geraint Davies: And on that—okay. Are you giving a commitment then that standards will be higher or at least at the level of the European standards? Is that what you are saying?

Dr Coffey: I am saying to you what I have said to you previously, Geraint, that we want better air quality than we have today and that is the outcome we will be working to.

Q66 **Geraint Davies:** With enforceable legal standards?

Dr Coffey: Today we have enforceable legal standards.

Q67 **Geraint Davies:** Yes. I just want to know whether you are going to keep them. That is all. But you will not give that undertaking. Is that right? You will not give the undertaking.

Dr Coffey: Look, we are part of the European Union. We want better air quality. There is a sense of stability that we want to come throughout this. We are not going to be just ripping out rules all over the place but we are going through a really detailed—it is not an exercise—a detailed assessment of every single thing and frankly it is really early on in this process about how we tackle whether something comes in through the ECA or whether it has come in through some other legislation so—

Geraint Davies: That is a no then.

Dr Coffey: No, it is not.

Chair: Zac, did you want to a follow up on this? Are you okay? I think the anxiety of the Committee is around the fact that it has taken court action in relation to the EU Air Quality Standards to make Defra put in place this plan to deal with the issue. So that is where, perhaps, our lack of confidence is that the Government would address the air quality problem without the Air Quality Directives.

Can I also recommend to both Ministers an excellent report that the Committee did, published just a couple of weeks ago—it did not get quite the attention that the microbeads did—on the transport sector? There is a particular set of recommendations there with relation to air quality, Volkswagen emissions and the whole transport sector need to have a proper strategy for electric vehicle take up and I will be saying more about that in the Chamber in the Climate Change debate when this session is over. Thank you.

Q68 **Kerry McCarthy:** One of the issues where the UK Government was at odds with its colleagues in the EU was about the neonicotinoids moratorium, on the use of three neonicotinoid pesticides. The UK Government was not keen. Will that ban remain in place once we leave the EU?

Dr Coffey: The UK and the EU both continue to look at the scientific evidence on this matter. The EU has banned it. We know that their emergency authorisations were granted last year, which were only undertaken by an external expert Committee, so independent advice. I am of the view from recollection that other countries have taken similar

approaches. I think Denmark has also given authorisation so I don't think it's a case of the UK being alone in its view on continuing to want to look at the evidence on that particular matter. By the way, none have been granted in 2016, so—

Chair: No exceptions. That is helpful.

- Q69 **Kerry McCarthy:** The derogations, yes. Maybe the case could be made for derogations or exceptions in certain instances but generally speaking the EU policy is that in the case of neonicotinoids there should be a moratorium on their use because that is what the scientific evidence suggests, but the UK Government took a different view during the negotiations and it was largely based on the EU's policy of the precautionary principle and the UK was trying to argue the economic benefits also ought to be looked at.

If we leave the EU will we abandon the precautionary principle and move towards a more US-style approach where we look at the cost benefits? If so, what environmental impact would that have?

Dr Coffey: I think the UK supports the precautionary principle. That is an element that is across many of the multi-national treaties that we are a party to. I think it is fair to say that obviously we want a scientific, evidence-led policy but often it is about how you apply the precautionary principle. At a very basic level, if I give you the example of a bottle of bleach, household bleach, the EU has a hazard-based approach and we have a risk-based approach in our kind of natural tendency. So a bottle of bleach is a massive hazard but if you use it appropriately, carefully, it is actually of great benefit. So it is about how you apply it. I am just trying to get across that we support the idea of the precautionary principle; it is just how you then make judgments based on that.

- Q70 **Kerry McCarthy:** But the UK Government would interpret it as encompassing economic as well as environmental considerations. Is that a fair statement?

Dr Coffey: To be blunt I have to say that has not come across from my briefing so far. I am not aware of that. I think it is genuinely about risk versus hazards and how we manage risk.

- Q71 **Kerry McCarthy:** So at the moment the European Food Safety Authority is reviewing the restrictions and looking at the latest scientific evidence of the harm caused to pollinators and it is looking at whether the restriction should be extended to cover all crops. If we leave the EU will we still base our view of a future regulation on the EFSA assessment or will we go it alone?

Dr Coffey: Well, Kerry, I am fairly new into the role. I have not covered that part in my portfolio so I am not aware of the discussions that have happened on that so far.

- Q72 **Caroline Lucas:** Can I just follow up on that because it might be helpful if the Minister were able to reply to us specifically? George Eustice, before the referendum, was saying that the EFSA review is due to conclude in

January and the UK was going to be contributing fully as it progressed. So the question now is whether or not we are still going to be participating in that decision-making process running up to January and I appreciate she might not be able to tell us now but could she tell us thereafter?

Dr Coffey: While we are a member of the Union then the UK will participate fully in the discussions. As I want to reiterate, George was speaking in a personal capacity, I expect, in the run up to the referendum.

Q73 **Caroline Lucas:** I do not think this was, no. This was a reply.

Dr Coffey: Okay.

Caroline Lucas: It would be useful to know whether or not that decision in January that we will be part of will be binding upon us until we leave.

Dr Coffey: I do not think the European Food Safety Agency is part of my remit so I don't know but I can try and give you a bit of an environmental view.

Q74 **Chair:** I think from my horsemeat days that the EFSA may well be part of your remit because it is about contamination and it links with our food standards. It is divided between Defra and Department of Health now.

Dr Coffey: But I don't really cover food.

Caroline Lucas: Okay.

Dr Coffey: Somebody could find out for me.

Mr Walker: I think the obvious point to generally make though is that it is very important we remember that we are still a member of the European Union and we will continue to be until the end of the Article 50 process and all our rights and obligations continue in that respect, so if there are decisions being taken that apply during that time they apply to us.

Dr Coffey: And we will engage them in the discussion.

Chair: Okay, thank you. Peter is going to develop that theme.

Q75 **Peter Aldous:** You have already half-answered my first question. I was going to say obviously the Government has said very clearly that it will exercise, and I quote, "our rights and meet our obligations as a member of the EU until withdrawal is complete". Does this mean that you will continue to fully engage with the development of European environmental policy?

Mr Walker: Yes, we will be.

Dr Coffey: Yes, and a good example might be—I think it was fairly shortly after the referendum—we were in a closed vote. We voted in favour of the National Emissions Ceilings Directive so we will continue to play a full role.

Q76 **Peter Aldous:** Just taking that forward and the voting issue, how will the Government vote in Council on those environmental measures, which are unlikely to apply to the UK outside the EU?

Dr Coffey: Frankly, I think we should, while we are part of the EU, still play a full and active role. I can't give you a running commentary on exactly what we will and will not vote on. My assumption is we will vote on things.

Q77 **Peter Aldous:** The nature of qualified majority voting is if you abstain that is, in effect, voting against something.

Mr Walker: So we want to play a full and active role. I think Thérèse is right, exactly, in her words.

Dr Coffey: We are not stepping away from the table. We are going to be very much engaged in it, especially on things like the environment. As has already been extensively referred to, we are an island but that doesn't mean that we're not affected by things around us.

Q78 **Peter Aldous:** Just on getting fully involved, I would welcome your views. The President of the Commission has forbidden Commissioners from holding discussions with the representatives from the British Government until Article 50 is invoked. How broadly do you think we should be interpreting this stance? Does it only apply to discussions about withdrawal or does it include policy discussions?

Mr Walker: I think we need to be clear that there is a lot we need to engage on in terms of policy discussions and so—

Q79 **Peter Aldous:** Will you be clarifying that?

Mr Walker: I think the argument that was being made there was about the withdrawal process and was about not wanting negotiations to be pre-empted. What we have made clear, and the Secretary of State made clear in his statement earlier this week, is when we do engage in negotiations it will be on the correct terms and in the meantime we want to be a full and active member.

Dr Coffey: I am meeting the Environment Council next month.

Mr Walker: Engagement will need to take place.

Q80 **Peter Aldous:** It is early days but as regards those sorts of statements, have you noticed any impact on the UK's ability to influence environmental policy coming from the EU?

Mr Walker: I think probably the question on environmental policy specifically is more for Defra but I think from our perspective we are still seeing a great deal of engagement on a whole range of policy issues and we would not expect that to change ahead of the Article 50 process.

Q81 **Peter Aldous:** How will the additional demands of running policy negotiations in parallel with withdrawal and the development of new policy; how are you going to resource those within the UK permanent

representation to the EU, UKRep, and Defra?

Dr Coffey: I articulated quite early on we were going to produce a 25-year environment plan regardless of being in or out of the EU so that is still the framework or the basis on which we will continue to develop policy.

Mr Walker: In regard to that we are working very closely with UKRep. UKRep is still there and playing an active role so it is there obviously to support the UK Government across the board.

Peter Aldous: So it is very much business as normal and the UK is going to be adopting a positive approach, yes.

If I can just then move on to a—

Chair: Before you move on, I just want to bring John in. I think he has a quick supplementary.

Q82 **John McNally:** Could you maybe explain, just to pursue that a wee bit further, how the devolved Administrations will be involved in these negotiations? Will they be involved in these negotiations with us? I have to make sure that when I go back I can speak to my own constituents who are extremely concerned about this.

Mr Walker: Absolutely and I refer you to what was a good Westminster Hall debate on the issue of devolved Administrations at the end of the last term of Parliament when I was responding, in which a number of your colleagues took part. You would not be surprised to hear that. It is very clear that there needs to be a great deal of engagement with the devolved Administrations as we formulate the UK-wide position.

The Prime Minister has made it very clear that getting a UK-position is important to her. She broke her reshuffle to go and talk to the First Minister in Scotland. She has visited Northern Ireland and Wales for early meetings with the devolved Administrations and we, as a Department, are engaging in that process too. I understand that the Scottish Parliament has approved the appointment of a Minister in Scotland who we will be engaging fully to make sure that we understand the position and the concerns of devolved Administrations and have a UK-wide approach going forward.

Dr Coffey: From an ongoing basis it is business as usual. I understand that there are usually discussions, particularly in the lead-up to the Environment Council, but also I will be taking advantage of the opportunity offered by the meeting of the British-Irish Council early in November to again be able to have a good chat with my opposite numbers.

Q83 **Geraint Davies:** My understanding is that engagement with the EU is business as usual, other than negotiations about Brexit, because they will not have, at the moment, negotiations prior to triggering Article 50. So would you say that there is, in theory, a case? People put the case and indeed I put the case for having a referendum on the exit package after it

has been negotiated but clearly if that was to be pre-Article 50 you would have to tell the EU we are thinking of having that referendum. So do you think there is a case to signal there might be another referendum?

Mr Walker: We had a big debate on a second referendum just the other day and it has been very clear from the Prime Minister's statements downwards and from the Secretary of State that we are not looking to have a second referendum. We are making sure that we respond to the concerns raised by the British people, the desire of the British people, expressed through the first referendum, to say that we must leave the EU.

When it comes to Article 50 clearly that is a matter on which the Government will be taking a view as to when we reach the appropriate UK position as to when that will be exercised. There is a huge role for Parliament in all of this in the scrutiny of how we go forward in the legal process at the end of the process.

I think the idea of trying to say to people, "Well, we don't think you got this right the first time please change your minds", is not going to go down well with the millions of people who voted, the 33 million people, who took part in the referendum.

Q84 **Geraint Davies:** If I may, obviously people voted in principle to leave and we all understand that. People might think when they see the nature of exit package they do not get what was printed on the can. In terms of the incentive for the EU to negotiate with you before Article 50 is triggered, if they thought there was any prospect of us coming back into the EU they would have meaningful negotiations before Article 50 and instead at the moment they are just showing you the door, aren't they?

Mr Walker: We said we will negotiate in good faith. That means where the EU has said the appropriate way to do this is through the Article 50 process, we should follow that process.

Q85 **Geraint Davies:** But only after pushing the button for exit, namely Article 50, will you and others be able to negotiate, or rather be told, what we are going to get but then the British public will not be able to vote on whether what they got represented in any sense the reasonable expectation of why they voted to leave.

Mr Walker: The clear mandate in the manifesto on which we were elected to Government was to hold a referendum and to respect the outcome and that is what we have to do.

Q86 **Chair:** Minister, have you been to Brussels yet to meet any of your European counterparts?

Mr Walker: I have not yet but a lot of my colleagues have. Indeed, David Jones has taken part in the General Affairs Council already and that is something, and there will be ongoing contact in that respect. Obviously I have met a number of European officials, MPs, and people working on our behalf in Brussels but my previous visits to Brussels were in a Select Committee capacity as a Back Bencher rather than as Minister.

Chair: Okay, thanks. We are going to go back to waste.

- Q87 **Peter Aldous:** Moving on to waste and the Circular Economy. Businesses working in the waste management sector are, I think, working on the assumption moving forward that the existing regulations from the EU will largely remain in place but the upcoming Circular Economy package is not going to apply in the UK. Are they right to be making those assumptions, do you think?

Dr Coffey: The Circular Economy package is being discussed. I don't know how long the negotiations are going to take and the UK will continue to play an active role in that. I think it's very early to say where we will have reached by the time we leave because nobody knows—

- Q88 **Chair:** Would you have transposed the directive, if it is agreed before we leave?

Dr Coffey: I don't really want to answer hypotheticals. I recognise that people always want certainty, but we will be seeking views on what outcomes matter so that people can go ahead and invest with some certainty.

You will be aware that waste is a devolved matter anyway so I think I am right in saying that the Welsh Assembly has already legislated on certain matters. I do not want to prejudge what our future discussions are.

- Q89 **Peter Aldous:** But you are aware of the need to provide businesses with some form of confidence and certainty so they can make investment.

Dr Coffey: Yes, across the whole gamut I think Treasury is very aware, the Government is very aware, that an element of stability and certainty is what a lot of investors in the industry are clamouring for.

- Q90 **Peter Aldous:** If we look at the Circular Economy, the Government, up to now, have been very much pushing for a voluntary approach on the Circular Economy package, focusing on the avoidance of unnecessary burdens. There have been concerns from environmental business groups that this may weaken the overall package. Do you think the Government might be looking at changing its negotiating position? I am just thinking that in the post-Brexit world there may be an opportunity for the Government to embrace the Circular Economy and be a global leader. Is that a thought that is going forward?

Dr Coffey: It is a live negotiation. I refer again to our manifesto. I refer to the fact that we extended the life of the Natural Capital Committee. I think it is a really interesting area, about making the most of the resources that we have. I used to work for a food company. They did stuff that was good for the environment and good for the bottom line by reducing the amount of glass in what they put a certain kind of sauce in. So it is in the industry's interest as well as regards how they use resources.

We want to go further. We did increase the recycling rate from 11% to 45%, which is what our country has achieved. Of course we would like to

go further and we will continue to work with WRAP and industry and other interested sectors in order to try to make better use of the resources that we have today.

Q91 **Peter Aldous:** With the departures from this Committee I am the only Conservative left on the Committee in the room today and, therefore, I am familiar with the Conservative manifesto that you have referred to.

Would you agree that the Circular Economy does present a real opportunity to be prime, putting those manifesto commitments into practice and that is something we should now be embracing?

Dr Coffey: I want to look at this more carefully. I would say the general principles most of industry would get—do more with the resources, do more with the design—but I do think sometimes we need to be careful about what we do. We should focus on outcomes. That is what really matters rather than being prescriptive. So I will be taking a very close look at this particular policy issue.

Q92 **Kerry McCarthy:** Scotland and Wales have already moved ahead on the Circular Economy stuff so it is quite frustrating that England does not seem to be doing the same. I know certainly from conversations in the waste sector they are very concerned. They feel that it is only EU legislation that has been driving things forward and that there will not be that political will to do things now.

Certainly the feedback that I have been given in terms of the conversations that we have had and the negotiations we have had at EU level so far is that the UK Government sees it as a success to get the word “voluntary” inserted into the text at every possible opportunity and has been arguing against mandatory targets, for example against a food waste target. So my concern would be first that if we are taking part in these negotiations now will they listen to us if we try to argue for a different approach, a voluntary approach, rather than targets when we are on our way out of the EU? What influence do we think we would have in those discussions? But also if our purpose—when I say “our” I don’t really identify with it, so if the UK Government’s purpose is to go into those negotiations seeking to weaken the measure, what is the point of us going along to those discussions?

Dr Coffey: Because the Circular Economy is not unique to the European Union. It is a way of using resources. On a very personal level the words “Circular Economy” to me is at risk of implying there isn’t growth. We can continue to grow. It doesn’t just need to be a closed loop but I am very aware that often voluntary approaches can be the best way to achieve things. I am led to believe that we are pretty good in the UK on food waste and have been leading other countries in the EU.

I recognise this is a particular passion of yours and we could go further but some stuff we have to look at really carefully. Some of the proposals potentially about changing the definition of what constitutes recycling could have a big impact on the UK. So we just need to be careful in our approach to this. How can I put it? We don’t want to end up with a

perverse outcome just because of some kind of very specific rules and regulations,

I am going to look into this more carefully. I cannot give you a specific answer that I expect would satisfy your needs right now.

- Q93 **Kerry McCarthy:** I suppose my question would be: if resources here are limited and there is a decision to be made about whether your focus should be on implementing a domestic Circular Economy package or still taking part in the EU discussions, whether to do what Scotland and Wales have already done and just get on with things here? Is it a diversion of your energy to be taking part in the EU discussions when we may not be taken that seriously because we are about to leave and we may not be affected by it, although companies doing business with the EU will still be affected.

Dr Coffey: I hear what you say but I cannot give you anything more specific than what I have already said because I need to look into it in some more detail myself.

- Q94 **Chair:** I think there is a very strong feeling from the waste sector that your predecessor in the role was saying, "Go away. Do the research yourself. Come back with what you would like to see me do." There is a feeling from them that, "Why should we be telling Government? Why should we be doing the work of Government?" That comes back to the resourcing and civil servant issue, the capacity issue in your Department.

I think the second thing is, as you have spoken a lot about outcomes, one of the things that has driven massive improvement in this area—you talked about the 45% target being reached, but of course that fell back last year and we are not quite sure if it is going to fall back again this year—is having that 50% target by 2020. Do you think a 60% recycling target by 2030 is reasonable, achievable, desirable?

Dr Coffey: I do not want to give you a response off the top of my head.

- Q95 **Chair:** Okay. Could you write to us and just let us know whether you think that is an outcome—

Dr Coffey: I can give you a view on whether I think that. Let me follow up on that.

Chair: All right.

Dr Coffey: I think it was on my very first visit, I went to a waste recycling area. I am interested in this field. I do want to try to see what we can do and encourage local communities to invest effectively in their own environment and recycling is part of that. I asked for a map to be printed, the SITA map, because frankly I am quite appalled that where I used to live, in that part of the country, has such a low recycling rate and there is no excuse for it.

Chair: They are looking to Government for that lead about what the strategic outcomes are and there has not been a huge push on that, I would say.

Dr Coffey: Thank you, Chair.

Q96 **Chair:** We are going to close with a final question on international treaties.

There are a number of cases where the EU has negotiated and ratified international environmental treaties on the UK's behalf. Would the UK be looking to step back from any of these commitments negotiated by the EU on behalf of the UK?

Mr Walker: Not that I am aware of and I think the UK has also taken part in a number of multi-lateral treaties and events on its own behalf and the UK will continue to want to engage fully on international matters, as a party in its own right.

Q97 **Chair:** In the interim period will the EU still lead on international treaty negotiations on behalf of the UK or will the UK seek to make its own representations during negotiations in this period, say when Article 50 has been triggered?

Mr Walker: In this interim period we have to remember we have all the rights and obligations of being an EU member and so as long as we have those rights and obligations we just continue to play that full role.

Q98 **Chair:** So they would be negotiating for us?

Dr Coffey: Remember that the EU has to get the agreement effectively of the member states of the European Union. The UK is often a party in its own right. We have that special privilege with the overseas territories so we are very active in this. There will be ministerial representation next month at the conference on the Montreal Protocol. We are taking an active role and take this international work very seriously.

Q99 **Chair:** The ozone layer is one where we were active before the EU got involved.

We obviously took a very leading role on the Climate Change Convention that was agreed last December. How much clout do you think we are going to have in these international negotiations now that we have voted to leave? Do you think that has diminished our influence?

Dr Coffey: Not at all. I think, as I said quite early on, that we will be working actively with partners from around the world in order to achieve greater environments.

Q100 **Chair:** When we do eventually leave the EU can you say how those international environmental treaties will apply in UK law?

Dr Coffey: I understand that most of these have been ratified already and they are part of UK law and—

Q101 **Chair:** Not the Convention on Climate Change, which is why we are having this debate. It has not been ratified.

Dr Coffey: It was only negotiated a few months ago.

Chair: China is on it though and the US.

Dr Coffey: I do not really want to talk on behalf of other Ministers but we would not have signed up to it, would we, if we were not going to do it?

Q102 **Chair:** Are you optimistic of an early ratification?

Dr Coffey: I am not giving any commentary on timelines. I suggest you listen to the closing speech of my honourable friend.

Chair: I shall be listening very carefully.

Q103 **Geraint Davies:** Obviously it is clear that we will be a full member of the EU until we trigger Article 50 but in that period, the two-year period, from Article 50 to Brexit, assuming it happens, will we be also negotiating our own deals—presumably we will, with the environmental content of those deals, that is trade deals—at the same time as being engaged in the EU? Will there be a time of confusion where we are both a part of the EU but on the way out of the door at the same time as we are on our exit route and need to do our own thing.

Mr Walker: As long as we remain members of the EU—which includes during the Article 50 process, not just up until—we are still bound by the rights and obligations of being a member of the EU. In that respect any theoretical trade negotiations would be something that you could not have coming into force until that moment at which we ceased to be members of the EU. So we would not be having trade deals that we were doing and that were coming into force up until that moment at the end of the process.

Q104 **Geraint Davies:** We would be negotiating them to come into force at the end of the two-year period after triggering Article 50, so obviously we can do them after the two years. We would have to create them and then they would come into force, yes?

Mr Walker: That is why we have a new Department for International Trade so I think that the question, to be fair, might be better put it to them, but at the end of the day we have responsibilities to engage, to meet our obligations, and exercise our rights as an EU member, which continue right up until the end of the Article 50 process. They do not stop or diminish when the Article 50 process is initiated.

Q105 **Geraint Davies:** Why should anybody listen to us in that two-year period as we are going out the door, as we are doing our own deals on the way out?

Mr Walker: We remain a full EU member through that period.

Q106 **Geraint Davies:** On TGIT, or whatever it was: why should they listen to our view when we were about to leap through the door and we are trying to do a bilateral with the same people?

Mr Walker: I think people will continue to listen to our view while we are an EU member. I think people will continue to listen to our view even after we are an EU member because we will be a very important neighbour and partner of EU countries and so I do not think people are going to stop listening to our views. I think clearly we have a

responsibility as a Government to make sure that the UK lives up to its responsibilities and exercises its full rights as an EU member right up until the point when we cease to be one.

Q107 **Geraint Davies:** They will hear but they may not listen.

Dr Coffey: Geraint, I do not share your pessimism. I am very optimistic.

Q108 **Chair:** Can I just conclude because you have been very generous with your time?

We touched briefly on the funding side of things beforehand. I want to conclude with a question on that. The Autumn Statement deadline was announced only six weeks before the deadline to apply for the Countryside Stewardship schemes, which is 13 September. Do you think that that is a reasonable time period for organisations and individuals to get their funding in place? That is just six weeks and during the summer months as well, which is often the farmers' busiest time, during harvest.

Dr Coffey: I do not think the deadline is different; end of September is the usual—

Q109 **Chair:** But it is a drop-dead deadline potentially, isn't it, for people whose funding runs out in 2018, they now have to get it in potentially a year early because there is a question mark over post Autumn Statement, isn't there?

Dr Coffey: I think it is a fair deadline. When the Chancellor makes the Autumn Statement it will be the first opportunity since the referendum to talk about the economic situation going forward. I think we have seen an increase in the expressions of interest and that is to be welcomed. I want to stress again that a lot of these agreements are multi-year so it is not a case that all of a sudden there will be nothing happening on the environment.

Q110 **Chair:** But you are probably expecting to fund fewer of them, aren't you? That is why there is that deadline in place.

Dr Coffey: I have not said anything today, I hope, that gives you that impression. What I have tried to say is that they will be saying more at the time of the Autumn Statement

Q111 **Chair:** Why set out the deadline if you expect to continue funding fully up until 2020?

Dr Coffey: I hope we can say more at the time of the Autumn Statement.

Chair: Okay. On that rather gnostic statement we shall conclude this afternoon's session. Thank you both very much and I hope we will see you back again soon.