

Environmental Audit Committee

Oral evidence: Session with the Secretary of State for Defra on Resources and Waste Strategy, HC 1835

Wednesday 19 December 2018

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Members present: Mary Creagh (Chair); Geraint Davies; Mr Philip Dunne; Mr Robert Goodwill; Caroline Lucas; Kerry McCarthy; Anna McMorrin; John McNally; Dr Matthew Offord; Alex Sobel.

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Witness

Rt Hon Michael Gove MP, Secretary of State for Environment, Food and Rural Affairs

Examination of Witness

Witness: Rt Hon Michael Gove MP

Q1 Chair: I welcome the Secretary of State to our final meeting of the year, the last but certainly not the least important meeting of the year, given some of the announcements and the predicaments that the country finds itself in. Secretary of State, welcome. We had an announcement yesterday that DEFRA was stepping up its no-deal planning and was being given £410 million for no-deal planning. Could you set out where that money is being spent?

Michael Gove: Some of it will be spent on making sure that the information technology and databases that we need in order to be ready for a no-deal scenario are in place and fully functioning. Some of that will go to ensuring that the future farming initiative, which will replace the common agricultural policy, is delivered in the most effective way possible. Some of it will go on fisheries control and enforcement; some of it will go to the establishment of our new Office of Environmental Protection; some of it will go to making sure that the appropriate databases that we need—for a REACH replacement, for example—are established in a timely fashion.

Q2 Chair: Is this the database that the Public Accounts Committee said the National Audit Office have given a red rating to?

Michael Gove: Yes. The National Audit Office report was incredibly helpful. It reflected on where we were about halfway through the year. Since then, as I think most outside observers have acknowledged, DEFRA has stepped up its pace and tackled some of the problems and bugs that existed, not just in our database, but also in some of other preparations.

Q3 Chair: Outside observers from the chemicals industry came in to see us and said that the view from DEFRA was so strategic as to be the view from the moon. They had very little confidence about the database being delivered and described withdrawing from REACH as disastrous for their industries. A no deal would be disastrous for the chemicals sector, wouldn't it?

Michael Gove: I think none of us—well, I hope none of us—wants no deal to happen, but the Government have to prepare for precisely that eventuality.

Q4 Chair: The REACH database is £32 million from 2017 to 2019-20. Is that still the correct amount?

Michael Gove: Yes.

Q5 Chair: The NAO said the export of animals and animal products database costs £1.5 million to £2.5 million. That has also been given a red rating. Do you have any updates on costs or how that is proceeding?



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Michael Gove: All the databases are proceeding in a much more effective, efficient and timely fashion than was the case when the National Audit Office examined our preparedness.

Q6 **Chair:** They are all on track now; they are no longer red. What would you describe them as, amber or green?

Michael Gove: Amber.

Q7 **Chair:** Marine control and enforcement was at amber. DEFRA had not developed its plans, its costs had not been established and a full business case had not been submitted to Treasury. Has that now changed?

Michael Gove: Yes, it has.

Q8 **Chair:** What are your estimates of the costs on marine control and enforcement?

Michael Gove: We have submitted our business case to the Treasury. The Treasury has approved it and we are now in negotiations with the MoD over access to a certain number of hours for the OPVs that are necessary.

Q9 **Chair:** What are OPVs?

Michael Gove: Fisheries protection vessels.

Q10 **Chair:** Are you going to be purchasing them off the Navy?

Michael Gove: We will be paying the Navy for the use of their assets in the same way as any Government Department would when you have military assistance to the civil power.

Q11 **Chair:** What are the costs that you will be transferring to the Ministry of Defence?

Michael Gove: At the moment we are in negotiation with the Ministry of Defence over precisely what those costs will be. We are also able to source additional support for fisheries protection from the commercial sector, because while it is fisheries protection vessels, then we can use aerial drones and other facilities to ensure that we have appropriate control of our waters.

Q12 **Chair:** How far out at sea for the aerial drones?

Michael Gove: They can go as far as they need to in order to ensure that we have control over our exclusive economic zone.

Q13 **Chair:** Are you talking about the 12-mile or the 200-mile limit?

Michael Gove: The 200-mile limit. We can use drones and other aviation assets.

Q14 **Chair:** What was the cost that you put in the business case to the Treasury?



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Michael Gove: I will write back to you with that. In fact, I will probably share, if I can, as much of the business case as you would like to see.

Q15 **Chair:** Yes, that would be very helpful, and the same for the fourth workstream, which is import of animals and animal products.

Michael Gove: Yes, our import notification system, absolutely.

Chair: We are going to move on to animals with a question from Anna.

Q16 **Anna McMorris:** Secretary of State, we know that Whitehall officials are discussing all sorts of plans in case of a no-deal Brexit. What comment would you make on the plans that we have heard of for the mass slaughter of thousands of sheep in case of a no deal, those sheep that potentially are going to be trapped in lorries en route to slaughter in EU member states?

Michael Gove: We are not going to have the mass slaughter of lambs or sheep in lorries en route to EU member states.

Q17 **Anna McMorris:** What would you do with those sheep en route if the queues are expected to stretch perhaps 20 miles back at ports? What are you going to be doing with those sheep, those live exports that are going to be in lorries?

Michael Gove: One of the things that we hope to do is to ensure that the concerns that have been expressed about access through the Dover-Calais route and other routes to European markets are properly addressed by making sure that we have the effective flow of goods that all of us would like to see, even in the event of a no-deal exit.

Q18 **Anna McMorris:** You are saying in the event of a no deal there are going to be no queues, so no barriers at borders?

Michael Gove: Even if we get a deal there is always the opportunity for queues. One of the striking things is that during the recent gilets jaunes protests in France it was the case that German manufacturers, in order to get car parts to Spain, had to charter aircraft for that. There are factors, deal or no deal, outside the control of the UK Government that may impede or create queues at any time for any exporter, but our aim is to try to ensure that we minimise the risk of queues or other frictions.

Q19 **Anna McMorris:** Both the NFU and FUW in Wales have expressed concern about potential slaughter and there needing to be these back-up plans. What are you going to do in the case of sheep and lambs going to slaughter being trapped in those lorries?

Michael Gove: We are doing everything we can in order to ensure that we do not have the situation or the scenario that you describe. We know that the French Government and the port of Calais are also making their own preparations. But you do make an important point and the NFU Cymru, the Farmers' Union of Wales and others have made the point that of the sectors of agriculture that are most exposed to EU exports, it is



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undoubtedly the case that the lamb and sheep sector is the most exposed.

As you know, and as the Committee knows, it is often the case that upland sheep farms in particular are among those who operate at the lowest margins. We are very conscious of that and we have a number of mitigation measures, but we would not want at this stage to attempt to feed some of the more lurid and therefore unfounded speculation that some, not you or any of the others—

Q20 **Anna McMorris:** You are very clearly saying now that there will be no slaughter of any sheep in case of a no-deal Brexit?

Michael Gove: It is the case that by definition you have the slaughter of sheep.

Q21 **Anna McMorris:** But slaughter because of the no deal in excess of sheep normally slaughtered?

Michael Gove: It will be the case that the market will necessarily require sheep to be slaughtered in order to meet both domestic demand and export demand. It would be impossible to say in the future, deal or no deal, whether a particular increase at a particular point in the particular slaughter of particular animals in particular locations was as a result directly of deal or no deal.

Q22 **Chair:** But obviously you will not be putting those lambs on planes, will you?

Michael Gove: I think that might cause some trouble at check-in for other passengers.

Q23 **Chair:** The German manufacturing analogy does not really cross over that.

Michael Gove: I think it does, Chair. The point I am making is not that you should put sheep on planes but that there can be disruptions to exports that, deal or no deal, are not within the power of the UK Government to mitigate. On Anna's point of whether there might be delays, there could be delays, but it might be as a result of factors that are nothing to do with the EU exit, deal or no deal.

Q24 **Chair:** The no deal would see a significant impact on planes and truck movements, which is why the plans are—can I just clarify, are you in contact with the Army about any sort of slaughter?

Michael Gove: No.

Q25 **Chair:** That is not something that has come across your desk?

Michael Gove: No, absolutely not.

Q26 **Mr Philip Dunne:** Secretary of State, in the autumn the NFU was warning that in the event of no deal, not just for lamb—and as a lamb



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producer I should declare a specific interest in the outcome of no deal—but for food and drink exports of some £13 billion a year, it would take up to six months to secure third-country status to be able to supply into the EU post no deal. How do you envisage producers exporting food and drink in the absence of such status?

Michael Gove: You are absolutely right: in strict terms we would need to apply for third-country status in order to be able to export. I am convinced, for a variety of reasons, including informal contacts with European actors, that we will have third-country status. But I would not want for a second to suggest that the granting of third-country status means that all concerns disappear.

As this Committee knows, it is the case that all products of animal origin need to go through a border inspection post and there are no border inspection posts yet at Calais. We understand it is the intention of the French Government and the Calais port to establish them, but even then I think the Commission today has said that it can impose 100% checks. Whether or not they choose to do that or whether or not they have in practice a lower frequency, I would not disguise from this Committee that the existence of additional checks will create frictions. Also it is the case that there will be tariff barriers that will particularly badly hit livestock farmers and food producers. While I am confident that we can secure third-country status, I think farmers are right to be concerned about the consequences of no deal.

More broadly, I had the opportunity to visit the NFU Council last week and talk to them. We took a straw poll—it is not an entirely representative body, but it is broadly representative of British farming—and there was not a single farmer in the room, whether they voted remain or leave, who thought that leaving without a deal would be good for British agriculture.

Q27 Mr Philip Dunne: Are you telling this Committee that you are confident that, even in a no-deal environment, the negotiations that your Department is having with counterpart officials in Brussels will allow for third-party status in the event of a no deal?

Michael Gove: Yes, I am confident of that. I wanted to take a little bit of time to answer that because I did not want to suggest that that in itself was somehow a magic wand that took all the other problems away. There are significant challenges, but I am confident about that.

Q28 Mr Philip Dunne: You have mentioned tariffs and I am glad you have, because that will clearly have an impact on export markets and producers, but it will also have an impact on imports of food coming into the country, which account for close to half of the food consumed here. Have you made any assessment of what the impact on consumers would be from a no deal in terms of increased food costs?

Michael Gove: Tariffs are one aspect of it, but I think it is also the case that if we have friction and disruption—and obviously we are trying to



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minimise that—between Dover and Calais, the ability to get food, particularly perishable items, into the market will be impeded. That is likely to drive some price increases. It is also the case that some of the alternative routes by which food might reach our shores will add additional costs. For example, if you have Spanish produce that is routed by sea from Spain rather than going through Dover-Calais, that is likely to add something to costs.

Our approach—and we will be saying more about this in this detail—is to try to balance two things in constructing a tariff schedule in the event of no deal. On the one hand it is trying to minimise the impact on consumers, but on the other hand also trying to protect particularly vulnerable and vital areas of agriculture. The livestock sector is one where we would have tariffs. One would think that in those circumstances there would be a degree of import substitution, but I do think that there is a real risk, not significant, in the event of no deal of price spikes in certain foodstuffs.

Q29 **Mr Philip Dunne:** Is there sufficient time to agree with the WTO the tariff schedule in relation to food and drink?

Michael Gove: Yes, there is.

Q30 **Chair:** On the basis of what evidence?

Michael Gove: On the basis of the negotiations that the Department for International Trade has been having.

Q31 **Chair:** Haven't the Russians made some complaints and haven't other third countries not been playing ball?

Michael Gove: Yes.

Q32 **Chair:** You are saying that there are all those complaints and it will all be sorted out in 100 days?

Michael Gove: Yes, I think that they will be. There are certainly some countries with whom we are seeking to secure continuity free trade agreements in the event of a no-deal exit who are processing them more expeditiously than others. But only yesterday we secured the latest continuity agreement with an EEA nation and there will be other nations.

Q33 **Chair:** Which nation?

Michael Gove: The Faroes.

Q34 **Chair:** Marvellous! There will be plenty of fish but no fruit and veg.

Michael Gove: I think there will be plenty of fish, but there will also be plenty of fruit and veg from other countries. Our principal market for importing fruit and vegetables is the European Union and it will be the case that the European Union, notwithstanding the challenges that we have just mentioned, will want to ensure that its producers and growers get their products to British consumers who enjoy them.



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Q35 **Chair:** Well, 27 nations sell less to one nation, one nation sells less to 27 nations. You can do the maths.

Michael Gove: I am sorry; I do not follow.

Chair: There are lots of them that can take a tiny slice off their GDP whereas our problem is that we are going to take a big slice off our GDP, aren't we? Ten per cent is the no-deal calculation in the Treasury forecast.

Michael Gove: There is a lot there. In order to do it justice, I would say one thing. There are projections that are not predictions. Those projections assume certain datapoints, but do not take into account other datapoints that can change.

It is the case that a no-deal Brexit would be tougher for our economy than if we secure a deal, one of the many reasons why I am a strong advocate of the Prime Minister's deal. The other thing is that the EU sells more in agrifoods and in all goods to us than we sell to them.

It is also the case that the impact of a no-deal exit would have a differential effect on different EU nations. France, the Netherlands and Ireland, partly because of proximity, partly because of the nature of what they sell to us, would be more affected. It is the case that it has been estimated that were there to be a no-deal Brexit, it could lead to a recession in the EU that would hit those nations particularly hard, but would affect the eurozone and other non-eurozone countries as well.

Q36 **Chair:** The famous threat of food shortages for Ireland. I think one of your colleagues did not cover herself in glory on that.

Michael Gove: Without wanting to relitigate that point, it was a statement of fact that some chose to interpret in a particular way. I had the opportunity to meet the Irish Ambassador yesterday. One of the things that I am very anxious to do, one of the reasons why I support the Prime Minister's deal, is that I want to ensure that we can continue to be in a position where the interests of the Irish Republic and their citizens and their businesses are protected.

But it is the case that if Parliament does not support the Prime Minister's deal the default option at the moment is no deal. That is why here and everywhere I have the opportunity to make the case: I say that we should support the Prime Minister's deal that honours the referendum result and also ensures that we can have a strong commercial relationship with our friends and neighbours.

Q37 **John McNally:** Secretary of State, I am seeking some clarification on how prepared the businesses running the UK's port are. It came to my attention that some of these ports have not gained authorised economic operator accreditation. Could you clarify if they are all able to have this accreditation? I believe that some of these ports have just started to apply and it can take some 12 months to process.



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Michael Gove: I am not aware of which ports are in that difficult position. I have had the chance to visit some of our larger ports, not just Dover but Immingham as well, and I have talked to Associated British Ports, who are—I would not say sanguine—confident and resilient. They said that they can cope with many of the challenges that either a no deal or other forms of Brexit might generate. But if you let me know which ports those are then I will talk to my colleagues at the Department for Transport, BEIS and Treasury in order to ensure that any problems they have can be expeditiously dealt with.

Q38 **Chair:** On negotiating with the Department of Health, if there is a massive restriction on ferry movements, your colleague, the Secretary of State for Health, said not to worry because medicines would take priority over foodstuffs. Is that a position that you recognise?

Michael Gove: I think quite a lot has been attributed often by reporting at second or third hand. It is the case that in the event of any particular contingency we need to prioritise those goods that are critical to life and limb. We want to ensure, as the Department of Health and Social Care has, that medical supplies can continue uninterrupted.

But as you know, there are other aspects of making sure that we can cope with any contingency that we need to do. One of them is the water industry and we have made sure, working with water companies, that the vital chemicals we need to ensure that our water maintains the highest quality can be appropriately sourced and provided to water companies.

Q39 **Chair:** Are they going to be stockpiled?

Michael Gove: No. All the companies concerned have made sure or are in the process of making sure that they can secure access to their supplies. Most of the supplies that they need tend to come through the containerised ports like Immingham, but there are one or two changes that one or two water companies have to consider and they are doing so at the moment. I will be seeing some of those water companies, along with the regulator, early in the New Year. I have already talked to some of those water companies and the regulator about just this.

Q40 **Caroline Lucas:** Another consequence of Brexit is the large-scale secondment and deployment of staff from Natural England into DEFRA to work on Brexit-related issues. The numbers that are being moved and the loss of funding that Natural England has experienced over recent years has led some to wonder whether or not in fact there are Government plans to significantly and deliberately diminish the role of Natural England. I want to ask you whether that is true and whether it is the case that you are considering repurposing Natural England as another kind of NGO rather than the body that it is today.

Michael Gove: Emphatically not, no. At the moment we are looking for a new chair of Natural England. The person that we want to appoint is someone who will provide that organisation with the leadership that it deserves and we are deliberately setting our ambitions high because



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Natural England plays a vitally important role. There have been some delivery challenges that Natural England has faced, not least over the delivery of countryside stewardship that were required to be addressed, but Natural England is an absolutely vital part of the DEFRA family.

- Q41 **Caroline Lucas:** In that case, how is it sustainable to be taking 163 staff away from Natural England since July 2016 alone—and since about 2010 it has lost 56% of its funding? The outgoing chair of Natural England, Andrew Sells, has said you cannot have this level of cuts without having impacts on the ground. If it is the case that Natural England is the important body that you want it to be—and that is reassuring—how can that be the case when it is being cut to such a significant level?

Michael Gove: It is certainly the case that Natural England has absorbed a number of efficiencies.

- Q42 **Caroline Lucas:** But this is massive, Secretary of State. It is over 56% of its funding.

Michael Gove: To take an analogy, when I was Education Secretary, we reduced the number of staff in the Department for Education and we also reduced the budget overall and the performance of the Department improved. Natural England has some significant challenges, but I am committed to making sure that it has all the resources and support in the future to do its job effectively.

- Q43 **Caroline Lucas:** Can I stop you there? It may well be that there are theoretical cases, or even real cases, where staff have gone down and performance has gone up, although it is slightly counterintuitive, but what we do know is that of the 4,126 sites of scientific interest currently in existence, nearly half of them, 47%, have not been examined in the last six years. It is not the case that Natural England is able to do its job properly and it is even less likely to be able to do its job properly if it is having more and more staff being haemorrhaged over to other institutions like DEFRA. I am alarmed by what feels like a certain amount of complacency.

Michael Gove: I hope we are not complacent. The additional funding that we have secured from the Treasury is there to ensure that we can have a well-staffed Department and also that we can continue to ensure not just that existing bodies but also new bodies like the Office of Environmental Protection are appropriately staffed. I will not deny that there are aspects of the way in which Natural England has discharged its duties that have not been as they should have been. It is one of my aims to ensure that it does in the future.

- Q44 **Caroline Lucas:** Do you think that losing staff is a good way to make that better? Is losing staff and losing funding going to make that performance better?



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Michael Gove: Not in and of itself, but it is critically important that other aspects of the way in which Natural England operates are addressed in order to ensure that it can do its job better.

- Q45 **Caroline Lucas:** Can you say any more about that? The outgoing chair, Andrew Sells, has been quite explicit when he was giving evidence to the EFRA Committee about the fact that he feels that more and more of the independence of Natural England is being taken away by DEFRA, that things like press releases now have to go past DEFRA, whereas before Natural England had a much greater independence. There are very real concerns about the future of this organisation.

Michael Gove: I had the opportunity in front of the EFRA Committee to point out that Natural England was still issuing press releases and communications on things like bats in churches in the way that it always has.

- Q46 **Caroline Lucas:** I have had a long meeting with Andrew Sells, and he has given the evidence himself, and he has made very clear that more and more of their press work is having to go via DEFRA to be checked.

Michael Gove: It is the case that the chair, the board and the chief executive of Natural England, and indeed the formidable expertise at its disposal, are able to articulate any concerns that it has as a corporate body or that the individuals have about the way in which Government are handling their responsibility.

- Q47 **Caroline Lucas:** They have clearly done that, but as MPs on this Committee, I think it is right that we should raise those issues with you directly and I do not think I am getting any answer.

Michael Gove: I quite understand, but the question of how well a press office is staffed—and I think it is the case that Natural England is perfectly capable of communicating—is not the central challenge that Natural England faces.

- Q48 **Caroline Lucas:** No, but independence might be, though, and that is my point. I am not suggesting that the press releases have to go via DEFRA because Natural England does not have enough staff in its press office; I am suggesting that there is a question mark about the independence of Natural England when more and more of DEFRA appears to be marking Natural England's homework, getting involved in what Natural England is doing.

Michael Gove: I do not think that there has been any criticism or commentary of anything that DEFRA has or has not done that Natural England would wish to make that it has not been able to make.

- Q49 **Caroline Lucas:** Mr Sells said that now he has to request financial information from DEFRA and that when an inquiry comes into DEFRA they start to draft a reply and put their interpretation on it. That was his evidence to the EFRA Committee.



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Michael Gove: There is nothing to prevent a well-run Natural England from making its judgment about what it needs to say.

- Q50 **Caroline Lucas:** Can you guarantee that the staff who have been seconded over to DEFRA all will be restored, either the funding will be restored or those posts will be restored? How soon can that happen?

Michael Gove: We will make sure that Natural England—and obviously I will be in consultation with whoever the new chair and chief executive are—receives all the resources it needs. Should that chair feel that we are not funding them appropriately, I would hope that that chair would say so, not just to me privately, but publicly to this Committee or to any other organisation.

- Q51 **Caroline Lucas:** Can we assume though that all of those staff who have currently been seconded to DEFRA and the Rural Payments Agency will be able to go back to Natural England, should they wish to?

Michael Gove: I think because it is an independent organisation once that chair and chief executive are in place, they can state what it is they believe that they need.

- Q52 **Caroline Lucas:** If the new chair would like them to come back, is there anything that you, as the Secretary of State, and DEFRA would do to prevent those staff returning to Natural England?

Michael Gove: No.

- Q53 **Caroline Lucas:** When do you expect to be in a position to announce who the new chair is?

Michael Gove: Interviews are going on at the moment as we speak.

- Q54 **Chair:** I thought you were going to announce the new chair. It was supposed to be last week and then there has been some pause.

Michael Gove: I will not go into the details of the process but I will certainly write to you to explain, once someone has been appointed, why the process has taken the length of time that it has.

- Q55 **Alex Sobel:** I understand that a number of area teams within Natural England have had to send out no capacity letters to local authorities for giving statutory advice on local plans and development matters, which is a core part of Natural England's role, because of the number of staff that have been seconded to DEFRA. Do you have any comments on that and when it may have the capacity to restore that advice and support local authorities?

Michael Gove: I think that was a challenge even before some staff were seconded to DEFRA. This has been a particular challenge, one of a number of areas where Natural England, notwithstanding the many good people who work for it, had not been performing quite as it might have done.



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Q56 **Chair:** Are you saying it has been a problem and it has just got worse?

Michael Gove: No. I do not have any evidence that it has got worse, but it has been a problem, yes.

Q57 **Chair:** We are going to move on to the Resources and Waste Strategy, long awaited. We know that the UK's household recycling targets have flatlined over the last four or five years. Do you think we are going to meet our 2020 target for 50% of household waste recycled?

Michael Gove: Yes.

Q58 **Chair:** What evidence do you have for that?

Michael Gove: By definition, I can't prove what will happen in the future, but I do believe that the Resources and Waste Strategy, which has been widely welcomed by people in local government, NGOs and citizens, will provide us, local authorities and the waste industry with clear pointers towards improving collection and recycling. We have set ambitious targets for the future and I know that I will be working very closely with local government in order to meet them.

Q59 **Chair:** A lot of your fine words in the strategy are subject to consultation. You announced that you were going to do a deposit return scheme first of all, I think, back in 2017 with "Blue Planet", when you tweeted that you were haunted by the picture of the whale. You had a roundtable. You announced it again in March 2018. You announced that you were going to have a consultation in April 2018. When is that consultation going to start on the DRS? You are talking about bringing it in by 2023. That is not going to help meet any targets, is it?

Michael Gove: It will certainly help. As we have seen before, once Government commit to a particular trajectory or course of action it is often the case that third-party bodies, whether commercial or otherwise, know that change is coming and alter their behaviour.

To take two cases in point, even before the soft drinks levy—the sugar tax—was in place, a reformulation was taking place on the part of the food industry. Secondly, since the announcements that we have made we have seen, for example, the Plastics Pact established. That is a voluntary commercial determination by a number of major players to reduce the amount of virgin plastic that they use and to use more recycled material. We have already seen in the actions of businesses that they know what is coming and they want to secure first or early mover advantage.

Q60 **Chair:** The use of voluntary schemes has been shown to be failing today on the salt side of things, where bacon and sausages still contain way too much salt. There is still too much salt in the British diet, which if it was removed would vastly reduce the burden of cardiovascular disease and stroke. But leaving that aside, the deposit return scheme that you first announced in 2017 will not be present until 2023. Why is it taking so long? We have a truckload of plastic going into the ocean and some of it



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is ours that we are exporting to faraway countries with worse waste and resources capacity and capability than we have. You have the export markets closing. Why are you taking so long?

Michael Gove: We want to make sure that we get the policy right in all of these areas.

Q61 **Chair:** But you have already announced it. You announced your intention two years ago. Why is it taking you five years to enact it?

Michael Gove: I could not have announced it two years ago because I was on the Back Benches two years ago. What we are seeking to do is to ensure that not just the deposit return scheme, which is a vital and important part of dealing with this, but other things like the reform of extended producer responsibility initiatives and the greater degree of consistency in recycling and collection across local government all come in together.

Of course I am someone like you, Chair, who prefers to get a move on wherever possible, but we need to make sure that we have designed a scheme that appropriately works and that can be in place in a way that ensures that we deliver on our obligations.

Q62 **Chair:** Nine consultations delivering things in the case of recycled plastic tax, April 2022, and in the case of EPR, extended producer responsibility, even later in 2025. Why are you looking at only two of the EPR streams? Why are we not doing what France has done? It has 19 extended producer responsibility schemes.

Michael Gove: In the strategy we outline our intention to extend EPR.

Q63 **Chair:** To two streams by 2025.

Michael Gove: We are looking at a number of streams that we hope to extend it to and we are open. The whole point of the consultation is to invite responses on where we should extend EPR to, but of course by making sure that we have full net cost recovery we are going further than is currently the case with European nations.

Q64 **Chair:** One of those EPR schemes is on fishing tackle, which is being driven by the EU in the same way as your straws, stirrers and cotton buds was driven by EU policy. Can you set out which of the four other streams will have an EPR?

Michael Gove: Our buds ban will be in place before the EU's. I think what we have seen, as I have mentioned before this Committee, is rivalrous competition or rivalrous emulation between the UK and the EU in many of these areas. Some of our targets are more ambitious. The overall packaging waste recycling target that the EU has adopted is 70% and ours is 75%.

Q65 **Chair:** But targets do not mean anything because we are set to miss the 2020 household recycling target. What money are you going to give to



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local authorities to help them meet that target?

Michael Gove: I think targets do mean a fair amount because they are one of the ways, but only one of the ways, in which you drive behaviour change. We will be making a significant sum available to local authorities in order to ensure that we can have greater consistency and this will be money that will be harvested from the EPR extension.

Q66 **Chair:** When will the EPR come into place? 2023?

Michael Gove: It will depend on the pace of consultation and the responses that we get.

Q67 **Chair:** Too little, too slow.

Michael Gove: That is indeed what you said yesterday, so I am grateful to have it on the record. But one of the things that I would say is that I would always like to do more. I would always like to move faster, but I also want to make sure that policy is delivered in a way that is coherent. It is the case, for example, on the bans that you mentioned earlier for some single-use plastic items, that the UK was ahead of the EU and is ahead on delivery. What I want to see is a Liverpool-Manchester City battle between ourselves and the EU in order to see who can do better. At the moment I think that we are in Pep Guardiola position and they are in the Jurgen Klopp one.

Q68 **Chair:** Astonishing analogies there. I think we are about to be in the Jose Mourinho position if we are not careful.

Michael Gove: My advice to Manchester United is that they should practise recycling and bring Sir Alex Ferguson back.

Q69 **Chair:** Let's hope he is well enough soon enough. Let's get back to business. When you say a substantial sum to local authorities, what order of magnitude are you talking about and by when?

Michael Gove: Hundreds of millions of pounds whenever they need it.

Q70 **Chair:** If they wanted to roll out food waste collection next year, you would be up for that and the money would be available?

Michael Gove: We will do everything we can to support local government in its ambition to do better.

Q71 **Chair:** They will have until Budget 2019 for that happen?

Michael Gove: We are always happy to help local government and others to meet a higher level of ambition. Part of the programme of consultation is in order to ensure that if people feel that we, as a nation, can have a higher level of ambition in any particular area and additional resource is required to meet that, we will do everything we can to do that.

Q72 **Caroline Lucas:** I will give one example of Brighton and Hove, where we are locked into a 30-year PFI contract with Veolia, entered into in 2003.



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Veolia is refusing to change the contract so that a wider range of plastics can be recycled. The council does not have the £1 million that it would apparently cost to put in the new machinery at the Veolia plant in order to enable a wider range of plastics to be recycled and therefore we are in a deadlock. Is that something that I can encourage the leader of Brighton and Hove Council to write to you about?

Michael Gove: Please do, and I would be very happy to talk to Veolia about that. One of the things that I would say—and it is a cheap political shot, of course—is that we have abandoned PFI and many PFI contracts that were entered into under the Labour Government were poor value for money.

Caroline Lucas: I am not a Labour MP, so that is fine.

Michael Gove: I know, but there are Labour MPs here and I will now desist from this partisanship.

Chair: Very sensible.

Q73 **Geraint Davies:** On the subject of plastic, you will appreciate that the UN is saying that by 2050 there will be fewer fish and more plastic in the sea, so it is imperative that we move quickly. Do you feel that the measures in the Budget for consultation on a tax by April 2022 go far enough quickly enough?

Michael Gove: I think they certainly help. In the comparison that the Chair and I discussed earlier, we both recognise that you have occasions where when the Treasury introduces a tax and the tax is intended to drive a change in behaviour, sometimes that change in behaviour occurs well before the tax itself arrives. People know what is coming and they change their behaviour as a result.

Q74 **Geraint Davies:** Yes, but were there other proposals on taxing plastic, which obviously reduces demand, that you made that did not appear in the Budget? Do you think more should have been done on taxing plastic?

Michael Gove: I thought that the approach that the Treasury took was the right one and I want to commend the Chancellor and his other Ministers for their very positive engagement.

Q75 **Geraint Davies:** They have done quite enough in taxing plastic, as far as you are concerned?

Michael Gove: I think it is a real step, but of course I am always open, as I know the Treasury is, to good arguments about other ways in which we can ensure the “polluter pays” principle.

Q76 **Geraint Davies:** By way of example, on the sugar tax there is a target. Rather than taxing base inputs of sugar, which might have been a good idea, you decided to focus on taxing fizzy drinks. As a start point, we could have taxed, for example, plastic bottles alongside a returnable scheme. Did you propose that or is that something you would support?



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Michael Gove: Government looked at a variety of different options and I think the Treasury chose the right one for the moment.

Q77 **Geraint Davies:** No, then?

Michael Gove: Sorry, no to what?

Geraint Davies: You do not support a tax on plastic bottles?

Michael Gove: I think that the mix of measures that we have put forward in the Resources and Waste Strategy is sensible and coherent, but I am always open to looking at arguments, and this is the point of the consultation. If this Committee or others want to make particular suggestions about how things might be improved we will look positively at them.

Q78 **Geraint Davies:** Going back to your football match, the EU made some announcements yesterday, didn't they? Are those things that you would support?

Michael Gove: Some of them are areas that we are looking at, yes. I think that we do need to look at the extension of restrictions on some single-use plastics. We have banned some single-use plastic items. We have been ahead of the EU in some areas. We will look at those.

Q79 **Geraint Davies:** On disposable plates and straws, I think we have already done the cotton buds and things like the balloon sticks. You are happy to go ahead and implement that?

Michael Gove: I am happy to look at the case for it, absolutely. There are other areas around polystyrene and coloured plastic that we are considering as well.

Q80 **Geraint Davies:** I know there is an issue about doing more recycling, reaching 50% quicker, and they are planning to do that quicker than us, but what about reducing the overall amount of plastic cups? Member states have been asked to reduce the overall amount of production of plastic cups as opposed to recycling more, actually reduce the amount of plastic, as opposed to just looking at recycling. Is that something that you want to put a target on?

Michael Gove: I think it is certainly the case that we should seek to reduce the amount of virgin plastic that we use and seek to ensure that—

Q81 **Geraint Davies:** No, but will you put on a target, as they have, to reduce the number of plastic cups being produced?

Michael Gove: We are taking the view that we can, through EPR, find a way of making sure that the cost of using plastic cups is properly reflected in their production and that will provide a powerful incentive for people and organisations not to use them. There are different ways of achieving this.

Q82 **Geraint Davies:** Do you have an ambition to reduce the aggregate



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amount of plastic being produced and used, including that of cups? What is the target for the overall aggregate amount of plastic production?

Michael Gove: Through the EPR scheme and others we have created a dynamic that we hope will reduce the amount that is used and we have targets for a variety of different approaches. I will look again, as I know the Committee has, at what the Commission has put forward over the course of the last 24 hours.

Q83 **Geraint Davies:** Will the global amount of plastic being produced and consumed in Britain go down in the next two years?

Michael Gove: Certainly the amount of virgin plastic, absolutely.

Q84 **Geraint Davies:** I see. The member states have been asked to collect 90% of single-use plastic drink bottles by 2025. Is that a target that you will match or exceed in this football match you mentioned or will we be hammered again?

Michael Gove: I do not think we have been hammered. I think that we have had the edge, but of course it is a tough midfield battle.

Q85 **Geraint Davies:** On the specific target that 90% of single-use plastic drink bottles would be collected and recycled by 2025, presumably you are happy to live with that target?

Michael Gove: As I mentioned, we are looking at all of the positions that have been adopted by the Commission and shared over the last 24 hours to see if there are areas where we can and are on trajectory to exceed them. I am perfectly happy to adopt policies from other nations and other jurisdictions if we think it is right. We have put forward a set of proposals that, as I mentioned earlier, have been acknowledged by many as more ambitious in some areas than those that the EU has adopted so far.

Q86 **Geraint Davies:** There has been talk of a deal having a non-regression clause in which we try to keep up with the Joneses on plastic, among other things. But in the case of a no-deal Brexit, isn't it the case that all these ambitions will go on the backburner and we will be firefighting, trying to get enough insulin in to stop people dying, stopping the water being polluted, stopping the lambs all being shot and so on? Basically, in a no-deal scenario all this plastic conversation will just be something at your drinks parties and nothing will happen; isn't that right?

Michael Gove: I think in a no-deal scenario I probably will not be attending many drinks parties.

Geraint Davies: There will not be a supply because they will be blocked. You will have to drink English wine.

Michael Gove: One thing that is clear is that supplies of ambient products that are stored without chilling or freezing will be fine. If people want Belgian beer or French wine, I do not think that is going to be an issue.



But to return to your central point, the first thing I would say is that you have packaged together with characteristic élan a number of lurid scenarios. As I mentioned earlier to Philip, it is the case that no deal poses particular challenges, but I think it is appropriate for me—obviously others will make their own decisions—to steer between two courses. On the one hand there are those who are blithe about the prospect of no deal. On the other hand there are those who paint a particularly lurid picture. I think the appropriate thing to do is to say that there will be particular challenges, it will have a negative economic effect compared to securing a deal.

Government have to be aware of the need to mitigate those impacts, but it is also the case that those impacts will be acute for a short period and mitigatable, not totally, but to an extent. It will be the case that the Government will be pursuing, whether there is deal or no deal, an ambitious policy agenda in a number of areas.

One of the things that the Prime Minister has been rightly praised for is the way in which the environment overall, and waste and resources—in particular plastic—has been a significant part of the Government's domestic agenda in a way that it has not been before.

Q87 Geraint Davies: You do not accept that in a no-deal scenario, where there is lots of firefighting, all sorts of difficulties, the plastic agenda will just be put on the backburner and we will not be doing this because there is other things to worry about? You don't accept that?

Michael Gove: I do not accept that.

Q88 Anna McMorris: Within the Resources and Waste Strategy, you have announced a consultation on packaging reform to be implemented from 2021. Why is action not being taken more swiftly?

Michael Gove: We want to take action as swiftly as possible, but we have set what we believe are achievable deadlines. They are consistent with making sure that we have a period for consultation and a period for industry and others to change their behaviour.

Q89 Anna McMorris: Last week I held a roundtable coming together of industry on my Bill proposition on packaging. I would not like to speak for those there, but I think they would be very disappointed by the lack of detail that came out in the strategy yesterday and the length of time that you are proposing for all of this. Would you comment on that?

Michael Gove: The strategy was published yesterday, the response that we have had so far has been broadly positive from industry and a variety of NGOs. But we will be looking in particular at those responses in order to ensure that if it is the case that there is the capacity to move faster or to be more ambitious and industry and others are up for that, I am not going to be anything other than welcoming.

Q90 Anna McMorris: You are prepared to move quicker?



Michael Gove: If we possibly can in every area. It all depends on the consultation responses that we secure. By definition, there will be a debate. One of the things that we have tried to do in DEFRA over the course of the last 18 months is, where a higher level of ambition is required, seek to meet that. On everything from introducing legislation on banning the sale of domestic ivory, through to the steps that we have taken on neonicotinoids and metaldehyde, through to our ambition for future agricultural support, we are in a position that is more ambitious than the baseline at the time of the last election.

Similarly, when it came to the debate over the Office of Environmental Protection we have embodied a greater degree of ambition, and that has been recognised in the Withdrawal Agreement as well. But of course there will be an opportunity to scrutinise the Bill through prelegislative scrutiny and I confidently expect that during that PLS process Members will ask us to be more ambitious still and we would welcome that challenge.

Q91 **Anna McMorris:** I know from speaking to producers that they are absolutely crying out for that change and so are local authorities. Do you think legislation is needed to implement this?

Michael Gove: Yes. We hope to have significant legislation in the next parliamentary session. The Prime Minister has made it clear that there will be a wide-ranging Environment Bill. Part of that Bill will cover environmental principles and governance. Clauses that relate to that will be published this week and then there will be the opportunity for prelegislative scrutiny of those and of the Bill's other provisions, which will cover waste and resources, water, air quality and a number of other areas.

Q92 **Anna McMorris:** Packaging recovery note systems and all of the reforms there will come out in a consultation early next year. Will they then work their way into the Environment Bill?

Michael Gove: In the Environment Bill we will have the opportunity to legislate in a number of areas that cover waste and resources. There will be other legislative vehicles for other parts of our ambition subsequent to that.

Q93 **Anna McMorris:** What steps is DEFRA taking between now and 2021 to make sure that individual sellers hosted on websites like Amazon take part in the packaging recovery note system?

Michael Gove: The strategy makes clear that we do need to look at exactly how we effectively make sure that online retailers live up to their responsibility as well.

Q94 **Anna McMorris:** Can you do that between now and your timeframe of 2021?



Michael Gove: It is possible, yes, but one of the difficulties that we all face in a number of ways is that regulating the online retail market poses a particular set of challenges, but they are challenges that we should not shirk.

Q95 **Anna McMorris:** Are you working with your counterparts in other Departments to make sure that happens?

Michael Gove: Yes, to seek to make sure that happens, absolutely.

Q96 **Anna McMorris:** The Resources and Waste Strategy says that, "Under extended producer responsibility we could require producers to ensure packaging items are clearly labelled as to whether or not they can be recycled". Should this not be a minimum requirement for any domestic ecolabel?

Michael Gove: Yes.

Q97 **Anna McMorris:** Yes, so will you be doing that?

Michael Gove: I think that is exactly the course around which or down which we should go. I do not imagine it in this room, but if there are particular concerns that people want to put about the deliverability of that, I will listen to them.

To take another analogy, which I hope is not inappropriate, for the most tragic of reasons the Department is also looking and working with other Government Departments at changing food labelling in order to make sure that people are adequately informed about allergens. During the course of doing that—I will not labour the point with this Committee—there are a number of existing impediments and obstacles to getting to where we need to go. We are attempting to clear those away.

There is detailed policy work required in order to ensure that we have effective labelling of recyclability and that we have an eco design label that works. I would not want to pre-empt all of the discussions that we need to have, but I think that the ambition that you set is a fair one.

Q98 **Anna McMorris:** The strategy, which I have here, produced yesterday is very good rhetoric, but there is not a lot in substance on outcomes and targets. The proposals here set out that you are going to be reducing the overall amount of packaging in circulation. That is all very admirable. I imagine that you are going to get a lot of pushback on this from some parts of industry. Can you guarantee that early next year you are going to be setting out a very clear way forward in which you will clearly deliver outcomes and targets that are set out in your rhetoric here?

Michael Gove: Yes.

Q99 **Anna McMorris:** You can guarantee that? You will not be watering it down at all?

Michael Gove: It is not my intention to water anything down.



Q100 **Anna McMorris:** Thank you very much. How will you measure whether or not this has been successful?

Michael Gove: There is a series of metrics here and there are some areas where, for example, we are opening or expanding the conversation. On things like food waste, we want to ensure that businesses properly measure the amount of food waste that they generate. We do not have an effective monitoring system there. But there are also targets for the recycling rate for household waste, for ending biodegradable waste going to landfill, for a variety of areas.

As we have discussed in the past in this Committee, not every target is always met on time, but it is critically important that we have those targets there, create that and also create the incentives and the penalties for people who do not discharge their responsibilities.

Q101 **Anna McMorris:** Finally, I will just say that I am very glad to see that you have copied a lot of the successful policies from Wales.

Michael Gove: I am a great admirer of what Wales has achieved in all sorts of ways.

Anna McMorris: Particularly the weekly food waste.

Michael Gove: Wales has done better collectively than England on recycling. I was very pleased that Lesley Griffiths, who I think is a very good Minister, was retained in her post by the new First Minister of Wales. The Welsh Government in the past have benefited from high-quality advice from special advisers who care passionately about the environment.

Q102 **Kerry McCarthy:** I should declare an interest as the chair of the All-Party Group on Food Waste. I welcome quite a bit of what is in the document here, but can I press on a few things? You talk about working towards eliminating food waste to landfill by 2030. Why not bring in a ban?

Michael Gove: We can contemplate what restrictions we might place on various different parts of the food chain. I am not averse to having further restrictions or legislative requirements.

One of the things that this Government—never mind any other Government—have not done enough on is food waste, so we are running to catch up with where we should be. There are different steps that we need to take. One of the things that we have had in the past, the Courtauld initiative, while there have been some companies that have done a very good job, there have been others that have been, frankly, derelict in living up to their responsibilities.

How we can drive change is very much in my mind and what we can do with business is very much in my mind. We are going to begin by making sure that businesses more effectively measure the waste that they generate.



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Q103 **Kerry McCarthy:** Is that mandatory food waste audits? It looks like that is what you are saying.

Michael Gove: I do not want to end run the process. As I mentioned in a different context, I would not want it to be the case that we have a universal, one size fits all requirement that would mean that small retail outlets that produce and generate less food waste and are vital to the health of the local economy find that there is a requirement placed on them that is properly designed for chains and larger outlets, which makes life more difficult for them. I would not want to be specific at this stage, but I think that we need to ask more of business in this area and regulation has to be one of those tools.

Q104 **Kerry McCarthy:** I have introduced two food waste Bills over the year, in 2011 and maybe 2016, and mandatory food waste audits targeted at the big companies was something that was very much part of that. I think it would be quite easy to separate out the obligation. You have done it on plastic bags.

Michael Gove: I think that is a very fair point, yes.

Q105 **Kerry McCarthy:** I notice that in the document the word "supermarket" appears only once and that is when you are talking about plastic-free aisles. That seems to me rather as if you are letting them off the hook. There are 10 supermarkets that are responsible for half of all food sales in the EU, so if you were to just tackle them alone you would be a long way towards addressing the problem. There is a French law that requires supermarkets to enter into an arrangement with local charities that are willing to take surplus food. That is something that you do not mention in the strategy. Has that been considered and dismissed?

Michael Gove: No. What we are doing instead is creating a £15 million fund in order to support the redistribution of food from retailers and other outlets and making sure that it goes to charities. We are doing that in partnership with charity at the moment. This was a scheme that was designed in collaboration with WRAP and charities. We want to see how it will work, but I am open to all ideas in order to ensure that we can deal with this problem.

Q106 **Kerry McCarthy:** But if there was an obligation as well I think that would help push things along. Who is entitled to apply for this £15 million? Is it the recipients of the donations?

Michael Gove: Charities that are involved in the distribution of food like, for example, The Felix Project and FareShare.

Q107 **Kerry McCarthy:** When will that come on stream? When is the £15 million available? Is it spread over a number of years?

Michael Gove: It is spread over two years and my hope is that we will learn from that approach exactly what we should do, whether or not we need more stick or different sets of incentives. We will be appointing a food waste champion in the next few weeks in order to make sure that



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we have a robust and independent voice who can hold us to account for making progress in this area.

Q108 Kerry McCarthy: Will it be a bidding process to get the £15 million or will it be Government choosing pilot schemes?

Michael Gove: At this stage we are looking at a particular partner who would then be responsible for giving the money to organisations that would bid for it.

Q109 Kerry McCarthy: The big problem with the Courtauld agreement is that it is voluntary and there is no separate reporting of how the individual companies taking part in it are faring. I notice that you give an example of what Lidl is doing on food waste, but from my experience, I have not registered them as being one of the most active. I think Tesco is the one that has done the most.

Wouldn't it be a good start if you could show, rather than reporting in aggregate, how the sector is doing? "Tesco has taken great strides through mandatory food waste audits to reduce food waste, X supermarket has not": wouldn't that be a good start?

Michael Gove: I completely agree with you. I would not want to diminish or deprecate what Courtauld has been able to achieve or the efforts of individual organisations, but I think we absolutely need greater transparency business by business.

Q110 Kerry McCarthy: One question on a different topic. There is a section in the document on waste crime and organised crime gets a mention in there, but there is no mention of modern slavery. According to the NGO Hope for Justice, two-thirds of UK's victims of modern slavery are in the waste sector. I appreciate that might not be your departmental responsibility as such, but quite a few other things that you mention do not cover it. I think that ought to be in there and I wondered whether it was something that had not been discussed.

Michael Gove: It is a very fair point. One of the reasons why we want to think about creating a joint waste crime unit is that waste crime has links with organised crime, modern slavery and a number of other unattractive phenomena. Making sure that we look at it holistically is important, making sure the Environment Agency has the resources and powers is important, making sure that best practice among the police forces—there has been some great leadership on the issue—is more widely shared is critical. Thérèse Coffey has been talking to Ben Wallace at the Home Office about making sure that we can do better in this area.

Q111 Dr Matthew Offord: I want to ask some questions about what the Department is doing to ensure that plastics do not end up in the oceans. There are two areas. The first one is about assisting UK plastic recyclers, particularly in light of the changes to waste exports. What are you doing and how long would this take to achieve?



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Michael Gove: We hope that we will be creating, through the tax and other changes that we are making, a far bigger market for recyclers in this country and that we will be able to generate the additional capacity that we need in this country, and we have been talking to companies like Veolia and others.

As you quite rightly point out, with China having closed its doors and Malaysia wishing to do so, we need to do more here. There is another challenge related to that, which is that, as has been pointed out by a number of campaigners, we have had a situation where people have packaged so many kilos of waste material in order for it be recycled and in the heart of the packages has been material that could not be recycled and should not be there.

This has been a waste crime phenomenon. The digital tracking of waste and greater scrutiny of waste criminals will ensure that people who are essentially attempting to claim credit for recycling material that is unrecyclable will be caught and punished.

Q112 **Dr Matthew Offord:** Before I go on a little more about the Resources and Waste Strategy, I should say that I am a big supporter of the Blue Belt. It is considering extending, possibly up to 100%, the protection around Ascension Island. Overseas territories would probably be concerned about the cost of that. Is the Department supportive of funding that, if not entirely?

Michael Gove: I have asked the Department to look at whether or not we can provide that support and I am expecting advice either later today or tomorrow on precisely that issue. The Blue Marine Foundation and a variety of other persuasive voices have made the case for taking just the steps that you have said and we want to support overseas territories, and particularly Ascension Island, in trying to do the right thing.

Q113 **Dr Matthew Offord:** It is a very small amount of money for a good proportion of protection. I wanted to go on a little bit with the Resources and Waste Strategy and to ask about the use of public procurement to stimulate the secondary materials market to ensure that it is sustainable in the longer term.

Michael Gove: I think that Government procurement does have an important role to play. I cannot remember which Government Department it was, whether it was DEFRA or the Foreign Office, that was the first to say that they would ban single-use plastics. It is now the case that across the Government estate there is a commitment to remove all single-use plastic. There are other parts of the estate where we can use the power of Government procurement in order to drive the right type of behaviour.

Q114 **Dr Matthew Offord:** There has been a lot of discussion this afternoon about Brexit and whether we get a deal or no deal, but particularly concerning the EU secondary material market for UK recyclers, what



steps can you introduce to ensure that our recyclers are able to continue access to that market as a result of both a deal and no deal?

Michael Gove: In no deal there will be some challenges. If we secure the Prime Minister's deal, I think that we would be well-placed to ensure we can take a bigger share of that market.

One of the advantages of the Prime Minister's deal is that there will be no tariffs or quantitative restrictions. Also, as Geraint pointed out earlier, because of the nature of the non-regression measures that are placed on the environment in the Withdrawal Agreement, the European Union will have a reassurance that even though we might meet some of those goals in slightly different ways, nevertheless we will maintain a standard high enough to have unhindered access to European market for those sorts of goods.

Q115 **Dr Matthew Offord:** In the event of a no deal?

Michael Gove: In the event of no deal, it is within the power of the European Union to decide that some of the goods that we currently send may not meet their standards. I would argue that we start at a point of convergence and that there should be no inherent barrier, but it is in the nature of no deal that the European Union—it will have its sovereignty—could change the rules in particular ways that might create new barriers for UK business.

We would have the opportunity in the event of no deal to either choose to meet those standards in order to facilitate exports or to apply standards in a different way in order to secure other economic benefits, if they existed. But as I mentioned in response to other questions, no deal generates uncertainty and it also means that the European Union can take decisions, if they wish, that would create new barriers to trade.

Q116 **Chair:** Not least of which would be tariffs, wouldn't it? What is the tariff on the waste export?

Michael Gove: I cannot remember.

Q117 **Chair:** I think it is about 12%. Given that 91% of our recycling is exported, that then adds a 12% cost on to local authorities.

Michael Gove: It certainly would. Some people say tariffs overall between the UK and the EU amount to single figures, but you are absolutely right in many of the sectors with which I am most concerned, the tariffs are significantly higher. They are highest of all in the agricultural sector when it comes to livestock.

Chair: Beef and lamb.

Q118 **John McNally:** Following on nicely from Matthew's questions, Secretary of State, I would like to move on to EU exit legislation. I am looking for some clarification on the protocol with Northern Ireland and environmental issues.



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As you are aware, the agreement includes a protocol on Northern Ireland that “aims to avoid the introduction of a hard border on the island of Ireland in the event that there is no deal”. The protocol includes a commitment to ensuring a level playing field for, inter alia, environmental protection. In the event of the protocol on Northern Ireland being invoked, will the European Commission or the European Court of Justice have the power to take enforcement action against the UK should the UK breach the common environmental standards outlined in the Withdrawal Agreement?

Michael Gove: No.

Q119 **John McNally:** Absolutely not? How will the UK police itself in maintaining environmental standards in that case?

Michael Gove: In the Withdrawal Agreement, the specific requirement placed on us is to ensure that there is an independent body or bodies responsible for making sure that we live up to our environmental obligations. It is because of the steps that we have taken to create the Office of Environmental Protection that the EU feels confident that that will provide the degree of reassurance required, for their purposes and for ours.

Q120 **John McNally:** If one or more of the devolved Administrations is prepared to maintain compliance with European standards, could their efforts to enforce the compliance be overruled by the UK Government?

Michael Gove: I cannot see any situation where, for the sake of argument, if the Scottish, Welsh or Northern Ireland Governments wanted to have a higher level of environmental ambition, the UK Government would seek to inhibit them from doing so. The only question would be to what extent might it touch on the frameworks to guarantee the effective functioning of the UK internal market, but of course, by definition, those are frameworks that would have been agreed with the devolved Administrations.

You might have a situation in one part of the UK where you have one Minister who wants to ensure the maintenance of coupled payments for agriculture and another Minister who argues that that money would be better deployed on securing higher environmental outcomes. That would be a matter for that devolved Administration to decide, but of course that devolved Administration would have made a judgment about what the frameworks covering the whole of the UK need to be in order to make sure that its producers have uninhibited access to the UK internal market.

John McNally: Thank you very much. I got the answer I wanted.

Q121 **Chair:** To clarify, you said you are going to produce the governance and principles for the draft Bill. You had a deadline of 21 December to do that. That is going right up to the wire, isn't it?

Michael Gove: It was the 26th.



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Q122 **Chair:** The 26th? Excellent, so at least five days ahead. You are releasing this on the so-called taking out the trash day, aren't you? There will be 25 other statements from the Government. Isn't that a bit unfortunate?

Michael Gove: Yesterday when we had the Resources and Waste Strategy was taking out the trash day. That was the day in which we looked at exactly how we should have less trash to take out and when we take it out we sort it appropriately.

No, I think what we have had this week is a number of strong announcements from the Government, not least on resources and waste, a revised migration strategy, additional funding for high needs and special needs people. There has been a number of very good announcements, so rather than taking out the trash, I think what we have had is a series of advent gifts.

Q123 **Chair:** But tomorrow it will be buried in with 25 other statements from the Government, won't it? That is the issue.

Michael Gove: I do not know if it may come later today.

Q124 **Chair:** There is no sign of it on the Order Paper. I am sure you would have put it on the Order Paper.

Michael Gove: There is a capacity, there is a written ministerial statement. In keeping with your own desire for urgency, I have been trying to make sure that it is published today, if at all possible, but of course there will be plenty of opportunity to scrutinise those clauses once they are published.

Q125 **Chair:** Yes, in the New Year.

Michael Gove: Well, over Christmas.

Q126 **Chair:** From 27 December.

Michael Gove: They will be published before then. If they are not published this afternoon, they will be published tomorrow.

Q127 **Chair:** Okay. I was just making a point about it being buried in the end of term and the other Brexit knots.

Michael Gove: I take your point and it has been my intention to try to make sure that it came out as early as possible, but you make a very good point.

Q128 **Mr Robert Goodwill:** I would like to ask you some questions about chemicals policy. We had a session with a number of representatives of the industry and specialists and it was very worrying, particularly in the event of a no-deal Brexit, where Nishma Patel from the Chemicals Industries Association said a no deal would have a catastrophic effect on the industry. There was a lot of quite detailed evidence about access to the REACH information, the database and the European Chemicals Agency.



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Q129 **Mr Robert Goodwill:** How does the Government plan to solve the problems replicating data in the REACH database in the UK equivalent system and when will that system be made available to UK companies?

Michael Gove: We have been talking ourselves to the chemicals industry about precisely what they need and when, and I agree—I would not use the same language—that in the event of no deal there will be particular challenges for the chemicals industry. We will be able to ensure that people are able to continue to register with official representatives within the European Union. One of the challenges, of course, is that in the UK we have a disproportionate number of ORs at the moment.

Q130 **Chair:** A disproportionate number of what?

Michael Gove: Official representatives.

Q131 **Chair:** Yes, only representatives, you mean, not official. They are called ORs and they are going to lose all their business and they cannot register until—

Michael Gove: No, that is my point.

Q132 **Chair:** Challenges are jobs going.

Michael Gove: That is exactly my point.

Q133 **Mr Robert Goodwill:** Some are setting up subsidiaries in EU countries so that they could have access to REACH.

Michael Gove: Exactly, or contacting any representatives or registering with them in other countries, yes. These are undoubtedly challenges in the event of no deal, which is why the Prime Minister has outlined proposals for associate membership of the European Chemicals Agency, it is why also, should we secure Parliament's support for the Prime Minister's deal, that some of the concerns that the chemicals industry, entirely understandably, raise could then be addressed.

Q134 **Mr Robert Goodwill:** In the event of a no-deal situation, will there be capacity within the HSE? Will there be IT systems that will be up and running and working?

Michael Gove: Yes, there will be, but it will inevitably be—what is the word? As I said earlier, in a no-deal scenario we will have databases that are resourced within the HSE. We have been working with the DWP in order to ensure that we are ready for those challenges, but it is the case that for a number of sectors a no-deal scenario would pose particular challenges and one of them, undoubtedly, is the chemicals industry, which is why I am seeking to persuade as many of my colleagues as possible across all parties to support the Prime Minister's deal.

Q135 **Mr Robert Goodwill:** I was in the European Parliament when the REACH regulations were passed and one of the big concerns was the cost and of course the number of animals that might have to be tested. It is a possibility in a no-deal scenario that we would have to—I think it was £6



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billion to test the back catalogue of chemicals and all the new ones coming in.

Michael Gove: No, I do not believe we would need to do anything like that.

Q136 **Mr Robert Goodwill:** How would we get the data if we were in a no-deal situation?

Michael Gove: We would recognise existing registrations.

Q137 **Mr Robert Goodwill:** We heard in evidence we could not get hold of the data, even when it was data that a UK company had submitted through REACH.

Michael Gove: If a chemical has already been registered with and considered safe for use with REACH, we would continue to recognise that registration.

Q138 **Chair:** I just want to probe you a bit on that, because it is not just challenges, is it? Market freeze is what we have been told would happen for sectors like the power station sector, as you talked about yourself, the water sector, critical infrastructure, the additive that makes the gas smell if we accidentally leave the gas tap on; I am sure that is not something you ever do. It is one of those things where it will affect every single part of our national life if the chemicals industry cannot function.

Michael Gove: The chemicals industry will be able to function. I do not think there is any question but that it will be able to function, but there will be—

Q139 **Chair:** Why did they tell us it would be disastrous and catastrophic to have a no-deal Brexit? Brexit is an industry and a hard deal or a hard Brexit, no deal—

Michael Gove: It would be challenging for the industry.

Q140 **Chair:** “Catastrophic” was their word.

Michael Gove: I cannot know why they chose that particular term.

Q141 **Chair:** Have they not used those words with you in your meetings with them? How many times have you met them?

Michael Gove: No, but one of the things I would say is that you posit a scenario whereby there would be—the inference from your point is that the chemicals would somehow evaporate and disappear, that there would be no chemicals industry in this country and no access to chemicals. That is emphatically not the case. But it is the case, I am very happy to acknowledge it and have already done so, that there would be additional costs, pressures and challenges for the chemical industry in the event of no deal, which is why we are so anxious to avoid it.

Q142 **Chair:** Article 8 of the Withdrawal Agreement of this deal says there will be no access to EU databases after we leave, so whether it is in March or



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whether it is in two years' time after the transition period. It took REACH eight years to get the thousands of chemicals on to a database and people cannot register as third-country importers until we have left. There is a freeze at whatever point we leave.

Michael Gove: The question about being a third country is one that Philip raised earlier and I am confident that the EU, for a host of reasons, will recognise that we are a valid third country on everything from chemicals through to pet passports to food exports.

Q143 **Chair:** You are confident. When will you know?

Michael Gove: I am as confident as I can be on the basis that I expect, given all the conversations that we have had, that that will happen. I do not want to—going back to my earlier point—in front of this Committee or in front of any audience deny for a second that there are particular challenges with a no-deal exit, but I also do not want to suggest that many of the more speculative and lurid scenarios are likely to happen, because as it emerges that those lurid scenarios do not materialise so there is a danger that people say, “It is project fear”.

Q144 **Chair:** The chemicals industry were the ones who told us in a predecessor Committee inquiry about market freeze and issues that happened on the previous deadlines for registrations.

Michael Gove: Let me disaggregate several parts of that. We will recognise chemicals that are on the REACH database, we will construct our own database. This will cost—

Q145 **Chair:** It will cost the taxpayers and businesses tens of millions of pounds.

Michael Gove: Indeed, and that is one of the reasons why I think that a no deal is not the ideal outcome for this country. It is not the case that there will be, as I mentioned earlier, the evaporation of all chemicals any more than it is the case that planes will not fly or that water will not be drinkable.

One of the challenges that we have, not just Government, but all of us as politicians, is that if we exaggerate the consequences of a particular scenario and those exaggerated consequences do not materialise, then we are in danger of being the boy who cried wolf. As you know, the point about the boy who cried wolf is that eventually the wolf came.

I think that the challenge for all of us is to be focused and proportionate on what the risks are, not shy away from acknowledging what they are and seek in Government to mitigate those risks. But exaggeration means that there is a chance that some people think the situation, as I say, has not materialised in that way so therefore we can ignore other warnings because they are not well-founded.

There is a parallel danger that the situation seems—and is characterised by some—in such a way as to induce passivity. There is a direct parallel



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with climate change, in that it is important to be clear that it is significant, perhaps the world's leading danger, but if we take the right steps we can deal with it. There have been occasions in the past when we have been thinking about how we communicate the dangers of climate change when I and others have worried that the wrong sort of rhetoric will induce passivity rather than the response that Government has prepared and Governments are prepared to take the necessary steps.

Q146 Mr Philip Dunne: That neatly segues into my questions, which are about pesticides, a subset of chemicals. Could I urge you to encourage your officials to read the transcript of the hearing that we held with the chemicals industry? Because the concern that they were raising was about the detail of how, in the event of no deal or in the event of any deal, we establish a separate register of our own when the copyright ownership of the data that has been included on REACH has been provided over a period of years by a number of companies and is not owned by the EU, it is owned by the companies. What they were saying to us was that it would not be possible for the UK to be able to establish a register of its own without going through the laborious process of negotiating with each of the individual companies to get access to their data. That is simply not possible to do overnight.

There needs to be a mechanism that is acceptable not just to us, the UK Government and the EU, but has to be acceptable to the industry. If you or your officials were in a position to provide some reassurance to the Committee about the practical steps that you can see being taken to reach a satisfactory solution that you are outlining—and I do not disagree with the way you have described it, but you are approaching it, if I may say so, from a helicopter view and the industry are concerned at grassroots level.

Michael Gove: That is absolutely fair. I know that even if they have not read the transcript, and I am sure they have, officials have been in contact with the chemicals industry and individual companies who have made precisely that argument, which is why, as I say, we will recognise all existing REACH notifications. It will take some time for us to build up our own database and system. It is precisely for the reasons that you outline that it will take that time and I know the team that have been working on it have been sober in acknowledging that.

Q147 Mr Philip Dunne: Just moving on to some of the pesticides in particular, which was touched on a bit by Robert, we have had concerns expressed that there will still be a governance gap, which we have been talking about. Is it your anticipation that the Health and Safety Executive would be empowered to run this register? If there is a gap, I think you are saying to the Committee that you would anticipate that by providing immediate continuation of registration in some way that will allow chemical companies to sell pesticides to farmers.

Michael Gove: Exactly. Our overall approach as a Government is a continuity approach. Again, to use an analogy from food, our approach is



that we do not expect the EU to suddenly lower its standards on food given that on 28 March we would be happy to accept EU food coming through Dover-Calais on 3 April. We will not apply new restrictions. The EU have in fact stated that they will apply restrictions on us, but we will not apply any restrictions on them. In the same way we will recognise all existing REACH classifications, so there should not be a problem in the continued sale and use of any of those individual chemicals.

Q148 Mr Philip Dunne: Within the UK? However, UK-based chemical manufacturers, pesticide manufacturers, if there are any, will be restricted from selling into the EU unless there is reciprocity in that arrangement? You cannot guarantee that here today.

Michael Gove: It will be—and I think this is the Chair's point—the case that they have incurred additional cost either by setting up subsidiaries or by getting a recognition through an OR in an EU 27 nation. Provided either of those steps have been taken, then they can continue to sell material that is on the REACH database. It is an additional cost, I do not shy away from acknowledging that, but it is not, as I said earlier, the evaporation of access.

I would add one other thing, which is that it is the case that we would like to maintain associate membership of the European Chemicals Agency, along with a couple of other EU agencies. That is a matter for obviously the negotiation if the Withdrawal Agreement is accepted.

Q149 Mr Philip Dunne: Establishing it is the HSE to undertake this role, have you made any assessment of what that will cost and how long it will take to do that?

Michael Gove: Yes, and I can share with the Committee what those costs are. We have talked to Sarah Newton, the Minister who is responsible, and officials from my Department have engaged with the HSE. I will try to write tomorrow.

Q150 Chair: Is that about the 32 million that the PAC was talking about at the beginning?

Michael Gove: I think there are other associated costs as well.

Q151 Mr Philip Dunne: Could you also, in writing, give us an indication of how many skilled personnel you are anticipating will be required to fulfil the function and where they are going to come from?

Michael Gove: Yes, I will.

Q152 Chair: Also how many public health professionals will be employed by the Health and Safety Executive, given that they do not have any specialism in that area at the moment.

Michael Gove: I absolutely will. I will make sure that I co-ordinate with the Secretary of State for Work and Pensions in addressing the concerns of the Committee.



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Q153 Mr Philip Dunne: On pesticides and your philosophical approach to regulation in this area, if you are going to be taking a hazards-based approach, is it your expectation that pesticide standards will change once it is under UK control? Can you give us some flavour of any areas that you have in mind as targets to make the standards different?

Michael Gove: I do not think standards should be different. One of the many things that we are fortunate to have is a scientific community in this country that is very skilled in assessing hazard and risk and I would always want to be guided by the science as it happens. There tends to be a community of interest between our European nations and the UK in these questions. For example, when it came to neonicotinoids and metaldehyde, we have had the same view.

There may be a challenge in the future when it comes to Roundup, but I would not want to pre-empt how the science will develop there. There are some critics of its use who have made some interesting arguments. My view is that the science absolutely justifies its continued use and it is of environmental benefit, but ultimately I am in a position where all the decisions that I take as long as I am a Minister have to be guided by the chief scientific adviser and by scientific advisory committees.

Q154 John McNally: On 6 September, Secretary of State, I asked the Parliamentary Under-Secretary of State for Exiting the EU whether he agreed with the UK Government Minister for Trade Policy when he claimed that dropping food import standards would cause untold damage to the UK's food and drink industry. He told me that he was indeed in agreement; he always agrees with this colleagues. Would you join them in the view that EU food standards should be maintained for the sake of trade? If so, how do you square this with your declaration that the UK will lead a GM food revolution?

Michael Gove: I do not think I actually said that. The interesting question is whether or not in the future gene editing, which is a slightly different process from existing genetic modification techniques, can yield particular benefits.

As I mentioned earlier, we need to be guided by the science. I think it is very striking how strong the support among scientists was for looking at this process. Gene editing is giving Mother Nature a helping hand. It is allowing what might have occurred through selective breeding or evolution to occur at a faster pace. It could bring great benefits, but of course one of the questions we have to ask is what are the other consequences and it may well be applying the precautionary principles in an appropriate way.

There are challenges in developing this technology, but my view is that we should always be open to the opportunities that science provides us. Sometimes we would, understandably, for ethical and another reasons, choose not to go down that route. As we discussed before, I know the Scottish Government takes a different position, but there is no ban.



Q155 **John McNally:** I think they would probably take the precautionary principle and that would seem the right step to take.

Michael Gove: Yes, I absolutely believe in the precautionary principle, but I also believe that there is a fascinating and lively scientific debate. Without wanting to bore the Committee any further, I talked about this in a letter I gave to a think tank and I talked about the way Norman Borlaug and the Green Revolution had massively increased food supply, not least in the developing world. However, I also talked about William Gaud, one of the fathers of the Green Movement, and the fact that when you have the exuberance of certain scientists who see technological breakthroughs bringing benefits, you sometimes have to say, "Hold on a moment" because the precautionary principle and indeed other ethical factors come into play as well. It is a balance.

Chair: I have some Tyrozets, Minister, little orange pills, if you need them. I notice you have been coughing. I am happy to pass them along.

Michael Gove: No, that is fine, thank you.

Q156 **Alex Sobel:** You will be glad this is the last set of questions on air quality and air pollution. ClientEarth have taken the Government to court three times and won. They have described the Government's approach to resolving our air pollution crisis as a national embarrassment. They have quite perceptively said that the Government has outsourced the problem to local authorities who do not have the resources to deal with the issue. How would you respond to their criticism and to that point around outsourcing the problem to local authorities?

Michael Gove: ClientEarth have made some legitimate points about our failure to deal adequately with this problem in the past. I think we can only resolve this problem in partnership with local authorities. There have been local authorities of every political colour that have taken this issue properly seriously and some local authorities of different political colours that need to do more.

We have made money available to those local authorities and we have allowed the expertise of DEFRA to be put at their disposal. If I may say so, to take a case in point, while I do not agree with everything he does, the Mayor of London has taken this issue incredibly seriously and shown leadership on it. I do not think it is outsourcing it to recognise that local authorities can demonstrate leadership.

We will be publishing more details of our proposals on air quality early in the New Year with the Department of Health and Social Care. One of the things we are looking at there is giving local authorities more of the powers that they have asked for and which I believe they need in order to ensure that air quality improves in their locale. By definition, there are lots of good lessons that can be learned. Some of the challenges that apply in London and some of the solutions that are appropriate for London certainly would not be appropriate in Leeds or in Southampton.



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Q157 Alex Sobel: Moving on, three and a half years ago eight cities were mandated to resolve the problem. One of those was Leeds City Council. Leeds City Council, in terms of its councillors and the officers, worked fully with DEFRA and produced a very robust plan, which before the summer Thérèse Coffey came here and sat where you are sat and praised Leeds for their work. Now Leeds have put forward that they need £40 million to put the funding in and it has been rejected. Is there a cap on the amount that councils can get or are you committed to being able to meet their clean air targets?

Michael Gove: There is an overall cap on the amount that we have and that we can give to local authorities, but I will take the point and I will talk to Thérèse and the team. If I were running a local authority, I would want to have the maximum amount of resource.

I am not suggesting for a moment that Leeds are being anything other than ambitious, but we have a responsibility just to make sure that money is going to be spent as wisely as possible because £10 million that goes to Leeds is £10 million that cannot go to Southampton. We just need to take a view about the robustness of that. I will happily go away, talk to Thérèse and the team, look at it and then come back to you and the council.

Q158 Alex Sobel: On a related point, I understand Derby has not put in a bid, so how would you view that? Are you encouraging Derby Council to come forward for a plan or does that mean there is more money available to the other local authorities?

Michael Gove: We will be making an announcement shortly about the approach that we are taking to some local authorities that have been less energetic than others. Until we make that announcement, I would not want to be drawn into criticisms of any individual local authority because we are in conversation with them at the moment. It will be the case, unless things change, that there will be some local authorities that we will be critical of and issue directions to. They may change their approach, but until we have concluded those conversations I would not want to put anyone specifically on the naughty step yet.

Q159 Alex Sobel: If it is clear that the funding available—the whole fund that is available—is not sufficient for these mandated cities to meet their air quality targets, do you intend to go back to the Treasury to seek more funds?

Michael Gove: I am very fortunate in that both Jeremy Hunt and Matt Hancock, as Health Secretaries, are very keen that we should take the steps necessary. I do not want to strong arm the Chancellor, but we will do everything that we can and will look at fair-minded bids and requests from local authorities for the support they need.

Q160 Chair: You talked about publishing something in the New Year. Will that be the final Clean Air Strategy?



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Michael Gove: Yes, but it will also be the case that legislation to give effect to what we publish will be, I hope, in the Environment Bill as well.

Q161 **Chair:** To be published midway through the year?

Michael Gove: Yes, but certainly before the end of June.

Q162 **Chair:** Just finally on our sustainability of the fashion industry inquiry, we have been very concerned about the excessive waste and pollution caused by clothes so cheap that they are effectively single-use items. Some retailers have signed up to a voluntary plan, the Sustainability Clothing Action Plan. In 2012 that was set up, but so far it has totally failed to meet its targets on waste, with a less than 1% reduction since 2012. You talk about EPR potentially for textiles. Are you looking at a per unit EPR or are you looking at a per tonne EPR or are you not there yet? Or are you waiting to see what we say?

Michael Gove: I always want to know what the Committee will say, but one of the things that we want to do is to make sure that the principle that the total cost of the production and the lifecycle cost of the material is properly reflected in what the producer pays.

This is something the Committee has brought to light, and you are right, as well as the tendency of fast fashion to lead items to be worn for a few times and then discarded in a way that creates a waste problem, it is also the case that some of these items are produced in a way that is prodigal when it comes to water use, which is environmentally damaging in other ways.

Of course we need to think hard about how EPR might extend to textiles, but there is more that fashion needs to do in order to live up to its environmental responsibilities. We have representatives from the British Fashion Council on our Council for Sustainable Business and we know that they want to and recognise that they have a responsibility to do more.

Q163 **Chair:** You will be hearing from our Committee on both the environmental and the social downsides of the fast fashion industry.

Michael Gove: I just want to say thank you to you, Chair, and to other campaigners, because it is a critically important issue and I think that there is a lot more that needs to be done because it is a wholly maligned trend of our times.

Chair: Thank you very much indeed, Secretary of State. Merry Christmas!

Michael Gove: Also to you.