

Environment, Food and Rural Affairs Committee

Oral evidence: Is Defra ready for Brexit?, HC 1669

Wednesday 27 March 2019

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Members present: Neil Parish (Chair); Alan Brown; John Grogan; Dr Caroline Johnson; Kerry McCarthy; David Simpson; Angela Smith; Julian Sturdy.

Questions 119 - 262

Witnesses

I: Dr Thérèse Coffey MP, Parliamentary Under-Secretary of State for the Environment, Lord Gardiner, Parliamentary Under-Secretary of State for Rural Affairs and Biosecurity, Rt Hon Robert Goodwill MP, Minister of State for Agriculture, Fisheries and Food, and David Rutley MP, Parliamentary Under-Secretary of State for Food and Animal Welfare, Department for Environment, Food and Rural Affairs.

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

Examination of witnesses

Witnesses: Thérèse Coffey, Robert Goodwill, Lord Gardiner and David Rutley.

Q119 **Chair:** Good morning, Ministers. We are going to try to stick to one hour for your good selves, and then one hour for the Secretary of State. It is nice to see him here this morning as well, listening in. He is probably keeping an eye on all your answers, I expect. Perhaps it would be a good idea if you just introduced yourselves for the record, starting with you, John.

Lord Gardiner: I am John Gardiner, Defra Minister for Rural Affairs and Biosecurity.

Robert Goodwill: I am Robert Goodwill, the Minister of State for Agriculture, Fisheries and Food.

Dr Coffey: I am Thérèse Coffey, Environment Minister.

David Rutley: I am David Rutley, Minister for Food and Animal Welfare.

Q120 **Chair:** Thank you all very much for coming this morning. It is a pleasure to have you here. First of all, Robert, as the new Minister in charge of farming and fisheries, what is your biggest challenge?

Robert Goodwill: I am going to use the B-word straight off.

Chair: That is quite all right.

Robert Goodwill: Brexit—my biggest challenge is preparations for no deal and the effect that could have on the agricultural industry, looking at some specific areas, such as the lamb sector and live shellfish exports, but also a whole range of other areas that we are working on to try to ensure that, in the event of a no-deal Brexit, we are ready, and also being aware that there may be some unknown unknowns that may come up and bite us.

One example that we were not aware of until about three or four weeks ago is heat-treated pallets. There may be other things like that that will come up, so we need to be ready, and we are having a lot of meetings with officials looking at potential scenarios and how we can continue to maintain the trade, our exports, particularly in fish. We export most of the fish that we catch, and we import most of the fish that we eat.

My second priority would be engaging with stakeholders. Generally, my appointment was welcomed by the agricultural sector. In the fisheries sector, the jury is still out. I am due next week, if the Whips allow and time allows, to go to Peterhead to meet with Scottish fishermen. I have already met with the devolved Ministers.

The third priority is getting the Agriculture Bill and Fisheries Bill on to the statute book in a timely way, so that we can be ready for the situation



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after we leave the European Union, hopefully in an orderly way, through a transitional period, with the Prime Minister's deal getting over the line.

- Q121 **Chair:** That has covered a great deal, and I very much welcome you to your new job. On the cost of tariffs in a no-deal Brexit, there seems to be an anomaly between the extra tariff on lamb meat that is processed partly and is exported, compared to live lambs, and the tariff could almost be higher on the meat than it is on the live lamb. We probably do not want to encourage more live lamb exports than is necessary. I do not know if you have any answer on that, have you?

Robert Goodwill: You are absolutely right, Neil, that the tariff on meat on the hook is over 40%, but there is a much lower tariff on live exports. Certainly, one of the benefits of leaving the European Union will be that we can ban live exports, should we so choose in this Parliament. Previously, we have been prevented from doing so because of free trading rules. You are absolutely right that there could be a financial incentive to export more live sheep, which is something we would not be keen to see happening.

- Q122 **Chair:** David Simpson and I went to Defra to see all the officials dealing with a no-deal Brexit, and certainly it seems that allowing imports in is easier for us because, to a degree, we can recognise the standards when we allow things coming through. What seems to be the great difficulty is getting exports back into the EU. Are you confident that you are getting enough co-operation from Europe in this situation?

Robert Goodwill: "Confident" is too strong a word. We published our tariff schedule, which for over 70% of products, not just agricultural goods, would be a zero-tariff regime, but we have put in place protection for certain dairy products and meat, which we feel would be proportionate. We have no reason to believe that the EU would not impose their most-favoured-nation tariffs, in which case there would be serious problems for the UK sheep industry, and other sectors to a lesser extent.

We have been looking at ways that we could address that through specific aid for the sheep sector. Sheep production, as you know, is seasonal, so it is not as if we are at peak season, but there could well be serious problems in terms of the market turbulence caused by the imposition of tariffs in excess of 40%, which would devastate the sheep sector, which, as you know, is operating on near-zero margins at the moment; the profitability of the sheep sector is not good. Therefore, it is something we would need, as a first priority, together with live shellfish exports, to address in the event of a no-deal Brexit. The answer is for everyone, including everyone on this Committee, to vote for the deal, in which case we will have an orderly transition.

Chair: That will do, Minister. Thank you very much; it is a good point.

- Q123 **Alan Brown:** My question is Brexit-related. You said Brexit is the biggest challenge. Something we have already heard on the Committee, in terms



of agriculture, is about the shortage of workers. We have already heard about crops not being able to get picked and food rotting in the fields. What is the estimated shortfall in agricultural workers, because the Brexit impact already is that workers are reluctant to come here? What is the estimated shortfall in workers, and what are the Government doing to plug that gap?

Robert Goodwill: Thank you. In fact, the last time I appeared before this Committee was as the Immigration Minister, and I can remember answering questions from Angela about why we cannot get unemployed people in the UK to go to do these particular jobs. We are aware of the issue. Currently 99% of seasonal workers who work in the UK come from the EU, mainly from Romania and Bulgaria at the moment. That is between 50,000 and 67,000 workers. There have been a number of factors that could impinge that, and Brexit is not necessarily the greatest one. The weakness of the pound against the euro has been one of the effects. Certainly, the signalling that went out after the referendum made some people believe they would not be welcome here. They are welcome. We are keen to see them coming here.

We have announced a pilot for non-EU workers, looking at countries like Ukraine, Moldova and possibly the Russian Federation. Indeed, we had officials across in Ukraine last week, talking with employment agencies, recruiting them, looking specifically at, say, agricultural students in their gap years to come across. We have sanctioned a pilot for 2,500 workers coming for a six-month stay, and that is a two-year pilot. I know that does not meet the figures that organisations such as the National Farmers' Union of Scotland or the National Farmers' Union of England and Wales have said, so we are keeping that under review. There will be a dynamic conversation with myself and Caroline Nokes, the Immigration Minister, and I am aware that I am little bit gamekeeper-turned-poacher in this regard.

Chair: We had better leave it there because of time, but it is a real burning problem, as you well know.

Q124 **Dr Johnson:** Minister, you may know that before the Committee today we went out on social media to ask members of the public which questions they wanted to put, and one of the questions is about biotechnology and farming from a farmer, Tom Allen-Stevens: "After Brexit, what will Defra do to help the ingenious scientists in our world-leading plant science research centres work with the UK's most innovative and progressive farmers to bring on discoveries in gene-edited crops?"

Robert Goodwill: Your Chairman and I were in the European Parliament. I was there for five years; he was there for longer. This was one of the big issues that we discussed. There is a different attitude taken to GM technology in the UK and Europe compared to other parts of the world, and indeed globally there are four times the area of the United Kingdom under GM crops, and the majority of our livestock in this



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country will be fed on products produced in that way, at least partially. The key is that we should be always guided by science and, indeed, looking towards the future with gene editing, we do not agree with the decision of the European Court that gene editing is GM, and we could be making a mistake if we cut ourselves off from that technology.

It is interesting to relate that, for example, Golden Promise, which is a winter barley variety grown in Scotland in large quantities for the brewing industry, has been around a lot of years and was actually produced by induced mutation using gamma radiation. That is GM using a sledgehammer, but because that was an established variety before we started talking about Frankenstein food, nobody bothers about that. There are other long-standing varieties that are either induced using radiation or colchicine, which is a chemical that induces mutation.

In a post-Brexit scenario, we should be guided by the science, and we should ensure that we can introduce crops, if it is safe to do so and if the science points in that direction, which can help us to increase food production. We can have crops better suited to some of our more marginal land, and we can reduce our reliance on pesticide by better resistance to diseases and better ability to deal with UK conditions, particularly as our climate changes due to climate-change issues.

Q125 Dr Johnson: You mentioned the European Court of Justice ruling on gene editing. My understanding is, when they are doing gene editing, essentially what they are doing is the same as with this gamma radiation, but much more specifically, because they are able to target the genes they wish to change. It is not the same as the genetic modification of the so-called Frankenstein foods, because they were introducing DNA from other species rather than specifically from the same species. The Government argued against the ruling of the ECJ, so are you saying that once we have left the EU we would not just be in a position to, but would actually allow this gene editing to take place?

Robert Goodwill: We disagree with the decision made by the ECJ, and we will be guided by the science in the future. Certainly, having seen some of the science myself, on the point you make about the very precise nature of the way that gene editing is done, we need to look at that and ensure that we do not cut off our agriculture from developments that could give tremendous environmental as well as food production improvements.

Q126 David Simpson: David, this question is for you. How will you ensure that there is a coherent approach to tackling unfair practices in the food supply chain after Brexit, taking into account the fair deal obligations in the Agriculture Bill, proposed European directives on unfair trading practices and the remit of the Groceries Code Adjudicator?

David Rutley: We obviously take welfare standards very seriously, and we have been involved with previous hearings where you have asked similar questions. I want to just reiterate that we are not going to



countenance a watering down of our standards. Questions have been asked about hormone-treated beef; that has already been transposed into UK law. Chlorine-washed chicken will come across with the withdrawal Act that we put in place. We are not going to water down; we are going to maintain those standards. That is the key thing.

Q127 David Simpson: You are happy enough that the measures in place will deliver that.

David Rutley: Indeed, yes, and we will be making sure that we have the right levels of inspection and the right levels of biosecurity in place. Lord Gardiner takes that incredibly seriously, and I will be, in my brief on animal welfare, making sure we maintain those standards all the way through. This Committee has been very clear; the House has been incredibly clear. That is a major priority for us as we take this forward.

Q128 David Simpson: Just on the point of inspections, is there a recruitment drive at the minute for food inspectors or veterinary inspectors?

David Rutley: We are going to make sure that there are sufficient people in place. The FSA has put contingencies in place for that as well. We are constantly working with local authorities on these issues; we are working very closely with the FSA.

Chair: Julian, I will let you hop in on the second question, but you have got to be quick because I do not want a lot of interruptions; we will not get through this morning otherwise.

Q129 Julian Sturdy: Okay, thank you, Chair. Robert, I just wanted to come back on something you said about being guided by the science. There is a slight issue here because, when you are talking about science, not everyone always agrees on the science, do they? That is the problem. There are always differing views. How far do you think we should push the precautionary principle for plant protection, going forward?

Robert Goodwill: This goes back to our days in the European Parliament. If the precautionary principle is used correctly, as it should be, it is something that is absolutely vital in protecting the public where we do not know the answers to certain questions and we think there could be serious problems. If, however, it is used as cover for a political decision that is not backed up by science, then that is the wrong application of the precautionary principle. The wisdom that we must show as Ministers and in Committees like this is to see the difference between the two, but we must always be guided by the science. If there is genuine doubt in science, then the precautionary principle should be used.

There are degrees of doubt, and often the difficulty is that it is one thing proving something is safe; it is another thing proving it is not dangerous. We need to look at risk-based analysis. Used correctly, the precautionary principle is absolutely important, but it has been used in the past, in some cases, to enable a political objective to be achieved that is not backed up fully by science.



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Chair: That is a good answer. We will agree with that one.

Robert Goodwill: Are you speaking for everyone?

Chair: I was speaking for myself.

John Grogan: My question is for David as well, but can I just congratulate Robert on returning to Government? It is always good to have another Yorkshire Minister, even though we are missing you from the cause of One Yorkshire devolution.

Robert Goodwill: I spent almost a year on the Environmental Audit Committee, which was good training for this job.

Q130 **John Grogan:** Indeed. I want to look at non-tariff trade barriers and the potential of no deal and so on, and the potential of the EU sanitary checks that the British Retail Consortium says are as important as potential tariff barriers. Could you say a word on that?

David Rutley: First of all, I must make a declaration that three of my children were born in Yorkshire, but I am proud to represent a seat in Cheshire.

Angela Smith: I am not having that.

David Rutley: It is what it is. Mr Grogan makes an important point, and notwithstanding the tariff issues we have already talked about, there is the issue of border checks. Those border checks are regular border checks; this is before we even get on to the issues about border inspection posts and so forth. Because, particularly around the Channel straits, we have a closed, continuous loop of ferries going through, any of these checks on the French side of the Channel—we are not looking to put them in place—will cause friction and will reduce the flow of trade.

We are doing everything we can to work with the French Government and with the EU to help them understand the impact, to them as well as to us, of that reduction in flow of trade, and we have Defra officials working with DfT, working with DfT teams. That is why the Secretary of State for Transport put in place extra vessel capacity: to make sure we could get medicines, veterinary medicines and also critical ingredients across. We are working closely with DfT to make sure we can get the best possible flow.

The other point on non-tariff barriers is about the third-country applications, which I am sure Mr Grogan is also concerned about. We are working closely on live animals and animal origin; we are making progress there. In terms of seed potatoes, the EU is not currently taking that as a priority. We are concerned about that. Organics looks like it is getting a little bit better, but the last time I came in front of the Committee, that was a point of serious concern.

All of these matters mean that there could be disruptions to trade, and so I would just like to echo the words that were said by Minister Goodwill. It



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is very important that we get this deal across the line, in my view, because there could be disruption, despite all the efforts that we are taking and all the projects we are putting through, which we can talk about later. We are taking the steps. It is the problem of having that friction at the border.

Q131 John Grogan: I just have one supplementary. As I understand it, these checks could be quite onerous. Under EU law it is 100% documentary checks they insist on, 20% physical checks of beef, pork and lamb, and 50% physical checks of poultry. You mentioned across the Channel, but presumably also there would be implications on the Irish border as well. If you are doing that, it is hard to see how you could do that without physical infrastructure.

David Rutley: As you say, they are insisting on these checks. What we need to do is to make sure that our exporters are prepared and border-ready. That is why we have been communicating at length with major exporters and SMEs involved in export trades, so they are fully aware of everything that is required. We have been making positive strides there. We have been meeting every week. I have been there with the Secretary of State, meeting with the NFU, with the BRC, with the Food and Drink Federation, trying to work through all of these issues and communicate them as clearly as we can.

Q132 John Grogan: Just to press you on the Irish border, is there any indication of what the Irish Government would do under these circumstances?

David Rutley: These are strategically vital points and they are still being developed.

Q133 Chair: I just have one final point, Minister. I have had experience of the French actually stopping cheese coming in from the Netherlands under single market regulations; they can stop it for a while, then the Commission tells them to lift it and eventually they do. What legal challenges have we, if any, if there is a no-deal Brexit and we are trying to get product in to France and they are being difficult? Because they will be difficult; there is no point in us saying any different. That is the nature of the beast. What are we going to do about it? We have to face reality. It is going to be very difficult to get product into France if it is a product they do not want. If they have plenty of cheese, lamb or anything else, that is when they get difficult. If they do not have enough of it, they will let it through, but if they have not, they will find a means of stopping it. Is there any legal challenge? I suspect that takes years, does it?

David Rutley: The focus is about getting the operations into place; that is what we need to do. There are signs that the French are making preparations for temporary border inspection posts and that they are putting extra resource into the border checks to reduce the friction. They are taking positive steps. From a planning perspective, we cannot change our posture just yet. It does seem as if there is good will on the French side, but clearly they are also bound by EU law. These activities are, as I



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said before, at a most strategic level and part of the ongoing negotiation as well.

Q134 **Chair:** My point is they use the rules when the rules are stacked against them. When the rules are stacked in their favour, I rather fear they will use them to our detriment. I hope I am proved to be wrong and I will be the first to admit it if I am.

David Rutley: Let us not forget they export to us.

Chair: I know they do. That will not make any difference to the French; I will bet my last dollar on that.

Robert Goodwill: Just in terms of fish exports, we are making good progress on veterinary health certificates, with local authorities and catch certificates, and indeed we are looking at apps and all sorts of IT ways of making sure that that documentation is there to accompany fish exports. Of course, some fishermen may choose to land in EU ports rather than land in the UK because it could be easier for them to do that.

Chair: As long as they do not have that particular fish, they will be very happy to have it. When they have plenty of their own, that is when the problem will be, but let us not argue about that all day.

Q135 **Alan Brown:** This is for you, David. In terms of imports, do you expect food to become more expensive for consumers, with fresh produce possibly in shorter supply, if we leave the EU without a deal? Who is going to be affected the most by this?

David Rutley: As we said in answer to some of the other questions, we are working flat out to try to make sure that we get the best possible flow of products coming in. At this time of year, clearly we have a strong flow of lettuces, tomatoes and cucumbers coming in from northern Spain and elsewhere in the EU. There could be a chance that there would be some disruption in the flow of those products.

Across our food supply, we have a very resilient approach. Retailers have shown consistently, through all sorts of challenges, that they can flex their approach. Some of them have decided they want to take extra stocks of supply so they are ready to make products available. They have increased their stock holding. That is their choice. I know that they have done that because they have maximised the use of existing warehouse capacity. There could be some challenges around some fresh produce and the availability of certain lines, but customers can make choices around substitution and looking at other ways of getting other vegetables in to substitute for those products.

Q136 **Alan Brown:** What do you think will be in the shortest supply?

David Rutley: As I said, the most likely pressure will be on some fresh produce at that time of year.

Q137 **Alan Brown:** Mark Carney, the Governor of the Bank of England, estimated that there could be a plus-10% hike in food prices. Birds Eye



has said there would be an immediate 20% increase. Do you agree with these estimates?

David Rutley: There are lots of different factors that affect price: exchange rate, price of fuel and so forth. Those factors will still apply. The key thing for us is to make sure we keep this flow going, and that is why it is right that—Mr Parish asked this question about supply—if we can keep the supply coming in, then the impact on price would be much more negligible. I cannot predict it for individual items. Our job, our focus and the projects that we are taking through are all there, and our policies are all there and designed, to make sure that the flow is steady and we can get these products in. In that situation, there will be minimal or no impact on price. That is the key thing.

Q138 **Alan Brown:** Just lastly, after two years of being told no deal is better than a bad deal, now we are continually told that no deal will be really bad and we need to vote for the deal. Robert has already said that we need to vote for the deal. Surely you want to spell out what the real impacts are on food prices and possible shortages, to underline what you think is the catastrophic impact of a no deal.

David Rutley: As I said, we have put extensive plans in place: 53 major projects to prepare for no deal and around 150 statutory instruments. We have made sure we have 2,700 extra people in Defra alone to bring about this transformational change, bringing environmental legislation, agriculture policy and fisheries policy onshore. I do not think anybody could say that we are not taking no deal seriously; we are. We are communicating it actively, but what we are trying to do and making every effort to do is to mitigate the impacts.

The challenge, as we look at where we are at right now, is about how the EU will respond. We cannot control that. We have made very strong efforts across Government, within Defra, to mitigate impacts, but there is likely to be disruption, particularly if we have major challenges of flow across the Channel, regarding food. That is why, once again, I support what Mr Goodwill said: that the best outcome, where we are right now, is to have a deal.

Q139 **Angela Smith:** John, I just want to ask a question about the Rapid Alert System for Food and Feed. The Local Government Association has stated that failure to agree access, in further negotiations, to that system would significantly weaken our ability to effectively protect the food system, increasing the risk of a new scandal and undermining public confidence in the food industry. It says, "We simply do not have the capacity to increase checks to offset this risk, either at ports or inland, unless this is fully funded." If the Government fail to negotiate UK access to the system, what is the contingency plan?

Lord Gardiner: Thank you for that. Obviously, as you have alluded to, we have a major contribution to make to RASFF; we are one of the most active countries in contributing alerts to RASFF. That is something we



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wish to continue with. In terms of the contingency work, the capacity and capability of the FSA are being strengthened. We are working with them but also with INFOSAN, which of course is the international alert system, which we are, with 180 other countries, a part of. We would be working with that.

Of course, if there is an EU commodity that is sold in the UK, there is an automatic requirement under EU law that that alert is communicated to us, but it is undoubtedly the case that we think that we have a lot to contribute to RASFF and we think that this is an area that we would like to continue collaboration on.

You mention resources. In terms of the FSA and this area of local authority work, this is an area we would need to consider in terms of the priority, which will always be keeping food safe and the public safe; that is the absolute imperative of both INFOSAN and RASFF, to have this alert system. It is an area that we want to make progress on.

Q140 Angela Smith: I do not get the impression of a clear plan, John, which is quite worrying. In the absence of access to that system, we will need to have a really rigorous plan on the table in order to ensure that the FSA, which will be the body responsible for ensuring safety and standards, is equipped and ready to deal with the gap left if we lose access to the system and the problems that that will create.

Lord Gardiner: You are absolutely right, and that is why the FSA is already attending to and has strengthened its capacity and capability. I have had meetings with the FSA and Heather Hancock. This is an area that is recognised as part of the safety net; it is an absolute necessity. That is why we are scaling up our communications also with INFOSAN, because that is an area where most of the countries around the world are having their rapid alert system. We already play a part in that, and we will be strengthening our linkage through INFOSAN as well as, shall we say, an insurance policy, although RASFF is an area where we think there is a mutual benefit.

That is a point I want to make. This is an area where we, this country, contribute very strongly to the work of RASFF. That is recognised, and therefore I believe that this is an area where sense ought to prevail and there should be that mutual understanding. If that is not successful, it will not be because we do not want to; we think that we do have a role to play. If it is the case that we cannot be, that is why we are strengthening capacity at home and also linkage with INFOSAN, which is of course the alert system that New Zealand, Australia and other countries use.

Q141 Angela Smith: On strengthening capacity, that is one thing, but if the Food Standards Agency comes back to you, Minister, and tells you that legislative changes are required to make a new system work or to make alternative arrangements work, then are you prepared to act on that, and have you, today, received any feedback from the FSA to the effect that this is going to be rather difficult and that more robust planning is



needed?

Lord Gardiner: I have not had that communication. I know they are working very hard. What I would say, as I did in my opening remarks, is that none of us is prepared to have situations where the public's health is put in jeopardy. You specifically mentioned the issue of legislation; if it was to come to pass, any responsible Government would look at all options to see whether there are necessary steps that would need to be taken, with our prime responsibility being to keep the country safe and the food in this country safe, both at home and overseas.

Q142 **Angela Smith:** Very quickly, just to finish, presumably in working up plans to deal with a situation in which we do not have access to the system, the FSA was following guidance from yourself.

Lord Gardiner: In terms of the FSA, the lead Department is the Department of Health and Social Care. We obviously work with them and with the FSA to ensure that all the public interest is best served. I have no doubt that the FSA would come to both Departments if there were alarm bells or if anything was a problem. I can assure the Committee that, in my discussions, they have said, "Yes, this is going to need strengthening capacity." That is what they are undertaking. If, down the line, there were further concerns, naturally we must address them, because this is a prime area of biosecurity and—

Q143 **Angela Smith:** Could we have some written information, because I am not convinced that strengthening capacity means very much by way of an answer? I am very worried to hear that there is not actually a plan in place to deal with this.

Lord Gardiner: There is a plan; it is being undertaken. I will send information of further employees and so forth. I am astonished to think that me saying, "They are already undertaking the capacity and capability," is not a plan, but if that is not a plan, I will define it as a plan.

Angela Smith: Let us see the detail.

Chair: If you get that in writing to us, that will be fine.

Lord Gardiner: Yes, of course.

Q144 **Julian Sturdy:** Thérèse, I want to talk about air quality and the Environment Bill. We had a Joint Committee that the Chair sat on that looked at air quality and produced a report calling for a new clean air strategy. Bringing that back to the environment Bill, what will be included in the Bill that will put pressure on the Government to improve air quality when we leave the EU?

Dr Coffey: We set out in the clean air strategy the sorts of things local authorities are keen to get powers on, such as certain kinds of burning. We know that for particulate matter, the biggest source of that is domestic burning. That is why we have come forward with proposals about phasing out the sale of the most polluting fuels that we have and moving to those that are less polluting, so there will be different elements



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there. We have already legislated for national ceilings targets for 2030, so our plans are underway on that. There are going to be a variety of further powers, and, particularly, we already have powers about elements of transport. There are things like non-road mobile machinery, where I believe there is more, and those are the sorts of things that we will be covering, as well as, as we have stated clearly, what we want to do in terms of halving the population who are exceeding the WHO limits on PM.

Q145 Julian Sturdy: Those elements that you touched on are going to be part of the environment Bill as it goes forward.

Dr Coffey: Yes, but the 2030 targets are already in law; we passed them in 2016 or 2017.

Q146 Julian Sturdy: How important do you think the environment Bill is going to be to actually take the Government strategy a step further?

Dr Coffey: There are certain things that local authorities particularly would like to have more powers on, to make it easier to deal with some of these issues. There are already a lot of powers that local authorities have, and then there is that wider element on where we need to continue to work with the industry. You know about the forward projections about 2040 being a key year for transport, and also rail. It is about what it is that is needed in the Act to make it happen, in terms of powers that councils do not already have today.

Q147 Chair: Very quickly, Minister, ClientEarth has taken the Government to court three times; we have got action now. Are we confident that the OEP and the Environment Act will carry that on? It is not just about Defra, is it? It is across Government—it is vehicles, it is local government and it is all sorts of things if we are going to get this air quality better, especially in these 44 hotspots across the country. We have to take action, and we need to be confident, because the Government have been dragged, slightly, screaming into this place because of these court cases. We are acting now, but are we confident that, in the future, you and Government are going to be held to account by the Office for Environmental Protection in order to deliver better air quality? I know it is expensive and costly, but it has to be done. Are you confident that you can get all the Government working across the piece to deliver better air quality in the future?

Dr Coffey: Yes.

Chair: Are you absolutely certain of that?

Dr Coffey: Yes. I have been in this role nearly three years. Apart from the preparation for Brexit, it has been my number-one priority. It is wide-ranging. One of our biggest challenges is actually going to be the agricultural industry: ammonia but also particulate matter, the secondary PM. A lot of work is underway on how we make those changes. I appreciate you are a farmer yourself.



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Q148 **Chair:** Look, Minister, I am not convinced that all the pollution in the middle of London comes from agricultural pollution in East Anglia.

Dr Coffey: No, it is different.

Q149 **Chair:** Therefore, if we are going to sort these hotspots out, it is not going to be sorted out by agricultural pollution. It has to be dealt with, but if you are going to deal with the inner cities, where you have all the problems with transportation—electric cars and all the things that are needed—we are going to have to work together. I am not convinced that the secret to this is to cure agricultural emissions. It is part of the problem; it is not the problem in the inner cities. I am not convinced by it for one moment.

Dr Coffey: Neil, you are not showing, actually, the wide range of the issues about air quality. There are five specific pollutants that we address. One is NO₂; that is where a lot of the transport is. Quite a lot of the transport also contributes to PM; that is where the domestic burning comes in. Then you have your non-methane volatile organic compounds.

Q150 **Chair:** Then you have your particulates coming from diesel.

Dr Coffey: Yes, exactly. That is part of the transport, about 12%. You have your NMVOCs; that is a mixture of paint, scented candles, washing stuff and all these other things. Then you have ammonia, ozone and sulphur dioxide. We have to take a comprehensive approach. I agree with you that ammonia is not the big issue in the centre of London, but that is why we are spending over £3.5 billion on the air quality strategy. We have a targeted amount of money for those councils where there are roads, and of course we are working with Highways England on the progress that they are doing. It is a multi-faceted approach and that is why it is a comprehensive, cross-government strategy.

Q151 **Kerry McCarthy:** This question is for David. It was promised quite a long time ago, during the EU (Withdrawal) Bill, that we would deal with the animal sentience provisions in the Lisbon Treaty with legislation. If memory serves me correctly, that was November/December time. There was a new clause 30 that Caroline Lucas and quite a lot of others put forward. That resulted in a consultation, early 2018, which ended on the 31st. We did pre-legislative scrutiny. The only thing we have really heard since then is the Government actually agreed with our recommendation to split the sentencing part of that Bill from the sentience Bill, but it has all gone quiet, and this was meant to be put in place before we left the EU. What is happening with it?

David Rutley: Things are moving forward. You have set out the chronology there. We have been working hard on this particular issue. Government policy sets out that we believe that animals are sentient beings, and as we move this forward we want to make sure that it is done in a rigorous and comprehensive way. To the point that I know you are trying to get me to talk about, in terms of when this will be legislated



on, clearly what we need to do is make sure we get that legislated in the most appropriate vehicle.

Q152 Kerry McCarthy: Basically, the Government were going to lose the vote in the EU (Withdrawal) Bill. There was huge public support for this, so they promised this Bill as a way of saying, "It is not appropriate to deal with in the EU (Withdrawal) Bill; we will bring forward a separate Bill". Nothing has happened for over a year. It is a tiny Bill. It was three clauses. I really do not understand why the sentencing thing could not be dealt with, because that was entirely straightforward. It was the sentence bit that was controversial. Even with the sentence Bill, which I am mostly concerned about, how long does it take to bring forward a Bill that is pretty much one clause?

David Rutley: We need to consider it in the round, of course, and the draft Bill is being drafted, and we are also engaging with key stakeholders on this issue, as members of the Committee are aware. We are actively working on this; we are not seeking to shirk the commitment we made. We are committed to making sure it gets enshrined into law. As members of the Committee look at what we are doing as a Department and as a Government as a whole, I do not think anybody could doubt we are taking animal welfare seriously. Look at what we are doing with CCTV in slaughterhouses. We will be taking forward increased sentences in cases involving animal cruelty.

All these things will be planned and be moved forward, and to give you, Ms McCarthy, and the rest of the Committee assurances, the key question now is getting the right legislative vehicle to take that forward. I can assure you and other members that is being taken forward and that dialogue is happening within Government.

Kerry McCarthy: I am introducing a ten-minute rule Bill on Wednesday on animal sentence, so perhaps that is the legislative vehicle to bring it forward and for Government to support.

David Rutley: I will be there in the Chamber when you do.

Q153 Kerry McCarthy: Do you think you will be supporting it?

David Rutley: As I said, we have our own plans that we are taking forward, and they are being well developed.

Q154 Kerry McCarthy: I seem to have beaten you to it. You have had an awful long time to do it, and it has taken me not very long at all. Once I decided I was fed up with the Government inaction, it has taken me a matter of days to pull together something that reflects—

Robert Goodwill: From a farm animal perspective, the idea that leaving the European Union will compromise animal welfare in this country is a complete load of nonsense. In fact, if you look at the history, whenever the UK has legislated on sow stalls, on veal crates or on better conditions



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for battery hens, we found that the EU has not followed suit, and we lost market share because of that.

Q155 Kerry McCarthy: With respect, Minister, that is not relevant. The fact is that we were promised in the Bill that this Bill would come forward. All the arguments about whether the provision is necessary or not are by the by, really. We were promised, during the EU (Withdrawal) Bill, that the Government would legislate. They then brought forward a draft Bill, which again indicates their acceptance that a Bill is needed. The time has passed to argue whether we should be incorporating the Lisbon Treaty over into UK law; that was accepted. It is just a question of getting the wording right.

Chair: David, you have one more shot at this, and then we will move on with the next question.

David Rutley: You have made the point very clearly, and I hopefully have made the point that we are committed to doing this and we will bring forward the necessary legislation as soon as possible.

Q156 Kerry McCarthy: Can I ask when?

David Rutley: We will as soon as possible.

Kerry McCarthy: That is almost as bad as "shortly", is it not?

Dr Coffey: It is better than "in due course".

Q157 Chair: When we did a very short inquiry into this, we also said we wanted the sentencing brought forward and perhaps separated. When do we know about the tougher sentencing? When is that coming?

David Rutley: Again, we are looking at the right vehicle.

Q158 Chair: I think a number of vehicles have passed along the road.

David Rutley: Let us get the right vehicle. Clearly there are a number of areas, not least of which are sentence and increased sentencing, that we want to take forward, and we will do that.

Q159 Chair: The five-year sentencing has total cross-party support here and you could get it through tomorrow. Just stick it on somewhere, Minister, please.

David Rutley: Yes, I understand that "stick it on somewhere" feels good at the time.

Q160 Chair: Stick it on the withdrawal Bill; perhaps we can vote for that.

David Rutley: We have to get it in the right piece of legislation and make it really work. We will.

Q161 Chair: Please, on the sentencing, we really have to get that one done.

David Rutley: I can assure Members that we are as keen to do it as members of the Committee.



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Q162 **Kerry McCarthy:** The draft Bill was there, on the sentencing thing, which is the uncontroversial bit. We have had so many days in this place where we have been virtually killing time while we are waiting for the Brexit stuff. I cannot believe that it would not have been possible to take a Bill on sentencing through the House in one day. It would have had cross-party support.

Angela Smith: It could have been a private Member's Bill.

David Rutley: There are different processes for private Members' Bills. What we are committed to doing is getting this into legislation.

Q163 **Chair:** On the sentencing, it is just madness that six months is the maximum; if you plead guilty you get a maximum sentence of four months, for really horrendous cruelty. It is crazy and we really have to fix it. On that one, there is a vehicle.

David Rutley: We understand the frustration and we are committed to making both of those happen.

Q164 **Chair:** You have heard the message, have you not?

David Rutley: It is loud and clear.

Q165 **Dr Johnson:** Ministers will be aware that I represent a very rural constituency and often want to lobby for rural communities and how they are looked after and encouraged to prosper. When will we have a rural strategy for England? That is for Lord Gardiner and Minister Goodwill.

Lord Gardiner: I should declare my role and farming interest in this, and I entirely agree with Dr Johnson that the Government's desire for strong and sustainable economies and communities is absolutely key to this. Clearly connectivity, in the whole rural proofing area, is one in which there are absolutely alarm bells. There are improved statistics in connectivity and yet, on the rural side, the statistics are simply not good enough yet, and we need to improve that.

As to a rural strategy, this Committee, and indeed another Committee in the House of Lords, is already sitting on the rural economy, and I do not want to cut across that. The very same question was asked of the Secretary of State and me about a rural strategy, and the Secretary of State made quite the observation. Let us see what the recommendations are. As far as I am concerned, the rural strategy for Defra is that we want dynamic and prosperous communities where people of all generations can live and work. The whole dynamic of rural proofing—of getting policies that enable successful, multi-generational communities to thrive—is absolutely at its heart. I know the Secretary of State is following, and it might be that that is a question that he would be better equipped to answer than me on the rural strategy point.

Chair: You are cuing up a question for the Secretary of State, are you? He is not here at the moment.



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Robert Goodwill: If I could just add, key to the prosperity of rural communities is a prosperous agricultural industry, and the Agriculture Bill gives us the ability to continue to deliver assistance to the industry and, indeed, as we move into public goods for public money, that is a great opportunity for farms to embrace the opportunities in terms of environmental improvement and other types of assistance that will come in. The Agriculture Bill is key as we move forward.

We have given assurances to the industry that payments will be made this year and next year as before, and then, as we move into that seven-year transitional period, I am sure farms will embrace the opportunity. Indeed, in terms of payment by results, there is a trial in Cambridgeshire, not far from you, and another one in Wensleydale, where we are looking at how we can deliver those sorts of environmental projects on the ground and try to reduce the bureaucracy and red tape.

Q166 **Chair:** Sorry to interrupt, Robert, but there was a part of my first question that I did not add. When will we see the pilots for the new environmental land management schemes proposed in the Agriculture Bill? When will we be able to give them parliamentary scrutiny, because delivering practical policies on the ground is going to be so important?

Robert Goodwill: The pilots are underway in Wensleydale and Cambridge. I am due to visit the one in Wensleydale quite soon. Clause 1 of the Bill gives wide-ranging powers for various schemes to be introduced. The temptation is to be very prescriptive there, and I do not believe that is the way forward. We need to get the Bill on the statute book and then look how that is implemented and look at evidence. I know there is a lot of temptation; somebody tried to get me to sign an amendment that specifically mentioned the uplands. It is important that we do not get ourselves into that situation of trying to list everything on the face the Bill, but we do need to make progress with the Bill as soon as possible.

Q167 **Chair:** You will give us time to scrutinise these schemes properly, will you? I am really keen. We have a good role, as a Select Committee, to do some really useful work there.

Robert Goodwill: That is the next phase. The Bill lays the foundations and the framework on which we can build these schemes, and then we need to look at how existing environmental and stewardship schemes are working, what is good, what we can keep, how we can reduce bureaucracy, how we can get more engagement from wildlife trusts and other organisations that may want to engage with farmers. We may want to have schemes covering quite large areas, involving a number of farmers, rather than the individual farmer schemes. As I say, we do not want to be too prescriptive.

Q168 **Chair:** Even water companies may be involved as well.

Robert Goodwill: Exactly.



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Chair: We had better leave it there. Caroline, do you want one last one, and then Angela can quickly ask the last question? Then we must bring in the Secretary of State; I would not like to let him off any time this morning.

Q169 **Dr Johnson:** You mentioned the Agriculture Bill and public money for public goods. One of the things I did speak to the Secretary of State about when the Agriculture Bill first came out, and given the fact that the schemes are not specifically listed in detail at the moment, is that the money used for agricultural support at the moment is for the agricultural industry to ensure that it is a prosperous industry, because, as you said, that is very important to rural communities. I did specifically ask, and was reassured, that this money is not going to be used for things that should come from other Departments, like support for broadband and other such things. Are you now saying that it will be, or not?

Robert Goodwill: No, I am saying that the money is going specifically to agri-environmental schemes, so moving from pillar 1 to pillar 3.

Q170 **Dr Johnson:** In that case, the Agriculture Bill does not contain anything on the rural community, so what investment are the Government going to make on rural communities? The transport infrastructure is less good; the connectivity is much less good, in terms of broadband and telephones. These are all inhibiting businesses in rural areas from developing and reaching their full potential. What I want to know is what strategy the Government have to deal with that.

Dr Coffey: That is the rural strategy.

Lord Gardiner: For instance, with the UK Shared Prosperity Fund, one of the functions we have in our Department is to ensure, through rural proofing—and MHCLG proof this properly—that rural and coastal communities and businesses—

Chair: I am sorry to interrupt. Can you give us some written evidence on exactly what the policies are and how we are going to rural-proof this? It is a big question? We do not have time now, Caroline; we really have not. We will have that in writing.

Q171 **Angela Smith:** We were talking about the uplands just now, and the EU LIFE funding has considerably contributed to Moors for the Future, for instance, in South Yorkshire and the South Pennines, to restore our uplands and deep blanket bog. After 2020, EU LIFE funding will stop. What will replace the funding that we currently enjoy through that programme?

Robert Goodwill: One of the issues that has very quickly been brought to my desk in this new job is about how we protect the uplands, and blanket bog is one of the issues there. At the same time, we must understand that a lot of people make their living on the moorlands and both—



Q172 **Angela Smith:** It is about the funding, Robert. I represent one of those areas, as you know, so I do not really need to hear about all that. I just need to know: will the UK Government replace the funding we currently enjoy under EU LIFE? It is a yes or no, really.

Robert Goodwill: There is a challenge facing us as we move into the new era, in terms of how we support farming on the uplands, and I know common land has been a big issue in terms of how we funnel the money correctly. That has been one of the issues with the Rural Payments Agency. How we balance the need to reward people who have already been doing the right thing—managing the uplands and managing their fields in small areas—and how we then incentivise others to do that is the key.

Q173 **Angela Smith:** Will the funding be there, Robert, because that is what EU LIFE funding is designed to do? Moors for the Future is entirely about that, as you know. Will the funding be there to enable it?

Dr Coffey: There is no doubt that the Department and the Government want to address all these different issues. We have already said we are not going to replicate the EU LIFE funding process. We are going to develop a scheme that we believe is appropriate for this country, and one element of that could be the Shared Prosperity Fund, but in essence it is going to be a spending review bid. We have a compelling case.

Chair: Because of time, again, we will have to have as much as you can, please, in writing, in terms of how that will be replaced, what the replacement will be and, to a degree, how it will work. You probably have not worked all that up yet, but can we have as much as you can give us, please?

Angela Smith: That is particularly on the funding, because this Shared Prosperity Fund is going to deliver a great deal, as far as I can see, and something is going to get squeezed somewhere. It is the funding that is important.

Chair: I think Ministers have got that message, so thank you all very much this morning. We got through in almost exactly an hour. Thank you very much, and we will now bring in the Secretary of State.

Examination of witness

Witness: Michael Gove.

Q174 **Chair:** Good morning, Secretary of State. It is good to have you here. You were here for most of the session when we had your four Ministers with us. That was a good session, and we are looking forward to a good session with your good self. I will fire the first question. Why was the no-deal temporary tariff regime only published a couple of weeks ago, and why was there not proper industry consultation?



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Michael Gove: We wanted to make sure within Government that we properly modelled what the impact of the no-deal tariff regime would be. It is of course intended to be temporary, and it is the case that since we published it, we have had a number of responses, but there has been a widespread recognition, not least from the agriculture sector, that Defra has been successful in providing greater protection for the farming sector than for other sectors of the economy.

Q175 **Chair:** I, unfortunately, printed off the whole tariff system, and it was some 50 pages, nearly, and half a rainforest. What it did show is the complexity of it, and the point I made to Robert Goodwill is you have this anomaly where there is less tariff on live lambs than meat being exported, whereas we want to actually try to cut down the number of live lambs that go and send more as carcase and as meat. These are the issues that we probably need to face up to. Do you think the industry and the processors are up to speed on what these tariffs are going to be and the consequences and about managing, not only from a Government point of view but from an industry point of view?

Michael Gove: Yes, I believe so. Of course, tariffs are a two-way process. The EU will apply to us, in the event of a no-deal exit, the MFN tariffs for a third country, and it is those in particular that mean that there may be an incentive, as Minister Goodwill pointed out, for some to consider live export, because the tariffs that the EU applies will be lower. We are mirroring the EU's tariffs when it comes to lamb, but we have a different approach, as you know, on other products.

Q176 **Chair:** That brings me on to products such as eggs, cereals, fruits and vegetables, which are not being protected. The egg industry is unsubsidised and very successful, but what it will not want is to have a lot of imports. Exports will be expensive; imports could be cheaper. That could put a lot of egg producers out of business, when they are probably one of our most efficient sectors. Why did you exclude eggs, cereal and fruits?

Michael Gove: UK cereal producers compete very effectively at world market prices. With respect to eggs, almost all of our domestic egg consumption is from domestic producers, and we think that they are well placed to continue to meet that production. It is unlikely to be the case that you will have a significant erosion of their position during the period that these tariff rates would apply. Of course, we have had representations from the egg industry and we take those seriously.

Q177 **Chair:** A lot of imported egg comes in both in powder and liquid, mainly into the processing industry, and there is potentially a big problem there. Whole eggs probably are not the issue, but half the trade of egg is not necessary in shelled egg but in processed, so that is where I really am concerned. I repeat the question: the egg producers are completely unsubsidised, and yet they seem to be not getting any protection from trade. Are you going to reconsider any of these positions, or is this the final place that you are?



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Michael Gove: It is certainly the final place for the next year.

Chair: Okay. I understand that, but I think we should think about eggs and poultry in particular. Julian wants to come in on the cereal position, I imagine.

Q178 **Julian Sturdy:** Yes. I probably should declare my interest when I ask this question to the Secretary of State. Secretary of State, you talked about no tariffs on cereals, because they compete on a world market, and they do on world market prices; you are absolutely correct on that. Tariffs are not a two-way operation, are they? That is always going to be the problem. If we have no tariffs on cereals coming in, that does not mean that the barley—we export a lot of barley to Europe—will not have tariffs on it going into the European market, which means it will not go into the European market. There is already talk that, actually, there are no shipments of barley leaving any of the ports at the moment because of the threat of potential tariffs in a few weeks' time. How do you deal with that scenario?

Michael Gove: That is one of the inherent difficulties in a no-deal situation. Our overall tariff approach is to try to balance protection for the most vulnerable sectors with an attempt to keep consumer prices broadly where they are now for British citizens, but it is undoubtedly the case that there are some other sectors—we touched on lamb earlier, and Minister Goodwill mentioned shellfish—where the EU and other markets will have tariff protections, and that will make life more challenging for domestic producers.

Q179 **Chair:** Secretary of State, naturally this is obvious, and I expect you will give us the same answer, but even if you give a certain amount of support to the lamb industry, once you do not get those exports over the line because of a big tariff, then you saturate your home market. It will be the same with the barley. If it cannot be exported, there will be too much barley here, so the price just goes down and down. That is the problem. I know you will say, "Vote for the deal," which I have already done all the way along, but that is another matter.

How are we going to manage a market in which, if you are not careful, if you have big tariffs on exports, the exports will either go out at a very cheap rate or not go out at all? You will also have too much product in your home market. The Commission used to use intervention buying, and all sorts; I am not convinced by it, because you have then to put it back on the market at some stage anyway. Are there any other plans, because it needs a bit more than is there at the moment?

Michael Gove: Yes, you are absolutely right. We have specific intervention plans, particularly for the sheep meat sector, and we recognise, exactly as you say, the price of sheep meat is likely to go down, and therefore, as Minister Goodwill pointed out, the incomes of sheep farmers, who are already facing tight margins, are likely to be impacted, and we have proposals to intervene. There are various different schemes that we have discussed with the Scottish and the



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Welsh Governments, but we think that, for example, some form of headage payment, based on the number of breeding ewes, might well be the best way forward. There are some particular issues there because, of course, there are some people who will be finishing the product rather than maintaining breeding ewes who will be adversely affected.

Q180 Chair: Sorry to interrupt, Secretary of State. That will help shore up some income for the farmer, but what it will not do is cure the market problem. There will be that extra lamb in the domestic market. Where is the bottom in the lamb price, if you have 40% more lamb on the domestic market because it is not being exported?

Michael Gove: You are absolutely right. The first thing is that the intervention programme is designed to maintain the income of particular farmers. The second thing is that because these tariffs are intended to be temporary, we would hope that in the event of a no-deal scenario we would then not, as it were, pull up the drawbridge; we would then be talking to the EU about what new trading arrangement we might have with them from a no-deal basis, and similarly we would be talking about new trading arrangements with other countries. We would be trying to find new markets for our products and, indeed, to re-establish a trading relationship with the EU. The tariffs are explicitly designed to be a temporary regime until we move to a better one.

Q181 Chair: I am not blaming you, because you did not necessarily get us into this position. The problem is there is a lot of hope here and not exactly a lot of direction—or not a direction that we have any control over. That is the trouble if we leave without a deal. You would probably reinforce that.

Michael Gove: Absolutely. As I said to this Committee before, there have been some exaggerated stories about what would happen in the event of no deal that it is important to dismiss, but there are also some very real and powerful challenges. People advocating a no-deal option are perfectly within their rights to do so, but they need to be aware of what the challenges are.

Q182 Julian Sturdy: I know you do not, Michael, advocate a no-deal scenario, so it is a difficult process that you are going through. When you talk about a nine-month process, a temporary process, for these tariffs, if that is the case, should you not have looked at or done a blanket tariff, so all the sectors have tariffs on for that nine-month period, so all sectors are treated the same?

Michael Gove: This is part of the negotiation within Government: what is the best approach? We used a variety of models to see what is likely to keep the price for the consumer steady. That was the first presumption. Then I intervened and said, "Look, there are some particularly vulnerable sectors that we need to be conscious of here," and therefore we got particular protections for those sectors. It is a marriage of those two things.

Q183 Chair: Finally, Secretary of State, what I would ask you to do if—I hope



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to God we do not get to this position—we are in the position of a WTO, no-deal Brexit, is that you actually look at the various sectors over a period of time to see where the pressures are, because you might have to review the sectors that you have supported.

Michael Gove: I understand.

Q184 **Chair:** Would you take that on board?

Michael Gove: Absolutely. It seems very sensible.

Q185 **Angela Smith:** I just want to move on to the issues relating to tariffs and Northern Ireland and the Republic, because of course the proposal is not to impose tariffs on goods crossing the border from the Republic to the north. Is that proposal compliant with WTO rules? Are you confident that it is, because the rule, of course, is that tariffs should be applied to all member countries? Will Germany get zero tariffs as well?

Michael Gove: No, but we believe that there are specific exemptions because of the broader political and security situation in Northern Ireland underpinning the Good Friday agreement, which mean that we can be allowed to do everything that we can; of course, we could not keep the situation indefinitely, but we can do everything we can for a period in order to maintain a frictionless border.

Q186 **Angela Smith:** You believe that, Secretary of State. Has it been tested legally? Is it a legal opinion? Is it absolutely cast iron?

Michael Gove: It is certainly the case that legal advice has been sought, and it is certainly the case that other countries could have an arguable case at the WTO.

Q187 **Angela Smith:** It could end up in court.

Michael Gove: Other countries could choose to challenge us at the WTO, but, as you are aware, there are a number of cases before the WTO at the moment.

Q188 **Angela Smith:** I absolutely do not want to see a no-deal Brexit, but if that materialises and—let us just hypothesise for a moment—the rule is taken to the WTO, legally challenged and the case is won, then border and security implications are clearly quite difficult for us.

Michael Gove: It would certainly raise new questions, yes. I think we both agree that no deal creates some particular problems. We have to, in Government, weigh up what we think is more important, and we think it is more important, on day one after no deal, to maintain as frictionless a border as possible. That is more important than some of the other considerations.

Q189 **Angela Smith:** What contingency plans have been developed in the context of a decision by the WTO that negates this proposal?



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Michael Gove: We would expect that any subsequent decision would be quite some time hence, and we would hope that by that time we would have found a political and trading solution. We would have found, as I mentioned in connection with the Chair's previous question, an appropriate response.

Q190 **Angela Smith:** Do you recognise that the proposal could crush the Northern Ireland agri-food industry?

Michael Gove: It would certainly put Northern Ireland's agri-food industry at a disadvantage, yes.

Q191 **Angela Smith:** You must have assessed the disadvantage.

Michael Gove: Yes.

Q192 **Angela Smith:** What is that assessment?

Michael Gove: It is significant, because, as you quite rightly point out, it could be the case—it depends on what the Republic of Ireland choose to do, and there are, of course, different things that Irish Ministers have said, and I do not want to criticise anything that they have said—that the Republic of Ireland might wish to impose checks on their side of the border and, indeed, tariffs, while we would not be imposing checks and not imposing tariffs, because we would have decided not to.

Q193 **Angela Smith:** It is the zero tariff that is the issue. What does "significant" mean? Can we have some tangible sense of what "significant impact" means?

Michael Gove: It all depends on what the Irish Government and the European Commission decide to do. It could, for example, have a significant impact on the movement of dairy produce, in particular. That is one particular area.

Q194 **Angela Smith:** We are talking about Northern Ireland's agri-foods; zero tariffs could cause a competitive disadvantage. What is the assessment of the potential economic impact on Northern Ireland's agri-food industry?

Michael Gove: It depends on the decisions taken by the Republic of Ireland and the Commission.

Q195 **Angela Smith:** I am not convinced about that, Secretary of State. The competitive disadvantage is clear: zero tariffs really will make the Republic's products much cheaper in the north than home-produced products.

Michael Gove: Yes, it would, but again the question remains about what the Republic of Ireland would do. Again, if the Republic of Ireland wants to impose tariffs on Northern Ireland produce coming into the Republic, that would require there to be customs checks and those tariffs to be paid. In terms of how those checks would be put in place by the Republic, that is obviously a matter for them and for the EU. We do not know at this stage what approach they would necessarily take.



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Q196 **Angela Smith:** Nevertheless, the point remains: regardless of the export imposition, the import imposition from the Republic will put those farmers in Northern Ireland at a competitive disadvantage.

Michael Gove: At the moment there are no tariffs on the border between the two, so therefore it depends what they do.

Q197 **Angela Smith:** No, but the tariffs will be imposed.

Michael Gove: If the Republic chooses to, yes.

Q198 **Chair:** If the Republic chooses to put those tariffs in place, will you introduce emergency measures to support both the farmers of Northern Ireland and the processors? It could be serious. It could put them out of business. It could bankrupt them. Let us be blunt about it. On that particular issue, again, will you really give us the assurance this morning that, if that scenario happens, you will look at it as a matter of urgency?

Michael Gove: On Monday, I met with representatives from the Scottish and Welsh Governments and from DAERA, the civil servants who are running Northern Ireland's agriculture and environment Department, and I said that we would provide whatever support they requested, to the best of our ability, so absolutely.

Q199 **Chair:** We do need that assurance. It is a shame that David Simpson is not here, because both the processing industry and the farming industry in Northern Ireland—I am not being overdramatic—could be seriously put out of business. It is just catastrophic.

Michael Gove: Again, I certainly agree it is a challenge, and everyone needs to bear it in mind.

Q200 **Angela Smith:** We know that there will be economic impact, potentially, but just going back to the legal advice, of course the exception here is in relation to the Good Friday agreement and the security implications of imposing tariffs. Where is the legal advice and will it be published?

Michael Gove: As you know, because we have discussed this before, it is customary for legal advice not to be published, but it was the case that the Cabinet and relevant Cabinet sub-committees considered a number of different options for how to manage the Northern Ireland border in the event of a no-deal scenario, and all of those options were informed by legal advice. There is policy advice and there is legal advice. I do not believe that it should be published, but of course it is open to the House, as we have seen before, to take steps.

Q201 **Julian Sturdy:** How has Defra responded to the EU's request for dynamic alignment of our regulations for nine months to reduce the risk of or the need for border inspection posts?

Michael Gove: We have said yes; we have said that we will dynamically align for a limited period in order to ensure that we have third-country listing.



Q202 **Julian Sturdy:** The limited period is the nine months.

Michael Gove: Nine months is the period on offer. It has changed ever so slightly in that, with the new approach towards the extension of Article 50, the original request from the EU was to dynamically align until the end of this calendar year and the relevant committee of the EU, SCPAFF, will review, I think on 4 April, whether or not they will grant us third-country status, but we have pledged to dynamically align for as long as is necessary in order to secure it.

Q203 **Julian Sturdy:** You are saying that might now run into 2020.

Michael Gove: It could do, but I suspect it will be just to the end of this calendar year.

Q204 **Chair:** That dynamic alignment would allow product to go in and out, whether it may have to have tariffs on it, but it would physically be able to move in and out of the border without checks. What would it mean?

Michael Gove: No. It would mean that we would get full third-country listing, but it would then mean that the EU would require products of animal origin to go through a border inspection post. As John mentioned earlier, the EU has rules on the number of documentary checks and the number of physical checks, but of course they exercise discretion. They would have to go through a BIP; they would have to arrive at a port with a BIP.

Q205 **Chair:** Crossing the land border of Northern Ireland and the Republic, there are no facilities there at the moment to do it, nor do we really want them. Surely, even with this dynamic alignment, the Republic would still have to put that in, would they not?

Michael Gove: That is a matter for the Republic and the Commission.

Q206 **Chair:** But surely that is probably the case, is it not?

Michael Gove: That is the challenge. There is a way around that. I am not advocating this and saying for a moment that it is the right thing to do, but one thing that you could do is to have products that come from the island of Ireland being checked at a BIP when they arrive in continental Europe.

Chair: That gets us down to the whole argument about the withdrawal agreement, does it not? We had better not, perhaps, spend all our time doing that this morning.

Q207 **Alan Brown:** What is going to happen if the Agriculture Bill and Fisheries Bill have not received Royal Assent before exit day, and what, if any, contingency measures are going to be needed to address deficiencies in UK law?

Michael Gove: It would be much preferable if we could get both Bills on the statute book beforehand, but we do not need them absolutely in the event of a day-one no-deal exit. We have passed some secondary



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legislation, for example, specifically on fisheries, which would mean that we would have the right to say to foreign vessels that they should not be fishing in our waters, if we thought it appropriate.

Q208 **Alan Brown:** You are saying there will be no deficiencies in UK law at all.

Michael Gove: There should not be. Obviously, it is best to have both these Bills on the statute book, but we now have in place the particular powers that we need with respect to fisheries, thanks, I have to say, to the co-operation of the Scottish and Welsh Governments.

Q209 **Alan Brown:** Going forward, there is still going to be uncertainty, especially if there is a no-deal exit, so looking ahead, in terms of the CAP replacement, when is full clarity going to be given on funding levels that are available, to give that certainty?

Michael Gove: Again, we had a good meeting with all the devolved Administrations on Monday. We have guaranteed farm funding up until 2020.

Q210 **Alan Brown:** That is not long, though; 2020 is not far away now.

Michael Gove: No, indeed. It is also the case that Lord Bew is conducting a review, with representatives from all the devolved Administrations, that will inform future funding allocations, and those future funding allocations up until 2022 will be confirmed in the spending review.

Q211 **Alan Brown:** Is the £160 million convergence uplift money that Scottish farmers have been deprived of going to be addressed?

Michael Gove: That open question is being addressed by the Bew review.

Q212 **Alan Brown:** How is it getting addressed?

Michael Gove: Lord Bew and his team, with nominees from each of the individual constituent parts of the United Kingdom, are looking at past decision-making and current evidence and then they will come, I hope, to a conclusion that will inform what the Treasury and the UK Government do.

Q213 **Alan Brown:** Scottish farmers will get that money back.

Michael Gove: There is a representative nominated by the Scottish Government—a very eminent figure—on that committee, and it is an independent committee, so we will see what they recommend.

Q214 **Alan Brown:** Just on legislation, as well, this is a question that has come in from the Marine Conservation Society. They are asking, with the environment Bill still at the pre-legislative scrutiny stage, how environmental legislation will be upheld in the event of a no-deal Brexit.

Michael Gove: In the immediate aftermath of a no-deal Brexit, from day one we will have an interim environmental governance commissioner; we



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have decided on the individual, but his appointment will be announced publicly shortly. That individual, until the new Office for Environmental Protection is put in place, will be responsible for monitoring compliance with environmental law and remitting any cases to the Office for Environmental Protection. We will make it clear that EU law that we inherit on environmental matters remains in place. Anyone who thinks that, a minute after midnight after we left the EU in a no-deal scenario, they could break EU law would find, actually, no, they would be before the courts.

Q215 Alan Brown: At the moment, obviously, in terms of EU law, that is ultimately the EU courts. In a no-deal Brexit, what is going to be the mechanism?

Michael Gove: It will be the case, obviously, that if you break the law, you can be taken before a UK court. It is also the case that the Office for Environmental Protection, once it is up and running—

Q216 Alan Brown: Is that framework there? Going forward, there is the OEP and different measures to get—

Michael Gove: There will be an interim figure or an interim body that will be responsible for making sure that any breaches of environmental law, whether by the Government or anyone else, are recorded. If they are not before the court by the time the OEP is set up—

Q217 Alan Brown: That body will have full powers to act swiftly to get things to UK courts.

Michael Gove: Yes.

Q218 Angela Smith: The Office for Environmental Protection, which will be created in statute by the environment Bill, applies to England and probably to Northern Ireland, as it turns out. My information is that the devolved authorities in Scotland and Wales do not feel that discussions around creating similar bodies in those two countries are properly taking place. Perhaps you would like to comment.

Michael Gove: Yes. This issue was quite rightly raised by the Welsh Environment Minister at our meeting on Monday. We explained to her the nature of the discussions that we have been having at official level, and both the Scottish and the Welsh Governments have published their own consultations on how they want to proceed. Again, my officials have done a fantastic job in liaising with the Welsh and Scottish Governments. If there has been any failure to liaise properly at a ministerial level, that is my fault.

Q219 Angela Smith: Do you think that the devolved authorities have the resources and the capacity to do this?

Michael Gove: Yes, and if for any reason they feel they need more resources and capacity, then we will work with them to provide that.



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Q220 **Chair:** Would you accept, Secretary of State, that while we accept that devolution has taken place and it is right for the devolved-authority countries to have their own policies, on environmental policy in particular, especially air quality and water, there is so much flow between the borders that there will have to be some sort of commonality between the policies in the four nations of the United Kingdom?

Michael Gove: That is absolutely desirable and that is something that is well understood by the devolved Administrations as well.

Q221 **Alan Brown:** On the back of the answer the Secretary gave to Angela's question, if the devolved Administrations think they need more resources to cope with the impact of dealing with environmental legislation, then the UK Government will provide more resource. That is what you seemed to say.

Michael Gove: I will do everything I can. My view is that we need to make the United Kingdom work, and so far in this role I have been encouraged and heartened by the very constructive approach taken by the Scottish and Welsh Governments

Q222 **Alan Brown:** I could phone Fergus's office and get him to get in touch and discuss resource.

Michael Gove: Fergus is a very effective advocate for the Scottish Government. Like you, Alan, I am always happy to listen and see what we can do to help.

Q223 **Kerry McCarthy:** I want to ask about trading relationships. You will know there has been a long-running discussion about whether we could get provisions in the Agriculture Bill saying that there would be no lowering of standards. You have been reasonably supportive of that, but from some quarters we have been told that it ought to be in the Trade Bill instead. As I understand it, in the Lords they very recently agreed a new clause that provided more parliamentary approval and scrutiny of trade deals, but they did not have a provision about no lowering of standards, so it is left to these new parliamentary mechanisms. I would rather it was actually enshrined in law. What is the position now in terms of supporting amendments to the Agriculture Bill that make very clear that there will be no lowering of standards?

Michael Gove: The principle is clear. The execution is complicated, but I will try to be brief. The key thing is the definition of standards. We can be clear about certain principles that we think are important. We can be clear about certain products that we think should not be sold on our market, but it is the case that, even as we speak, there are some foodstuffs that are imported into the UK, because of the flexibility in EU law, that do not quite meet our own standards, produced in countries that do not quite match our own standards at the moment. The question is about whether you maintain the absolute status quo, or whether you say that food that is currently produced not quite to our standards but we



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still allow in should be prevented from coming in or subject to a future tariff.

As I say, it is a complicated area; it is an area where Parliament should decide, when we come to any new trade deal, what the mandate is. My understanding is the plan is that, when the Government say that we are going to negotiate a new trade deal with whichever country, Parliament will have a role in setting a mandate, that a group of privy counsellors will have a role in setting that mandate, and that subsequently any trade agreement would be subject to the CRAG proposals. I am very happy to look at any amendments in the Agriculture Bill that reinforce the importance of protecting all of those standards, but you can see that little wrinkle that I mentioned earlier, which it is important to acknowledge.

Q224 **Chair:** Rather than just “looking at”, could we have “supporting”? That would be better.

Michael Gove: The key thing is that, in the ideal world, we would get the withdrawal agreement through, however amended, and then we can come back to the Agriculture Bill and we can then engage in detail—we will engage in detail—with why we think that the amendment as framed might not necessarily achieve what those behind it think it will achieve. We will have an open dialogue and if it is the case that people are not convinced that our concerns are well founded, then obviously it will be up to the House of Commons to decide.

Q225 **Chair:** All sides of the House—Kerry and I—are all very much adamant that we want this to be accepted in some shape or form, so you will have to come forward with something, Secretary of State, that is meaningful; otherwise, we will press it.

Michael Gove: I completely understand, and I hope at the time, or in advance, we will be able to explain why we think that the amendment is not quite right, but of course the House will decide whether or not our arguments are convincing.

Q226 **Kerry McCarthy:** I should have said that it was Compassion in World Farming that particularly asked about this. I have a new clause 1; the Chair of the Select Committee’s got an amendment that has a lot of Conservative support, a new clause 4. What we do not want to find is we get to Report stage and we then get told, “This technically does not quite meet our requirements,” so the conversation needs to start now. If you have already identified flaws, why not have the conversation now?

Michael Gove: That is legitimate. I am very happy to ask officials in the Bill Committee to come to meet members of this Committee, informally, to seek to explain where we think there are defects.

Q227 **Kerry McCarthy:** I would have to go back and refresh my memory, but I was on the Agriculture Bill Committee and I do not remember this particular concern being put forward as an objection then, when we did have a similar amendment. We do not want to leave it until Report stage,



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and it is very clear we do not want to leave it to this Trade Bill scrutiny mechanism, because it will just be traded off. There will be a deal brought before, and we will be told that we will not be able to sell cars to a country unless we agree to take their chicken or whatever, and by the time the Committee looks at it, it will be far too late to change any of that, so we do want the underpinning in the Agriculture Bill.

Michael Gove: I completely understand. Just for the Committee's information, a little while ago we had a roundtable with a variety of NGOs that are campaigning for greater trade justice to discuss how we might use future trade policy in order to embed higher standards in areas such as, for example, preventing deforestation, but I absolutely take your concerns.

Q228 **Kerry McCarthy:** Just as an aside, where has the food strategy got to? Again, that is often something where things are batted away from the Agriculture Bill: "It will be in the food strategy." Am I right in thinking that is just being pretty much put on hold because all your resources are going towards Brexit?

Michael Gove: Not as many resources are being devoted towards it as I would like, because at the moment we have to keep several contingencies live: a no-deal Brexit on one date, a no-deal Brexit on another date, and then working on the agreement. Once we have a greater degree of clarity, we can shift some of that resource. Not as much as I would like is being devoted to it, but Henry Dimbleby is leading work on it. He has been talking to a very wide range of people. I do not know what the rules are on non-executive directors of Government Departments coming to Select Committees, but I am sure he would be happy to come and answer any questions about its progress and share his thinking with you in a very open way.

Q229 **Kerry McCarthy:** Do you have any idea of a timescale, or does it all depend on Brexit?

Michael Gove: Again, a lot depends on what Parliament decides on the progress of EU withdrawal. Once that is unlocked, then a number of other things can come into place.

Q230 **Kerry McCarthy:** We had another question from Greenslade Taylor Hunt, who wanted us to ask why we cannot start to negotiate the future trading relationship now. As a follow-on to that, what would be the UK red lines relating to food trade when we do?

Michael Gove: Do you mean with the EU?

Kerry McCarthy: Yes.

Michael Gove: The EU's own rules on the sequencing, as they have sought to make clear, are that the political declaration outlines the broad parameters, and within that, once we conclude a withdrawal agreement, then we can move relatively quickly into those negotiations. One of the things that constrains the timescale is that there will be European



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elections and a new Commission will be elected after the European Parliament meets. They probably will not be fully up and running until just after the summer holidays. We can do a lot of work in preparation, but the rubber hits the road then.

In terms of red lines, they are there in what the Prime Minister has said in the political declaration. We want to have tariff-free and quota-free access to European markets, and we are prepared to accept some of a stable stock of the EU acquis in order to ensure access for goods and agri-food, but we also want to have control of services, in particular financial services, and not be a rule-taker there.

Chair: What we did, you see, is we actually tweeted out for some questions and that particular one came from Greenslade Taylor Hunt.

Michael Gove: Notwithstanding criticisms that any of us might make of the EU, there is not a particular challenge when it comes to standards. It might arise in the future, but at the moment it is not the case that there are any practices or products within the EU that we would say were—what is the word?—hugely problematic. Again, without wanting to get into a broader debate, it might be open to a future Parliament to say, for example, that some of the food produced under certain methods in the EU we would not want to import here.

Q231 **Kerry McCarthy:** From our point of view, are you contemplating gene editing, GM?

Michael Gove: Yes, exactly. It cuts both ways.

Q232 **Kerry McCarthy:** There was an interesting quote from Sir Ivan Rogers, who is the former UK permanent representative to the EU, and he said it will take much longer than many people think to sort out the future relationship, because this is the first trade deal in history where partners are seeking to get further apart as opposed to coming together, and then he said it will not take months but years. Is that a fair assessment?

Michael Gove: Sir Ivan is one of the most brilliant people to have served in the civil service over recent years, so I would take everything he says seriously, but with political will things can be expedited more quickly than that. My own view is that it is possible to conclude a full future economic partnership during the transition period. It can be done with political good will and determination. There is a risk it may take longer.

Q233 **Dr Johnson:** There have been a lot of SIs passing through recently. In January, your permanent secretary said there were 41 draft Defra SIs waiting to be passed that needed to be done before we left the EU. How many of those have now passed, and how many of those still need to be passed?

Michael Gove: I think it will be the case that by the end of this week—a symbolic day—all the SIs necessary for Defra will either have passed or have been made affirmative; in other words, they will become



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operational, even though they may not yet have been voted on, and then they will be voted on subsequently.

Q234 Dr Johnson: We have about a dozen pieces of Defra secondary legislation going through this week. Some of them have been rolled together for debate. Some of these are quite long and detailed pieces of information. Do you think this, which you might describe it as a relentless conveyor belt of SIs, means that the new laws are getting the scrutiny that they deserve?

Michael Gove: That is for Parliament to decide. My own view is yes, because in almost all cases they are attempts to maintain the statute book, so it is not the case that these SIs are being used to make radical changes to the way in which the rules operate. They are there simply to make sure that we have continuity. It would be important in future, if Parliament wanted to change any of these areas, that there should be appropriate and rigorous scrutiny, but for the most part we have engaged with third parties, tried to give parliamentarians the information required and made the argument that, in most cases, these are continuity measures, and indeed a variety of them have been debated on the Floor of the House very extensively.

Q235 Dr Johnson: Some of the continuity measures cost people money, though, do they not? For example, if you work in a slaughterhouse, you may be charged for a UK certificate, which will cost you £220. Do you think that is a reasonable charge for somebody working in those roles?

Michael Gove: Yes.

Q236 Dr Johnson: If people do not pay that money, do you think we will have enough staff to staff the slaughterhouses that we have?

Michael Gove: I think we will. There is a broader question about slaughterhouses and abattoirs overall, which is related but not wholly dependent on the withdrawal process. I am concerned about, and a number of people have made a strong and articulate case for, the survival of smaller abattoirs, and one of the things that we are looking at is whether or not there should be direct intervention in order to help smaller abattoirs survive. That is something that is under active consideration at the moment.

Q237 Chair: Just on the slaughterhouses—Angela probably wants to come in on this—I went to the Isles of Scilly a little while ago, where they do not have a slaughterhouse, and of course having a vet there all the time is quite difficult. Now, with new technologies and the like, we could have a lot of cameras in; we could do a lot electronically to make sure the animals are fit for slaughter and are being looked after properly through the process. We could get to a situation where we have much more flexibility over whether we have a vet there all the time in the slaughterhouse, because that, as you know, with smaller slaughterhouses is what pushes up the real cost of them. There could be some smarter ways, especially as we leave the EU, of dealing with this. Are you giving



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this some real consideration?

Michael Gove: We are giving a number of factors consideration. The case you make is a powerful one, but I do not want to do anything to compromise animal welfare, and I certainly do not want to proceed without the support of—

Q238 **Chair:** No, nor do I, but there is an argument that if you have slaughterhouses closer to where the animal is going to be slaughtered, it has a less long journey to be slaughtered. On the Isles of Scilly, they have to be transported off the island by ship, taken to Cornwall to be slaughtered and then a lot of that meat then goes back again to the Scilly Isles. This a nonsense, really.

Michael Gove: There is a similar situation, of course, with the Northern Isles and Aberdeen. One of the questions in my mind is about what the most effective way is and how we can legitimately intervene in order to ensure that we have slaughterhouses as close as possible to where animals are being reared.

Q239 **Angela Smith:** Just very quickly on that, I totally appreciate the strategic review of slaughterhouses and the need for smaller ones, perhaps, but the point remains that if UK slaughterhouse workers who originate from the EU and have EU certificates are then required to pay £225 on exit day in order to continue working in the UK, you are saying, Secretary of State, that that is acceptable. Many of these slaughterhouse workers may just decide to go back home. That will create an immediate problem on day one, will it not?

Michael Gove: I would expect that, in many cases, it would be the employer who would be—

Q240 **Angela Smith:** So we are expecting employers to take the rap and take on the cost.

Michael Gove: As I have said a number of times before, there are costs to a no-deal exit—

Q241 **Angela Smith:** That employers are asked to pay.

Michael Gove: That all of us need to contemplate before—

Q242 **Angela Smith:** Why does Defra not cover the cost? It is not that great, as I understand it.

Michael Gove: This relates to the question that Neil and Caroline put earlier. We cannot cover all those costs in a blanket fashion, but what we can do is look at ways in which we are sensitive to the needs of those who run and manage slaughterhouses in order to ensure that they have a viable future and, indeed, that we can provide new slaughterhouse facilities close to where animals are reared.

Q243 **Angela Smith:** That is a slightly different question. Presumably—you are in the Cabinet, Secretary of State—that means that doctors and



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professionals up and down Britain from the EU will be expected to pay for their own certification on exit day. Perhaps you know the answer to that question.

Michael Gove: I could not comment on the other professional issues.

Chair: Caroline could probably answer those.

Q244 **Dr Johnson:** My second question is about the non-departmental public bodies. You mentioned earlier that you did not have as many people working on your food strategy as you would like, because of the need to have several live options for Brexit. What effect is that having on the non-departmental public bodies? We are hearing that a large number of staff have moved from those into Defra. How many staff have been moved from these agencies, and what effect is it having on their ability to do their job properly?

Michael Gove: I have the figures here; I cannot remember them off the top of my head. In both cases, from NE and the Environment Agency, it is fewer than 100 people from each organisation. We have seconded 95 staff overall from arm's-length bodies into EU exit posts, 55 from Natural England and 30 from the Environment Agency. Overall, there are 2,800 people currently working on EU exit in Defra.

Q245 **Dr Johnson:** You said 55 from Natural England and 30 from the Environment Agency. What proportion of the total workforce is that?

Michael Gove: I would have to do a sum off the top of my head. Again I will write with the exact proportion. It is as high a percentage from Natural England as it is from the Environment Agency.

Q246 **Chair:** When you write to us, the seniority of staff as well would be interesting. It is not just the numbers; it is who they are that matters.

Michael Gove: Yes.

Q247 **Dr Johnson:** Proportionately, 55 people from 100 is a lot more than 55 from several thousand, in terms of the relative proportion. Do you have any ideas of roughly what those figures are?

Michael Gove: I would not like to guess; my mathematics is not as good as it used to be.

Q248 **Dr Johnson:** Do you know how many people are employed by Natural England?

Michael Gove: I cannot remember off the top of my head, but it is certainly more than 100.

Q249 **Dr Johnson:** Okay, fine. We will get the figures in writing. Just going back to something I asked Robert Goodwill about the rural strategy—and Lord Gardiner, who said this was question for you, so I will put it to you—you are aware that I frequently badger you about the importance of rural communities in places like Sleaford and Hykeham. You have said to me in



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the past that this money that has been used for agricultural subsidies will be used for agricultural subsidies to keep agricultural businesses profitable whilst moving the focus towards delivering public goods, but that it would not be used for other community issues that should be paid for by other Government Departments. There seemed to be a suggestion otherwise in what was said earlier. Can you confirm what you said before is still correct?

Michael Gove: Yes, but at the moment, as we all know, there is a new House of Lords Committee that looks in particular at the rural economy, which Lord Foster chairs. They are producing a report with some recommendations. I want to wait until that report comes through, but we have been giving some thought to what a strategy for the rural economy might look like. I do not want to announce its existence, as I want to wait for the Select Committee report.

Within that, I also mentioned to Lord Foster's Committee that, in every Government Department that has an impact on the rural economy and rural society, there is a lead official with whom Defra liaises in order to rural-proof their existing policy, but there are a variety of things—again, everything from digital connectivity to the money that, for example, the Chancellor, in the Budget, committed to village halls, through to thinking about future ways in which we can more effectively market both tourism and British produce—which will all have an impact on the rural economy.

Q250 **Dr Johnson:** But when you talk about things like, say, connectivity, connectivity for people in the cities is something that is delivered by Government. Why should connectivity in the rural areas not be delivered by Government? Why would it have to suddenly be delivered by cutting the money available to agriculture?

Michael Gove: I do not think it should be. One of the things about rural connectivity is that the Government's future telecoms infrastructure review made the case for an outside-in approach, with public money being used to help the most remote rural areas acquire the best connectivity earliest, and that is what the state should do.

Q251 **Dr Johnson:** I should declare an interest as someone who is a rural farmer who does not have any decent broadband at the moment. You said "but", but can you confirm that you will resist all attempts to use the money that is for agricultural subsidies to provide other Government Departments' priorities?

Michael Gove: Yes.

Q252 **Chair:** Secretary of State, I think it was two years ago at the NFU conference that you announced there needs to be a lot more resource going into rural broadband, and there has been some more resource, but it could be argued as to whether it is enough. Is it getting out there fast enough, because all of us are having trouble across our constituencies? Of course, every time you do schemes, they get to some more of the remote people, but they never seem to get to the most remote. That is



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the issue. I know it is not directly your responsibility, but a lot of these farms would be some of the most remote. Defra naturally wants everything as much as possible done online. What more can you do to influence getting that broadband, that connection, right out to the most rural parts of our countryside?

Michael Gove: I try, whenever possible, to impress upon my colleagues in DCMS and in other Government Departments how critical this is, and, to be fair to the Secretary of State at DCMS, he absolutely gets it, 100%.

Q253 **Chair:** It is not easy, but the trouble is the most remote seem to be getting left out all of the time, and then you get some villages partially. I do not want to go on and on about it, but it gives us a real headache, and it gives our constituents even more of a headache. My wife cannot get on to our broadband, so I get a headache every time she tries to get on to it. It needs to be sorted.

Michael Gove: I could not agree more, and the FTIR is designed explicitly to address the most remote areas first.

Q254 **Chair:** On general staffing, something like 2,800 staff have been taken on in Defra to deal with Brexit. Let us hope we can actually get Brexit through and the ship sails on out into the blue waters beyond. How many of those 2,800 staff are you going to keep on after that situation?

Michael Gove: Again, that will be a part of the comprehensive spending review because, as you will appreciate, once we are outside the EU—it is what makes this job so fascinating and the work of this Committee so interesting—there are new responsibilities that devolve on to Defra that have hitherto been directed from the European Union. It will be a matter for the CSR, and I cannot say at the moment what that will be.

Q255 **Chair:** Naturally, that is probably a question that we will come back to you on once these matters have happened. There are a lot of changes over the next five to 10 years. What is Defra's strategy to manage these transitions, with the NDPBs—non-departmental public bodies.

Michael Gove: We have a team under the director-general responsible, Shaun Gallagher, which is considering what the future landscape of Defra should be, because it is the case that we will need to look at the responsibilities of each of the NDPBs and review whether or not the responsibilities need to be extended, or some might be merged, and so on. There are very good people doing very good jobs, but there is an element of overlap, and one or two people might also argue potential gaps that we need to address.

Q256 **Chair:** There was a time—I am not sure where the Conservative Party is now—when we liked to think we would have fewer quangos and fewer all sorts of things, but they seem to have grown and grown and grown. Is there any chance that they will be consolidated?

Michael Gove: In other Government Departments, I have been responsible for closing some NDPBs. The most important thing is that you



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have bodies that are fit for purpose, so the critical thing is you do not want them to be overstaffed and bloated, but you want to have the necessary independence. You do not want them to have wasteful back offices, but you also want to make sure that the people running them feel that they have the resource required to act independently. We had this discussion over Natural England. There is a balance to be struck, but all of us would agree that there are some functions of Government that are best discharged at arm's length from Ministers, but with Ministers being ultimately accountable for how they are done.

Q257 **Chair:** You have led me neatly into a question. You may not want to go here. You have the Environment Agency, you have Natural England, you have the Rural Payments Agency and you have Defra. As we move into this brave new world, do they all remain the same, or do they get combined? Perhaps you do not want to go there just at the moment.

Michael Gove: It would be a very good issue for a Defra Select Committee.

Q258 **Chair:** You mean you want to hand me the hot potato; you do not want to deal with the hot potato yourself. Is that what it is?

Michael Gove: If both of us get stuck in and if at the end of it the hot potato becomes sautéed under the Committee and becomes chips under me, then we can make a decision.

Q259 **Chair:** Chips is an interesting idea, is it not? Perhaps I had better not read too much into that: slicing up things. Perhaps I will not take you there. The Defra replacement for TRACES is now ready for non-EU consignments arriving after 12 April. However, given that EU importers will not be able to use it before the summer, is it an understatement to say it could be more ready? Can you speed up the process?

Michael Gove: You can always be more ready, but there is also something else that is a possibility. We mentioned earlier dynamic alignment and therefore third-country status being granted. The EU has made us a provisional offer that we can have access to TRACES, again for a limited period of nine months or so, in the event of a no-deal exit, and that is something that we are discussing with the Commission and the EU at the moment. That would mean that our new import notification system would not need to come into place exactly on day one of a no-deal exit.

Chair: That could help, then.

Michael Gove: It very much could. It is a pragmatic approach by the EU. We are just bottoming down the details in order to make sure that it is a viable approach.

Q260 **Chair:** This is the final question. This Parliament may be finishing in April and we will have a new Parliament, all being well, in May or the end of April. What happens to the Fisheries Bill and the Agriculture Bill, because they are unlikely to come in this Session? Individual orders have to be laid down before Parliament to make sure those Bills transition. I would



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hate to think that the work we have done on both was lost—and I imagine you would feel the same—so can you give us the assurance that these orders will be laid?

Michael Gove: Yes.

Q261 **Chair:** You do not know when.

Michael Gove: No.

Q262 **Chair:** Okay, but they will be laid.

Michael Gove: Yes.

Chair: Good, because that is the last thing any of us wants. Secretary of State, we have got to 11.28 or 11.29, so for once we have actually done it on time. I appreciate you coming. I wish the Cabinet well in getting the conclusion through in terms of Brexit, and let us hope Parliament can come to a conclusion as well. I personally would like to see the withdrawal agreement the Prime Minister has put go through, but let us see what happens in Parliament.

Michael Gove: We are peas in a pod.

Chair: Thank you very much.