

Environmental Audit Committee

Oral evidence: One-off Session with the Secretary of State for Environment, Food and Rural Affairs, HC 86

Tuesday 29 October 2019

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Watch the meeting

Members present: Mary Creagh (Chair); Mr Philip Dunne; Jeremy Lefroy; Kerry McCarthy; Anna McMorrin; Dr Matthew Offord.

Questions 1 - 131

Witnesses

I: Rt Hon. Theresa Villiers MP, Secretary of State for Environment, Food and Rural Affairs, Tamara Finkelstein, Permanent Secretary, DEFRA, and Sonia Phippard, Director General for Environment, Rural and Marine, DEFRA.



Examination of witnesses

Witnesses: Rt Hon. Theresa Villiers MP, Tamara Finkelstein and Sonia Phippard.

Chair: I welcome our three guests today. This is the first chance we have had to meet formally with the new Secretary of State for DEFRA, Theresa Villiers. You are very welcome. Can I ask the officials to introduce themselves, starting with Ms Finkelstein, please?

Tamara Finkelstein: I am Tamara Finkelstein, the Permanent Secretary at DEFRA.

Sonia Phippard: I am Sonia Phippard, the Director General for Environment, Rural and Marine at DEFRA.

Q1 **Chair:** Thank you very much indeed. Secretary of State, Minette Batters, the president of the NFU, has said that the Government have betrayed the farming industry and has accused the Prime Minister of ignoring the plight of farmers with the proposed Brexit deal. I know that the status of that deal is a little bit up in the air. What is your response to Minette Batters?

Theresa Villiers: I would not characterise the situation in that way at all. I think this is a good deal. It provides for an orderly exit from the European Union. I think it is in the interests of this country's democracy that we respect the result of the referendum and we leave and that this is a good means to do that. It is undoubtedly the best deal on offer from the European Union.

Q2 **Chair:** How does putting tariffs of 48% on Great British lamb, 57% on cheddar and 48% on butter help Great Britain's farming industry?

Theresa Villiers: As you will appreciate, the withdrawal agreement does not cover tariffs; it provides for an implementation period.

Chair: It does say that we will leave the customs union and the single market.

Theresa Villiers: It provides for an implementation period during which we have the opportunity to negotiate a new economic partnership. We very much hope that that will lead to a free trade agreement between the United Kingdom and the European Union.

Q3 **Chair:** There are some in your party who have been promised by the Prime Minister that it will lead to divergence and to what they like to call—what I would call—a hard Brexit at the end of 2020. In that event, we would see Northern Ireland farmers facing those same tariffs in order to export to the Republic of Ireland and the rest of the European Union.

Theresa Villiers: You will appreciate that under the withdrawal agreement as drafted, Northern Ireland would not face any tariffs when exporting to the Republic of Ireland or the rest of the European Union, so I am not quite sure I follow your question.

Q4 **Chair:** I am looking at a chart that was produced by the NFU that says



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that tariffs will apply to imports over the Irish land border. There will be zero tariffs from the Republic of Ireland going into Northern Ireland but then the same tariffs, the UK's tariffs, would apply on exports from Northern Ireland to the Republic of Ireland. Has the NFU got it wrong? Is that right, first of all? Is that your understanding?

Theresa Villiers: Well, no. I would reiterate my previous answer. The Government wish to conclude a free trade agreement with the European Union.

Q5 **Chair:** The Government have had three years to conclude a withdrawal agreement and have failed to do so because of disagreements.

Theresa Villiers: I must correct you. The Government have concluded a withdrawal agreement, and that agreement did get support in Parliament on Second Reading. Now we need to adopt it in Parliament to ensure that we can not only leave the European Union but go on to negotiate the future partnership that we want.

Q6 **Chair:** It does make me wonder why we are voting on having a general election if we need to get that piece of legislation through. The idea that you are going to negotiate a free trade agreement in 11 months—that any party, whoever wins the next general election, could negotiate a free trade agreement in that time, given that it has taken three years to negotiate a withdrawal agreement, which has not yet been legislated and so has no status in UK law, is fanciful, isn't it?

Theresa Villiers: It is certainly challenging, but the difference between this negotiation and regular free trade negotiations is that we start from a position of alignment. That is very different from all other trade negotiations, where you start from very divergent positions.

Q7 **Chair:** But that is not true, is it? The previous withdrawal agreement Bill contained those level playing field provisions written into the chapter of the treaty and legislated by the European Court of Justice. Those level playing field, non-regression standards have now been downgraded to the political declaration, have they not?

Theresa Villiers: Those are about the future. The current position is that we are aligned with European Union rules and we will continue to be so during the implementation period. That means that when we negotiate our future partnership we start from a position of alignment.

Q8 **Chair:** But the position of alignment is not legislated. The clear position of the previous Prime Minister's withdrawal treaty was that those agreements were put into law and they formed the basis of our future trading relationship. We know workers' rights were in that withdrawal agreement Bill—however imperfectly, only primary legislation, not secondary legislation—but by taking them out of the withdrawal agreement Bill, those promises have no legal standing, have they, as the basis of the future relationship? They do allow divergence.

Theresa Villiers: Yes, there is scope for divergence but, as you have acknowledged, there are level playing fields contemplated in the political



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declaration, quite extensive ones compared to the normal arrangements one would expect from a free trade agreement.

Q9 **Chair:** I am not talking about a normal free trade agreement. As you say, this is not a normal free trade agreement because we are starting from a position of 40 years of convergence. I am remarking on the fact that through political choice these environmental non-regression standards are no longer going to be legally binding on the Government as they negotiate that future trade relationship, are they?

Theresa Villiers: There is scope for divergence but, as you have acknowledged, there are commitments in the political declaration on a level playing field and the Prime Minister—

Q10 **Chair:** That is like saying we are getting divorced and we will be nice about the children, isn't it? That has no legal status.

Theresa Villiers: Article 184 of the withdrawal agreement makes a commitment to negotiating good faith on the basis of the political declaration, so it does have some legal status, though not one of treaty, obviously. You will also be aware of the Prime Minister's response to your colleague Caroline Flint in the debates on the new withdrawal agreement, when he indicated that he would be amenable to introducing a clause on non-regression into the withdrawal agreement Bill in relation to environment matters. Obviously there is already a workers' rights provision there.

Q11 **Chair:** The treaty cannot now be reopened, so it would be legislated for in UK law.

Theresa Villiers: Yes. The Prime Minister said that he was willing to look at including a clause in the withdrawal agreement Bill that would give Parliament the opportunity to scrutinise new environmental measures.

Q12 **Chair:** Well, the clause that he put in on workers' rights only applied to primary legislation and only required Ministers to make a declaration of whether workers' rights were engaged or not. Is that similar to what he was envisaging for the environmental parts?

Theresa Villiers: Final decisions have not been made on the nature of such an amendment, not least because the Bill is no longer being considered in Parliament. My recollection of the Prime Minister's words is that he expected the environmental provisions to be along similar lines to the clause on workers' rights that is already contained in the Bill.

Q13 **Chair:** Can you tell us a bit about the Government's Get Ready for Brexit campaign?

Theresa Villiers: Yes.

Chair: Obviously that has been aimed at farmers. I have seen adverts aimed at farmers in my own local paper in Wakefield. What are they meant to get ready for, given that you are not telling them what to expect?



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Theresa Villiers: At the heart of the Get Ready for Brexit campaign was the possibility of leaving without a withdrawal agreement. It provided, for example, information on things such as export health certificates, which would have been needed for exports in the event of a WTO exit.

Q14 **Chair:** All those tariffs that I was talking about at the start?

Theresa Villiers: There would have been tariffs as well, yes.

Q15 **Chair:** Tariffs and customs declarations?

Theresa Villiers: In the event that we were to leave without a deal, yes, there would be tariffs, customs declarations and additional certification requirements relating to animals and food.

Q16 **Chair:** We could leave without a deal on 31 January, could we not?

Theresa Villiers: That is a possibility, but the Government have successfully obtained a first stage agreement and I believe that we are in a strong position to secure that second stage free trade agreement as well.

Q17 **Chair:** The Government do not want to legislate the agreement that they have agreed. Why is the Bill—

Theresa Villiers: No, the Government would very much like to legislate to implement the deal but, because the programme motion was rejected, a decision has been taken to pursue a general election so that we can elect a Parliament that will get Brexit done and enable us to move to the crucial second stage negotiations that we have been discussing.

Q18 **Chair:** What, because Parliament said we are not going to bang this Bill through in two days without having read it? The Bill was published at 8.15 pm and we were expected to lay amendments for Committee stage, which would follow immediately after Second Reading, literally to start again the next morning at about 11.30. That is no way to legislate one of the biggest constitutional documents and changes to the UK's relationship with the EU, is it?

Theresa Villiers: I appreciate your point of view, but the reality is that we have been discussing these questions for three years.

Q19 **Chair:** We have not been discussing the Bill for three years. We were shown it a week ago, so we could be discussing it now, couldn't we?

Theresa Villiers: Yes, I appreciate that, but the reality is that we are now three years on from the referendum and there is a feeling among many people that we do need to get on with this.

Q20 **Chair:** There is a feeling among many people that your Prime Minister, and certain elements in your party, do not want a deal with the European Union and are doing everything in your power to take the UK out of the European Union without a deal on 31 January. What would you say to them?



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Theresa Villiers: I think I can provide some reassurance. As far as I am aware, we all voted for the Second Reading of the withdrawal agreement Bill. Every agreement of this kind involves some compromise.

Q21 **Chair:** Who is “we”? I certainly did not vote for Second Reading.

Theresa Villiers: Sorry, I am talking about my Conservative colleagues. Your question was about whether there were Conservatives who would very much prefer a no-deal exit to departing on the basis of this withdrawal agreement. I was trying to provide the reassurance that even those who had reservations about this withdrawal agreement voted for it because they would prefer to leave with an agreement rather than on WTO terms.

Q22 **Chair:** They voted for it because they did not really know what was in it and the longer people looked at it—and this was the case with the Democratic Unionist party. They withdrew their support, didn’t they? In the event of no deal, which, as you say, is still a possibility, which sector-support schemes will you be ready to do on exit day?

Theresa Villiers: We have not published the details of our sector-support schemes.

Chair: That is why I am asking you about it.

Theresa Villiers: I think you will be aware that the particularly sensitive area is the sheep meat sector.

Chair: Nine million sheep without a market to go to.

Theresa Villiers: We appreciate the potential need for support for the sheep sector in the event of a no-deal exit.

Q23 **Chair:** What about beef and dairy?

Theresa Villiers: There are particular issues in relation to Northern Ireland dairy because of the cross-border nature of milk processing in Northern Ireland. We will be carefully scrutinising market conditions in the event of a no-deal exit to decide which sectors would require support.

Q24 **Chair:** You have said that these sector-support deals would be ready to go on exit day. Are they ready?

Theresa Villiers: We believe that we will be ready to intervene as necessary, yes.

Q25 **Chair:** Okay, so sheep and dairy. What about beef?

Theresa Villiers: I cannot go into detail across all sectors, but I can assure you that we are ready to provide sector support if it is needed.

Q26 **Chair:** To what extent? What is the quantum amount of money? Is it £1 million, £10 million, £100 million?

Theresa Villiers: We cannot predict exactly what sum will be needed. It all depends on the market conditions.



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Q27 **Chair:** But surely you have had a discussion with your Treasury colleagues while planning your Operation Yellowhammer documents through the summer. What has been fed by your Department into Yellowhammer to support the British farming industry in the event of a no-deal Brexit?

Theresa Villiers: We have had very detailed discussions with Treasury colleagues on these matters, but the ultimate figures that may be needed are not ones that I can share with you because they are not predictable.

Q28 **Chair:** If the market collapses and you cannot give away your milk, lamb and beef, it will be a large amount of money, won't it?

Theresa Villiers: It would be a significant sum, but we believe that we are ready to intervene and we have the funds to do that.

Q29 **Chair:** Are you preparing to pay farmers to kill their own sheep and bury them on their farms?

Theresa Villiers: That is not at all the scenario we envisage.

Q30 **Chair:** Have you had discussions with the Ministry of Defence about potentially supporting that scenario?

Theresa Villiers: That is not a scenario we are expecting or preparing for.

Q31 **Chair:** But have you had discussions with the MOD about that scenario, yes or no?

Theresa Villiers: I am not aware of my officials having discussions with the MOD about that kind of scenario because it is not one that we expect.

Q32 **Chair:** Can I ask the officials? Have you had any contact with the MOD about mass slaughter programmes in the event of a no-deal Brexit?

Tamara Finkelstein: We have not been making plans for mass slaughter. We have arrangements at all times for being able to talk to the MOD in all sorts of eventualities that we might prepare for, but we have not had those conversations in the context of EU exit and our concerns about sectors.

Q33 **Chair:** Thank you. In the Northern Ireland context, how do the Government intend to support Northern Irish agricultural businesses that may face tariffs at several points in their supply chains? This is a massive cash flow issue for them, isn't it?

Theresa Villiers: We have prepared scenarios for a possible no-deal exit, but we also believe that the withdrawal agreement will work and will resolve a number of the issues that would have arisen in the event of a WTO exit.

Q34 **Chair:** Even with your Bill, Northern Irish businesses' exports within the UK will need checks, won't they?



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Theresa Villiers: To create a single regulatory zone for the island of Ireland, some checks will be needed in relation to goods—food and animals—entering Northern Ireland from Great Britain, yes.

Q35 **Chair:** Do those checks depend on the final destination of the products?

Theresa Villiers: Regulatory checks would not depend on the final destination. The final destination distinction relates to tariffs. If the final destination is expected to be the Republic of Ireland or the EU, a tariff would be payable. If the final destination is expected to be Northern Ireland domestically, there would not be a tariff payable.

Q36 **Chair:** The tariff is paid by whom? The exporter?

Theresa Villiers: Yes.

Q37 **Chair:** Great British farmers exporting beef, lamb and dairy products to Northern Ireland would not have to pay tariffs, but if the final destination was the Republic of Ireland they would have to and they would have to pay them upfront, wouldn't they?

Theresa Villiers: We come back to arrangements for a free trade agreement. We hope that such tariffs would not be payable ultimately because we would have a free trade agreement with the European Union.

Tamara Finkelstein: There are obviously things that we would need to have conversations about during an implementation period as to how things would work to minimise the impact of any of these arrangements.

Theresa Villiers: Certainly the physical process of checking is something that is being worked on in the context of alternative arrangements that are envisaged for the land border. A lot of work is going into making any necessary checks and inspections as invisible and as easy to comply with as possible.

Q38 **Chair:** Going back to the Get Ready for Brexit advertising campaign, the Cabinet Office sent out a memo in August saying that all Government Departments had to put cookies on their advertisements, so that anyone who went on to the Get Ready for Brexit—or whatever it was called—website would have cookies put on their computer. This is the first time that this has happened in a cross-Government, co-ordinated, departmental way. Did you have any concerns about that request from No. 10?

Theresa Villiers: I was not aware of that request but I am confident that any cookies would have been deployed in accordance with GDPR and other rules.

Q39 **Chair:** What is the Government's policy on GDPR and cookies? Do you know?

Theresa Villiers: Obviously we are compliant with it.

Q40 **Chair:** Are you? Ms Finkelstein, did you see the request?

Tamara Finkelstein: I didn't see the specific request about cookies.



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Q41 **Chair:** Are you aware that the data is being collected centrally in the Cabinet Office?

Tamara Finkelstein: The Cabinet Office is co-ordinating that campaign. I have confidence that it is doing that in accordance with all the necessary rules. We assume that they have made those checks as needed.

Q42 **Chair:** Are you aware that your Department has signed a memorandum of understanding with the Government Digital Service about the use of that data?

Tamara Finkelstein: I am not aware of the particular memorandum of understanding but it seems quite possible, as part of that campaign, which was very much a co-ordinated campaign that my digital and communications teams were engaged in. It was a cross-Government campaign so that is possible.

Q43 **Chair:** Are you happy to publish that memorandum of understanding between your Department and the Cabinet Office?

Tamara Finkelstein: I am not aware of it but I can have a look at what arrangement we made.

Q44 **Chair:** I asked you a parliamentary question on this several weeks ago but have not had a reply. However, I have had replies from—let me quote—the Ministry of Justice and the Department for Transport, who said that they would publish that memorandum of understanding. The Home Office has said that it will not. The Department for Digital, Culture, Media and Sport says that it refused to sign it, along with the Foreign Office. Why do you think they refused to sign it?

Tamara Finkelstein: I am not aware of that but I can find out.

Q45 **Chair:** I think they were worried, being the Department for Digital, that this was not ministerial policy, not Government policy, that there was no policy underpinning this mass gathering of data and concerns were raised by digital specialists about what they were being asked to do. Did anyone in your Department raise any concerns with you?

Theresa Villiers: Not with me. I was present for a number of discussions about data matters relevant to EU exit preparations and there was always a determination to be rigorously compliant with the rules. I would be more than happy to look at your question about cookies, but I remain confident that the Government will have complied with the rules.

Q46 **Chair:** What the rules say is that people who give up their data need to give their consent if it is to be used for purposes other than the specific thing that they have engaged with the Government for. What I have been unable to find out through PQs—I am not saying it does not exist and I have written to the Cabinet Secretary about it—is the policy underpinning how that decision was taken, because obviously there was no law passed. Government was not in session. It seems to have been an administrative change that went right the way across Government without any legal



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underpinning. Would you be concerned if that was the case?

Theresa Villiers: Obviously I would be concerned if in any sense rules had not been complied with, but I believe that they have been. I am more than happy to do some investigations into the matter and report back to you by letter.

Chair: Thank you very much. I will be very grateful if you are able to publish the memorandum of understanding. We have been promised it as part of the Government's commitment to transparency but nobody wants to actually publish it. I wonder what the delay could possibly be. Thank you.

Q47 **Dr Offord:** I remember that your predecessor said that one of his concerns was about chemicals in the treatment of our water supplies. Can you advise us of any meetings that have occurred in the Department about this? If it was necessary to stockpile those chemicals, how long could you stockpile them for?

Theresa Villiers: We had extensive preparations for a no-deal exit and ensuring appropriate supplies of chemicals for water supplies was an important part of that. There would undoubtedly have been many meetings, including those that I have taken part in. We were convinced that we were ready for a potential 31 October no-deal exit and were confident that appropriate chemical supplies would have been maintained.

I am not aware that we have recommended stockpiling; there may have been some stockpiling. I don't know whether Sonia or Tamara have any further detail about that. In the key risk areas for a no-deal exit, we believed that our programme to ensure appropriate supplies of chemicals was in good shape.

Tamara Finkelstein: The industry was ready and so may have done some holding of chemicals, but it was confident about being ready.

Q48 **Dr Offord:** I believe that we have a deal and that deal will continue, and I believe that the Conservatives will become the next Government and we can go forward with it. I remain very confident about that.

One of the provisions has been about some of the chemicals under the REACH regulation, which we have been examining as a Committee. Some of those chemicals cannot be stockpiled for a great deal of time because of their expiration dates. In particular, I would like to know about any provisions that you have made for those kinds of chemicals in the event that there could be a no-deal Brexit. I think that is highly unlikely, but in that scenario how long will those provisions last?

Theresa Villiers: The sensitive area for chemicals did relate to water processing. We were confident that, in the event of a no-deal exit, the chemicals would be available. I am not aware of any of the chemicals in question being perishable and, therefore, causing a future risk. As you have heard, stockpiling certainly was not a core part of being prepared for a no-deal exit anyway.



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Sonia Phippard: Some of the chemicals have a relatively short life—only a couple of weeks or so—and the key thing was to understand whether there were diverse routes of supply, including domestic supply. In that combination, the water sector was confident that it would have sufficient supplies.

Q49 **Dr Offord:** Part of the concern that I had about chemical regulation was how that would occur in the event of a no-deal exit. I understand that provision is made within the withdrawal agreement. I have asked one of the previous Ministers in the Department about the question of associate membership of REACH. Is it still your intention to achieve that?

Theresa Villiers: The political declaration talks about co-operation in this area, so we do not rule out asking to take an active part in REACH and access to some of the data would be very helpful. These will be questions for the future partnership negotiations.

Q50 **Dr Offord:** You are correct that the EU has already implied that the European Medicines Agency, the European Chemicals Agency and the European Aviation Safety Agency would allow us to take part. But have you considered the impacts, including the financial impacts, on the industry in a scenario that the EU does not allow us to be part of the REACH system?

Theresa Villiers: We have. We have engaged very closely with the industry on this. We have a system that was ready to go for a no-deal exit but we are conscious of the need to minimise additional costs for the chemicals industry and would continue to work on that. Certainly we will take it into account in deciding what our future relationship with the EU generally, and the chemicals agency in particular, will be.

Q51 **Chair:** Can I come back to you, Ms Phippard? You said that there were domestic sources of alternative chemicals, but 71% of the chemicals come from three countries—Belgium, Germany and, I believe, France. There aren't any domestic suppliers for some chemicals, are there?

Sonia Phippard: No. My other point is diversified routes. Most chemicals don't come through the short straits, through Dover and associated ports; they come in through east coast ports. It is a question of mapping their routes and any risk to those routes.

Q52 **Chair:** At the moment we still have only a six-week supply of drinking water chemicals. Is that still the case?

Sonia Phippard: In a round sense, yes. Obviously, different chemicals have different lives. You cannot store some of them.

Q53 **Chair:** Why can't you store them? What happens to them?

Sonia Phippard: Their usefulness degrades.

Q54 **Chair:** So it is about six weeks?

Sonia Phippard: Yes.



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Q55 **Chair:** Can I press you, Secretary of State? You did not quite answer about whether the UK still wants to seek associate membership of REACH.

Theresa Villiers: I do not think a decision has been made on that. The political declaration envisages future co-operation.

Q56 **Chair:** That is not the same as associate membership.

Theresa Villiers: No, it is not.

Q57 **Chair:** It is a Government mechanism, isn't it?

Theresa Villiers: It is not the same as associate membership, and for the purposes of today, no, I cannot tell you that we will definitely ask for associate membership of REACH. That is something that we will be considering in the context of the overall negotiations on the future partnership.

Q58 **Chair:** Do you understand the massive financial burden that will place on UK chemicals companies if we are not associate members of REACH?

Theresa Villiers: We are very much aware of the potential cost implications for our chemicals industry and these will be factors that we will take into account in relation to our negotiations with the European Union.

Dr Offord: Chair, I did point out in my question that the new political declaration states the intention to "explore the possibility of co-operation of United Kingdom authorities with Union agencies such as the European Medicines Agency, the European Chemicals Agency and the European Aviation Safety Agency".

Chair: That is not the same as associate membership, which is what this Committee recommended, in our two reports on chemicals, should be Government policy. Thank you for that clarification.

Q59 **Anna McMorrin:** I want to turn to the Office for Environmental Protection and the proposed independence, or not, of that body. While this Committee does appreciate that the Government have made some positive changes to the Environment Bill itself following this Committee's inquiry, you have not yet taken on board fully our recommendations from two separate inquiries to improve the links between the Office for Environmental Protection and Parliament. Could you tell me a little bit about your thinking behind that and also about how you will ensure, as you have stipulated you want, that the Office for Environmental Protection will be able to act independently of Ministers and how it will be scrutinised?

Theresa Villiers: It will be independent. It will have a multi-year budget. The Secretary of State will have a duty to have regard to the independence of the OEP. There will be pre-appointment hearings, I hope before this Committee and the EFRA Committee. There is no doubt that this is an organisation that will take its own decisions. There is no power



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within Government to direct it in any way. It is the independent watchdog that many of the NGOs called for.

Q60 **Anna McMorris:** If that is the case, why not impose on the Office for Environmental Protection a duty to act independently, and actually put that on the face of the Bill?

Theresa Villiers: The way the Bill is drafted is in order to create an independent office for environmental protection. If you are looking to add in further wording on that to make it more explicit, I would look at that in Committee.

Q61 **Anna McMorris:** You are just looking at an arm's length body, really, aren't you? How can you ensure independence? As a Minister, you are meant to be scrutinising it. How are you going to be doing that if it is just an arm's length body? How can you ensure that that will be what you are saying it intends to be—independent?

Theresa Villiers: In a sense, I should not be scrutinising the Office for Environmental Protection; scrutiny should go the other way.

Q62 **Anna McMorris:** Absolutely, and you need it to be completely independent.

Theresa Villiers: Yes.

Q63 **Anna McMorris:** But unless that is on the face of the Bill, unless we have Parliament or Parliaments across the devolved Administrations scrutinising what this organisation does, how can we expect it to be acting as an independent entity?

Theresa Villiers: I would certainly expect Parliament to be quite serious in its scrutiny of the OEP and its operation. As I have said, the legislation contemplates hearings in relation to appointing the chair.

Q64 **Anna McMorris:** Without it being in the legislation? It is not in the legislation.

Theresa Villiers: The structure in the legislation provides for an independent body. You are saying that you want a further statement that this is an independent body.

Q65 **Anna McMorris:** Yes, as we set out in our Committee's recommendations. We recommended that clause 12—which I think is now clause 20—should have "independent" added to the list of requirements that the Office for Environmental Protection must follow and "have regard to the need to act" must change to "must act". It is quite vague language. Surely, if you really want this body to be independent, that needs to be set in legislation.

Theresa Villiers: Certainly I welcome the opportunity to debate these matters in detail in Committee. I feel that those criteria are firm enough to establish a genuinely independent body, and I am sure it is very much going to be a tough watchdog for future Governments. But if there are tweaks to the wording that you and your Committee colleagues feel



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would be helpful in establishing that in an even clearer way, we will look carefully at those proposals in Committee.

Q66 **Anna McMorris:** Thank you. Moving on from that, but on the same topic, will you commit to involving this Committee in the pre-appointment process for the chair of the OEP, alongside the EFRA Committee?

Theresa Villiers: Yes. I think it will be appropriate for this Committee and the EFRA Committee to be involved in those pre-appointment hearings.

Q67 **Anna McMorris:** Thank you. What about the involvement of the devolved Assemblies and Parliaments?

Theresa Villiers: I am not sure of the practicalities of that. You will appreciate that the remit of the OEP is much more restricted in relation to the rest of the United Kingdom because most environmental matters are devolved. I would be open to suggestions as to how input from devolved authorities could be considered.

Q68 **Anna McMorris:** Perhaps I could ask your official how engagement has been with both Wales and Scotland on these matters.

Tamara Finkelstein: We have been engaging with them as we have developed the legislation and the Bill.

Q69 **Anna McMorris:** And in terms of scrutiny?

Tamara Finkelstein: I don't know.

Theresa Villiers: I know there is some sensitivity. There is a slight difference of view about whether any environmental matters are still reserved. I think that the Scottish Government maintain that none are. The UK Government maintain that there are some reserved environmental matters. There have been discussions about that. But overall there has been a lot of joint working, a lot of consensus on the Environment Bill, as illustrated by the fact that much of it will apply to Scotland and Wales. There is a lot of common ground, albeit not on that narrow point of reserved environmental matters.

Q70 **Anna McMorris:** Most environmental matters are devolved, as you say. We have our own Environment (Wales) Act. However, there is a lot in the Environment Bill that legislates for the whole of the UK and covers both Wales and Scotland, and that remit might be covered within the Office for Environmental Protection. If that is the case, I want to know how you will be involving the devolved Administrations.

Theresa Villiers: My officials may correct me on this, but my understanding is that the OEP's remit does not cover devolved environment matters.

Anna McMorris: No, it does not cover it at all. That is not my question.

Theresa Villiers: The OEP's remit in Scotland, Wales and Northern Ireland is limited to reserved matters.



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Q71 Anna McMorris: Absolutely. If they are reserved matters, yet matters affecting both Wales and Scotland, what are the roles of those Administrations in scrutinising, or being able to vet the chair, the board, the make-up and the independence of that body?

Theresa Villiers: The primary scrutiny process for the appointments is this House—this Committee and the EFRA Committee. But as we have engaged on the Bill with the devolved Administrations in other contexts, I am happy to talk to them about—

Q72 Anna McMorris: You are saying that in legislation that will cover and will be partially devolved to them, you will not be involving the devolved Administrations?

Theresa Villiers: When it comes to the OEP's remit in Scotland, Wales and Northern Ireland, it is just reserved matters. Scrutiny of reserved matters is for this House primarily rather than for the devolved Parliaments and Assemblies. I am open to ideas about how we can engage constructively with the devolved Administrations as part of the appointment process for the OEP chair.

Anna McMorris: I think they might have something to say about that, but okay.

Theresa Villiers: I would also emphasise that there are provisions—I am not quite sure in which clauses—that require the OEP to co-operate with parallel bodies that might be set up in Scotland and Wales to do a similar job.

Tamara Finkelstein: We have worked closely with them as they developed their plans.

Q73 Kerry McCarthy: Can I ask about the environmental principles? We did pre-legislative scrutiny on parts of the Environment Bill and took evidence from organisations that were saying that more should be done to enshrine the principles in law, but they are not in the latest draft of the Bill.

Theresa Villiers: The environmental principles are in the Environment Bill.

Q74 Kerry McCarthy: To enshrine the principles in law—you have the reference to the policy statement and so on—why can't you enshrine them in law in the Bill?

Theresa Villiers: They are on the face of the Bill, but we believe that for greater clarity the more effective approach is to ensure that lawmakers have a clear understanding of their obligations under these principles and that the best way to deliver that, given the way our legal system works, is through a policy statement. I would argue that this legislation will give these principles a greater weight in our legal system than they currently have as part of the EU treaties. As I am sure this Committee will be aware, there are many programmes that the European Union operates, many decisions it makes, many laws it passes, which do not have a huge



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amount of regard for environmental principles—not least their common agricultural policy—whereas every decision that is made by the UK Government in the future will have to have regard to the policy statement. That is far more than you can say of an obligation in a high-level treaty.

Q75 Kerry McCarthy: I get that you want clarity on the meaning of the principles to be set out in the policy statement. I get that, but we have had advice from, for example, Professor Maria Lee of University College London, who said that the Bill will not enshrine the principles in law, that it ensures that these legal principles become purely matters of policy. Are you saying that she is not correct?

Theresa Villiers: They will be enshrined in law. They are there on the face of the Bill. The means to interpret them will be in the policy statement, which Parliament will have a chance to scrutinise.

Q76 Kerry McCarthy: But there is no explicit duty on public bodies to comply with the environmental principles in the Bill, is there?

Theresa Villiers: There is a duty on all parts of Government to have due regard to the policy statement and that will have a significant impact.

Q77 Kerry McCarthy: That is not quite the same thing.

Theresa Villiers: We see that “due regard” test operating in the equalities arena, for example. It is not just a tick-box exercise; it will require careful thought every time a decision is made to ensure that it is compliant with an environmentally-principled approach.

Q78 Kerry McCarthy: But there is no explicit duty in the Bill. The Bill does not place an explicit duty on public bodies to comply with those principles.

Theresa Villiers: It does. There is an explicit duty to have due regard for the policy statement, in addition to all the explicit duties to set and comply with targets.

Q79 Kerry McCarthy: That sounds like it is several stages removed. When will we get to see the draft policy statement?

Theresa Villiers: We very much hope to produce it during the course of the Bill’s passage through Parliament.

Q80 Kerry McCarthy: You hope to?

Theresa Villiers: It is quite an ambitious timetable for doing that.

Q81 Kerry McCarthy: The Bill could go through Parliament and we wouldn’t know what was in the policy statement?

Theresa Villiers: Potentially.

Q82 Kerry McCarthy: Yet you are relying on the policy statement to do quite a lot of the work for you.



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Theresa Villiers: We will produce a draft policy statement as soon as we can.

Q83 **Chair:** How often will that policy statement be upgraded?

Theresa Villiers: I am not sure if that is part of the five-year cycle. Obviously it would need to be regularly reviewed. I might have to come back to you, to check to see whether the Bill provides a timetable for that. It would need to be regularly reviewed.

Chair: Okay. I should have asked in the debate last night.

Q84 **Kerry McCarthy:** Can I ask about targets? There has been some concern that the targets would not be established until 2022. Why can't they be done more quickly?

Theresa Villiers: We are trying to do something that is entirely novel, for example on nature and biodiversity, and it will take a lot of thought, research, and consultation with scientists and the wider public to deliver the balance of a target that is ambitious but also achievable. I am afraid that inevitably takes a bit of time. We recognise the urgency of the situation and want to progress as quickly as possible. We certainly want to try to make sure that we have done the target-setting process well before the final deadline.

Q85 **Kerry McCarthy:** There are no legally binding interim targets. You could end up with 15-year targets going out quite a long way into the future, so 2037. We have seen so many examples of targets not being met—recycling targets is one example—but being assured by Ministers right up to the last moment, right up to the deadline that it will be met, that something miraculous will happen in the last year of the timetable. How can we be sure that we are making steady progress? For example, with the Climate Change Act you had the carbon budgets. We are not going to be meeting those but at least you had something that set you on a path and can be monitored and assessed every few years. What is the equivalent for the Environment Bill, or are we going to get to 2036 and then discover that it has all not worked?

Theresa Villiers: First, there is real merit in a long-term target when you are doing something novel and crucial and you want to set an ambitious target. You do need to give Governments and businesses time to adjust.

Kerry McCarthy: I accept that you cannot do it overnight.

Theresa Villiers: The five-yearly interim target-setting process will be a powerful mechanism to drive progress. We see that in other contexts. The OEP will be there to hold Governments to account. If they are slipping on their five-year targets, it will become obvious that they are not going to meet the long-term target. There are the reporting obligations, the five-yearly milestones, the obligation to produce a plan to demonstrate progress and the obligation to reconsider targets if you are not meeting them and set more rigorous ones. All of that is designed to see pressure maintained on the Government in a way that is unique in



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the world. No other country has gone as far as we are proposing to do in this Environment Bill.

- Q86 **Kerry McCarthy:** When your predecessor in the role appeared before us, he told us that it was important for the 25-year plan to be put on a statutory footing. Ten goals were listed in the environment plan, yet the Bill requires only five targets to be set. I think they cover only four of the areas. That is not really putting it on a statutory footing, is it?

Theresa Villiers: First, there are more targets that we can set under the Bill. The four areas are not an exhaustive list. There are all sorts of other ways in which the Bill gives a statutory underpinning to the environmental plan, not least the local environmental strategy, the local nature strategy to support the nature recovery network that was in the environment plan, and the obligation on the Government to produce a plan and report on it. These two things back up, or fulfil, Michael Gove's previous statements. Much of this Bill is about giving a statutory underpinning to the goals in the 25-year environment plan.

- Q87 **Chair:** Why are other items not included? This morning we have seen the arrival of the tick in the New Forest. Our report on non-native invasive species warned that ticks and mosquitoes pose the biggest threat to human health. Lo and behold, a tick arrives. Why are we not looking at biosecurity as a target?

Theresa Villiers: We have a rigorous approach to biosecurity. We take it very seriously. We are very much in listening mode and if there is an appetite for targets on other matters, we will consider them very seriously.

- Q88 **Chair:** Our report, which I am sure you have read, talks about the fact that invasive non-native species get less than £1 million a year, yet your animal and plant health biosecurity strategies absorb something like £220 million. Why not include biosecurity? This is one of the top five threats to the UK's native wildlife, and now it is potentially a threat to human health as well. Why are we not beefing up that aspect of this environmental work?

Theresa Villiers: I would certainly be happy to consider the Committee's ideas and recommendations about additional work we can do on biosecurity. These are crucial matters, as you point out, for our wildlife and human health. These threats are taken very seriously by the Government. We are open to proposals from the Committee for a tougher approach.

Chair: We look forward to getting your reply in eight weeks. Thank you. Over to Jeremy Lefroy for some questions on agriculture and fisheries.

- Q89 **Jeremy Lefroy:** The Government have decided not to carry over the Agriculture and Fisheries Bills from the last Session. Will anything in the new Agriculture and Fisheries Bills be different?



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Theresa Villiers: We may make some minor changes, but the key principles will be consistent across the Agriculture Bill and the Fisheries Bill, as previously debated.

Jeremy Lefroy: Nothing substantial?

Theresa Villiers: I am not expecting to make big changes.

Q90 **Jeremy Lefroy:** What has your Department learned from the paying-by-results trials taking place in north Yorkshire, Norfolk and Suffolk?

Theresa Villiers: I will pass that question over to my officials as I am not familiar with those trials.

Sonia Phippard: Those trials are providing some very useful insights as we think about the new environmental land management system. What they have demonstrated, or have begun to demonstrate, are some of the practicalities of, instead of setting out a set of prescriptions on inputs, coming to a contract with a land manager to provide results. The trials are a step on the journey. I don't think they instantly provide us with a new approach, but they begin to demonstrate that we should be able to move in that direction. I think that will be warmly welcomed by both land managers and the taxpayer with the focus on environmental outcomes.

Q91 **Jeremy Lefroy:** What do you predict would be the impact on food security in the United Kingdom if we were to move wholesale to this kind of situation?

Sonia Phippard: I would question whether we will move wholesale, because the areas where the payment-by-results approach is particularly relevant are the areas of high environmental sensitivity, where you need a quite complex set of interactions, where there is a good deal of exchange between DEFRA group officials, Natural England and others, and the land managers to agree the broad approach. There will still be quite a lot of environmental public goods provided on a rather more straightforward basis, because they are about protecting water in a much more standard way. I don't see that they have a direct impact on food security. Understanding their impact on farming patterns will be one of the bits of learning we need to take from the trials.

Theresa Villiers: The overall approach to environmental land management is to secure environmental goals, animal welfare goals and so on but, in so doing, provide financial support to farmers. It is to be hoped that that has the indirect consequence of maintaining food security. Food security will be a factor in the way we design these schemes, because they are in part designed not just to provide environmental benefits but to provide financial support to farmers.

Q92 **Jeremy Lefroy:** It has been suggested that the Agriculture Bill—now, presumably, after an election—will need to be passed by next summer in order to deliver the replacement for CAP in time. When would you expect the new Agriculture Bill to be introduced? I realise that after what is happening today, it is a bit difficult to say, but presumably it is a matter of urgency. We do have to have the new scheme in place for the end of



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2020 if things go according to the current Government's plan with the withdrawal agreement Bill and then the desire to move on to a free trade agreement by the end of 2020.

Theresa Villiers: As you say, things are somewhat up in the air, pending the vote today. But we are very keen to get the Agriculture Bill on the statute book by the summer if we are to stick to our timetable of getting the transitional period up and running to transition from CAP payments to environmental land management schemes.

Q93 Jeremy Lefroy: Speaking for my own constituency, which although most of its population is urban is also a large farming area—dairy, arable and we have the largest spinach producer in the United Kingdom, so very mixed agriculture and important for food security—I detect a great deal of nervousness, particularly among smaller farmers, those who are dependent on livestock and some of the smaller arable farmers.

In Staffordshire we have a very good network of county farms, one of the biggest in the country, which are owned by the county council. They are there to introduce into farming and agriculture young people who do not have a family farm or are not able to buy land. Yet a lot of these farmers, and the NFU, are very concerned about the viability of smaller farms under new arrangements. How much work are you doing to ensure that under new arrangements we do not drive out those who are farming 100 acres or 200 acres and end up seeing agriculture in the UK dominated by a few very large businesses?

Theresa Villiers: This will be a key driver of how we structure the scheme. We want to try to ensure that we promote new entrants and support small operations. One of the concerns about the current structure of CAP is that it has often led to massive payments to a handful of very large landowners. We want a more targeted, sophisticated scheme. One of the reasons why we are adopting a seven-year transition period is because it is a complex task to get the balance right between genuinely delivering on your environmental and animal welfare goals but at the same time providing the appropriate support to our farming sector in a fair and proportionate way. That is one of the reasons why it will take time, so we can make sure that we look after the sorts of farmers you are talking about.

Q94 Jeremy Lefroy: They are incredibly important for food security and land management.

I have one final question on this. If you look at the income of some of the smaller farmers, who work all hours God gives them, you would find that they are effectively paid far less than the national minimum wage. Is that something that you are taking into account? For those who are engaged in agriculture, who are working all hours looking after livestock in an extremely proper and humane way, who often are going out and harvesting in the middle of the night because that is the time that the work needs to be done, are we going to arrive at a situation where you have somebody who has a small to medium-sized landholding still able to support their family with at least the national minimum wage? I have



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seen constituents who are on less than the national minimum wage because of the prices they are achieving.

Theresa Villiers: Yes, we do want our system of farm support to deliver environmental, animal welfare and productivity gains but also to provide support to people such as your constituents who are doing incredibly important work under difficult circumstances.

Q95 **Chair:** Going back to the Agriculture and Fisheries Bills, why were both Bills paused and not brought back?

Theresa Villiers: I hope the Agriculture Bill and the Fisheries Bill will be back in a new Parliament very soon.

Chair: Why were they stopped? They were through Committee stage. All they needed was Report stage and Third reading but they did not get it. They were hanging in mid-air for six months.

Kerry McCarthy: It was longer. It was in December 2018 that the Agriculture Bill went through Bill Committee. It could even have gone through Report stage by Christmas.

Chair: Why was it not brought back and why was it not carried over to this new Session of Parliament? Why did you take that decision?

Theresa Villiers: The pausing of the legislation was down to my predecessor. Obviously, after Prorogation there were no carry-over Bills at all.

Q96 **Chair:** You came into post on 23 July and it was still paused. Why didn't you unpause it for the session in September?

Theresa Villiers: The important thing is that we get on with this legislation as soon as we can.

Q97 **Chair:** Wasn't there a danger, given an attempt to leave and three attempts to call a general election in September, that you had no legal basis for making farm payments had we left without a deal on 31 October. Wasn't that a real danger that you ran with farming incomes?

Theresa Villiers: No. We would have had a functioning statute book for a no-deal exit. We had used secondary legislation, so we could have maintained payments in the ordinary way and that was not a risk.

Tamara Finkelstein: That is why we need some primary legislation through by next summer, for that basis.

Q98 **Chair:** Therefore, the no-deal preparations—the SIs that you passed—only had function until June next year?

Tamara Finkelstein: It takes you through until the end of 2020. We would look to get Royal Assent by then.

Q99 **Chair:** I am still not clear why the legislation was not completed, given the huge amount of work that MPs did on it and sitting through Second Reading.



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Theresa Villiers: That will not be wasted. If the Conservatives are re-elected, we will bring back the Agriculture Bill as soon as possible.

Chair: I still do not think you have explained your decision there but we will move on.

Q100 **Mr Dunne:** Secretary of State, congratulations on your appointment. You have a very wide-ranging brief. We have focused most of the discussion on the legislative programme that you have ahead of you, which is one of the biggest in Government. I want to talk about some of your other priorities. You have in your title "Rural Affairs", which is a very challenging thing to deliver on across Government and across Departments where you do not have any direct responsibility. How important is it to you that you should be looking to rural-proof policies across Government, and what rural-proofing are you pushing for that we can look forward to after the general election?

Theresa Villiers: It is crucial that we rural-proof all policies and that decisions made across Government take into account the impact on rural communities. These matters are very often raised around the Cabinet table. You will appreciate that a particular focus of the Prime Minister over recent weeks has been to improve infrastructure for rural communities. I also regularly make the kind of points we have heard from the Committee today about the importance of supporting our farmers, supporting them financially in the hugely important stewardship role that they have for our countryside, our natural environment and our rural economy. Those two things are absolutely crucial. Their interests and the interests of the rural economy will, of course, need to be taken into account in future trade negotiations as well.

Q101 **Mr Dunne:** Thank you. On trees and land use, under the new ELMS scheme the intention is to consider alternative support for public good. Do you share the Government's previous ambition to plant 11 million trees and, if so, when do you expect to achieve that?

Theresa Villiers: Yes, I certainly do share that. That was the manifesto commitment. I am not sure of the latest figures but we would have been on track to get them all planted by the end of a five-year Parliament. To be honest, I feel that we need to be more ambitious. We are now committed to net zero. That requires, as I said in the Chamber, considerably more trees than the 11 million to which we are committed.

Q102 **Chair:** You are absolutely right on that, but can I challenge the suggestion that you are on track? You are meant to plant 5,000 hectares a year, and last year you planted 1,421. I know this because it was in my Environment Bill speech, which was cruelly cut down from a 20-minute peroration to a four-minute gallop. That means the Government have achieved only about one-third of their tree-planting target. How are you on track to plant 11 million trees if you have achieved only a third of what you set out to do in one year?

Theresa Villiers: The plan involved accelerating toward the end of the programme, but it is my understanding that we could have met the 2022



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target. We would have done. I acknowledge that progress does require us to accelerate our tree planting to meet the 2022 deadline but we are determined to do that with renewed vigour and enthusiasm because of the legally binding commitment to become a net zero economy.

Q103 **Mr Dunne:** The Forestry Commission will play a big part in delivering this target. The Forestry Commission has relatively recently been devolved. Are you satisfied that Forestry Commission England has sufficient statutory underpinning to fulfil its duties?

Theresa Villiers: I believe so, yes. We have some provisions in the Environment Bill to strengthen their powers to crack down on unlawful deforestation. If there is a particular aspect of their statutory underpinning that you feel is inadequate, I would be very keen to hear about it.

Q104 **Mr Dunne:** Will you publish the recommendations of the Colin Day review into the governance of the Forestry Commission?

Theresa Villiers: Sorry, which review?

Mr Dunne: Colin Day, who I believe is a director of the Department, was asked by your predecessor to do a review into the governance of the Forestry Commission last year.

Theresa Villiers: Okay. I do not know if I can—

Tamara Finkelstein: He certainly is one of our non-executive directors. I don't know whether Sonia is aware of the review that you are referring to.

Sonia Phippard: No, he personally did not carry out a review.

Q105 **Mr Dunne:** Can you kindly write to the Committee? I am informed that he personally undertook a review into some aspects of Forestry Commission governance. It may not have looked at the statutory underpinning. It would be most helpful if you could write to the Committee with any recommendations that he made.

Sonia Phippard: Absolutely.

Theresa Villiers: We would be delighted to come back to you on that.

Q106 **Mr Dunne:** Thank you. I believe that you are close to appointing a new chairman of the Forestry Commission.

Theresa Villiers: Yes.

Mr Dunne: Can you assure the Committee that you will be able to make that appointment, and that it will not be held up by general election purdah?

Theresa Villiers: I think the appointment is imminent. I am not quite sure if we can manage it within the few days left before dissolution, but I appreciate—



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Mr Dunne: I encourage you to have a go.

Theresa Villiers: All right. I will give it my best shot.

Q107 **Mr Dunne:** Thank you. The Committee has undertaken quite a number of reports relating to your brief. Most recently we have done something on fashion where we made a recommendation to consider extending the producer responsibility scheme into textiles. Is that something that you are prepared to push forward?

Theresa Villiers: We certainly should consider that as something for the future. Our extended producer responsibility plan is directed at plastics packaging in the first instance, but the Committee made some very valid points about whether it should be extended to fashion. If we did go down this route in future, rather than the penny on the price of the garment, we would probably look for a more modulated system to try to provide incentives for a switch to more renewable practices and more recycling. Yes, it was a good report. The only hesitation is that I think we have to get the plastics packaging EPR off the ground before we can extend further.

Q108 **Mr Dunne:** I was just going to come on to that. One of the challenges in any system of recycling or collection is that we have such different rules applying in different local authority areas as to what is recyclable, and different contracts. This is touched on in the Environment Bill. Do you have any measures to try to align recycling and collection requirements of local authorities in placing new contracts? Do you think that would be a good idea?

Theresa Villiers: Yes, I do. The power to do that is provided for in the Environment Bill, and we would plan to consult next year on the practicalities of delivering it. Following on from the resources and waste strategy, which floated this idea, there is evidence to indicate that people would recycle more if there was a uniform and understandable system across the country.

Q109 **Mr Dunne:** Good. On the deposit return scheme, which is another issue that we have looked at as a Committee, it was good to see some clauses in the Environment Bill—and a whole schedule, I think—to give you the powers to introduce this. Are you expecting this to cover glass bottles and cans as well as plastic bottles? Do you think it could be introduced before 2023, which is the current ambition?

Theresa Villiers: The current timetable envisaged is 2023. It is due to be part of a package of EPR, DRS and consistency in recycling. The exact form it will take and its scope remain to be decided. It is a complex undertaking and we feel we need a further consultation before we take a final decision on exactly what is included in it.

Q110 **Mr Dunne:** Okay. This Committee has been nudging the Government in a number of areas, particularly on plastics, as talked about earlier. The Government have an ambition to remove single-use plastic by the end of next year from the Government's own responsibilities. Is that going to happen? Which Departments or areas within the wider Government



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estate are the laggards in this respect? Do you have concerns that they will not make it?

Theresa Villiers: I am not sure there is a target for next year. We have the goal of eliminating avoidable plastic waste over the course of the 25-year environment plan, and there are goals within Government to cut down on avoidable single-use plastic, but for many years to come there will be certain items of single-use plastic that cannot be avoided, not least in medical applications.

Q111 **Chair:** I can clarify. It was in the Greening Government commitments, the cross-departmental plan. You will have had this in your SDP published in May 2019. This is your goal. How is it going? Are you on track?

Tamara Finkelstein: If it is around the Government estate itself and our Greening Government commitments, this does form one of the commitments and each Department has been saying where it is up to with that in its accounts. We have made some progress on that. We will need to look at the best way to measure that on a consistent basis as we look at the next set of Greening Government commitments.

Each Department has been making progress. It is hard to make the assessment as to who are the laggards because we are not measuring it in a way that makes that easy to say. Every Department has made progress through its catering contracts and, to be honest, progress bottom-up. People in the organisations want to make progress. That is certainly very true of the staff in our Department. There is pressure in that direction as well. We have made progress. It is described in our accounts and in every Department. As I have said, in the next set of Greening Government commitments I think we will want to look at quite how we measure that.

Chair: I have something to say on that. Kerry, do you have a very quick supplementary question?

Q112 **Kerry McCarthy:** There was a very good Westminster Hall debate yesterday on a petition about rewilding. The Minister then made a commitment. He was saying that the current approach to the burning of peatland had not worked. It was interpreted by people there that he was committing to legislating to ban the burning of blanket bog. Is that something you can confirm will happen?

Theresa Villiers: It is very much on the agenda if we do not see improvement in the practices in relation to blanket bog on a voluntary basis.

Q113 **Kerry McCarthy:** He said that we had not seen enough improvement and, therefore, we had to move on to the next stage.

Theresa Villiers: We certainly have not seen enough improvement yet. Unless we see that improvement take place pretty rapidly, we will have to legislate.

Q114 **Kerry McCarthy:** What sort of timescale would you be looking at to



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judge? I understand that another Minister in the Department also spoke to environmental groups and said that this was on the cards but then the shooting lobby had intervened and pulled the plug on it.

Theresa Villiers: Certainly the next few months will be crucial. We will be looking to see significant progress on a voluntary basis or we will have to take steps—

Q115 **Kerry McCarthy:** There is burning going on at the moment.

Theresa Villiers: Yes.

Q116 **Kerry McCarthy:** What does progress mean? Burning not going on?

Theresa Villiers: Exactly. A reduced incidence of burning and a greater switch to more sustainable means of managing bog.

Q117 **Kerry McCarthy:** It is all quite vague. What would be progress? How much burning would be permissible for you to feel that the current approach was working, as opposed to needing to take stronger action?

Theresa Villiers: We certainly have an engagement with the organisations and individuals concerned. My officials are working with them on this. I am not able to give you specific figures off the top of my head, but we recognise that we need stronger progress on this. If we cannot get it on a voluntary basis, we would need to legislate.

Q118 **Kerry McCarthy:** It is a double whammy in that you are basically destroying one of the best carbon sinks that we have, but also by the burning you are releasing huge amounts of carbon into the atmosphere. The figures that were being cited in yesterday's debate were incredibly powerful. I would suggest that it is not something that can be kept ticking along because every time the burning occurs and the peatland is being destroyed you are contributing towards the climate crisis.

Chair: It is the season for it to happen, as well.

Kerry McCarthy: Yes. There are pictures on social media at the moment of it happening.

Q119 **Chair:** Can I follow on from that? You have an agreement, as part of the Paris climate agreement, to increase soil carbon content by 0.4% a year. We have asked previous Secretaries of State what the plan is for monitoring and measuring that as part of our Paris commitment. Do we have a way of doing that?

Theresa Villiers: I have to confess that I am not aware of the measuring approach, although the overall goal of improving the quality of soil and the carbon content would be something that we would pursue as part of our ELM schemes. I am looking at my officials to ask if they have—

Q120 **Chair:** It is also part of the 25-year environment plan, but it is not in as a target. You have signed up to an international treaty to reduce climate change and said that you would do this, yet it is not a target in the Environment Bill. You are saying we want to improve soil quality. In a



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previous treaty you have said that we will increase our soil carbon content by 0.4%. Then there is no plan, no interim target, no 2037 target. It is just words, isn't it?

Theresa Villiers: As I said, the areas where we have proposed introducing targets are not an exhaustive list and there is the opportunity to introduce targets. You make a fair point about soil. That is something that I have discussed with my officials and across Government.

Q121 **Chair:** The only targets that you have at the moment are the ones that we lose through leaving the European Union. With all the talk about higher environmental standards, it strikes me that you are doing the de minimis to replace the functions of the EU and that, while you say you want to go higher, that is not borne out with the targets in the Bill.

Theresa Villiers: We are going further than EU requirements, because there are no biodiversity targets, for example, in relation to EU law. We are already proposing in this Bill to go further and faster.

Q122 **Chair:** That is the net gain, isn't it? Is that the biodiversity net gain?

Theresa Villiers: Biodiversity net gain is part of it but the obligation to set a legally binding target for nature conservation and nature recovery goes well beyond anything that we are bound to do by the EU.

Q123 **Chair:** Is there any work going on at official level on soil carbon content?

Sonia Phippard: Absolutely. This comes back to the discussion that we were having earlier about the work to be done to develop targets. The soil area is one where we are already working with experts and practitioners. It is complex and it is not something where there is anything off the shelf, hence the—

Q124 **Chair:** Well, there is, because Cranfield has done a soil monitoring and measuring system since 1940, right the way through, and so has Rothamsted. They used old Bisto cans during the war when they did not have the proper sampling tins. None of this is a surprise. We have been doing this for the last 70 years.

We wrote a report on it back in 2016, talking about the fact that you could do it as part of your farm payments and the ways that you could monitor and measure it. We have great soil scientists in this country who know how to do it and have said to us that it genuinely is not that hard. That is why there is a slight mystification that three years on, with the climate carbon commitment, there is still no progress.

Sonia Phippard: We are working closely with the soil scientists to work out the most helpful approaches, including the approach for ELM.

Theresa Villiers: The progress on the Bill will be an opportunity to revisit these issues and plan for the future on whether a target on this might be feasible.

Q125 **Chair:** Going back to chemicals, in the response to our chemicals report the Government said they would publish their chemical strategy. Has that



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been published? When are we expecting it?

Theresa Villiers: I am not aware of its having been published.

Tamara Finkelstein: Not yet, no.

Sonia Phippard: Indeed, no. The intent is to consult early next year but obviously subject to any change of Government.

Chair: Early next year. Thank you.

Q126 **Anna McMorris:** To go back to the extended producer responsibility elements of the Bill, am I right in thinking that at the moment we have 52 compliance companies who issue packaging recovery notes or export notes, basically meaning a race to the bottom? What are you doing about that?

Theresa Villiers: I do not understand why you are suggesting that there is a race to the bottom here. What we are trying to do is incentivise higher standards.

Q127 **Anna McMorris:** How are you going to do that with the current system?

Theresa Villiers: With extended producer responsibility the charges will reflect the quality of the product. They are likely to be lower if the product is more readily recyclable or repairable.

Q128 **Anna McMorris:** At the moment there is competition between 52 compliance organisations or companies. That is what happens at the moment, which means there is a race to the bottom. That is about who can offer the least. That is about sending recyclate abroad, overseas, which gets washed or thrown into our oceans. What are you doing about that? Why can't you simplify the system, as I set out in my own Bill, to say that we need only one compliance route through this and we need one organisation, or a couple of organisations, to make sure that that work is being done? That is what industry, the retailers and the producers are saying they want. Why can you not listen to them?

Theresa Villiers: When we consult on extended producer responsibility, that will be an opportunity for—

Q129 **Anna McMorris:** You have already consulted on that. You have already put that consultation out. That consultation finished last May.

Theresa Villiers: We will be listening carefully to the representations made on this. The crucial thing is—

Anna McMorris: I can tell you that I have already had that consultation. I have already done my own consultation on that, working with a group of industry representatives, producers, retailers and representatives of the waste industry. That is what they are saying. They need transparency. They do not need the competition in compliance.

Chair: We will move on. We have a final question from Jeremy.

Q130 **Jeremy Lefroy:** Again talking about extended producer responsibility but particularly on vehicle tyres, I am concerned, as we go into the stage of



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negotiating free trade agreements, about things like the very substantial, important business of recycling of vehicle tyres. In Stoke-on-Trent, Michelin does a lot on this, taking large numbers of vehicle tyres effectively out of circulation by recycling them to a very high standard.

I have a real concern that this kind of important industry will be adversely affected in free trade agreements where they will be under threat from competition from lower-quality new tyres from outside. It is really important—I will not say necessarily “protection”—that the interests of what is a very positive industry for the UK, in both employment and reuse of resources, is not adversely affected in trade negotiations. It is this kind of thing that can slip under the radar. Are you aware of that and has your Department, perhaps together with the Department for Business, done any kind of survey of all these industries—not just in tyres—where recycling is going on all the time?

I take the example of washing machines in my constituency. We have a small company making washing machines particularly for the coffee shop industry—very high speed—and they have built two new factories. One is for new machines and the other is for refurbishing old machines that come in. I was at Toyota recently and they talked about looking at refurbishing existing vehicles rather than making new ones as a possibility for the future. It is very important that all these are taken into account in free trade negotiations and that they do not get squeezed out by needing to engage with other countries that are keen to sell us their new vehicles, washing machines or tyres. Has any work been done on that to scope out the extent of the industry and to ensure that it is right there in our negotiations?

Theresa Villiers: I certainly was aware of the issue with tyres in your constituency, because I believe your neighbour raised it with me.

Jeremy Lefroy: From Stoke-on-Trent South, yes.

Theresa Villiers: It will be important for environmental considerations to form an important part of our trade negotiations. I would want the environment chapter in any new trade deal with any new country to have real teeth, and we would want to avoid unintended consequences. If we have great businesses that are playing their part in creating a circular economy and ensuring that we can recycle more, preventing tyres being dumped at the roadside, making sure that they have the conditions in which they can flourish is an important factor in any trade negotiation. I am very happy to engage with BEIS on those matters.

Q131 **Chair:** The *Financial Times* on Friday contained a leaked document from DExEU that said that significant divergence is envisaged on environmental matters. Have you seen that document, and do you support the policy of environmental divergence in future free trade deals?

Theresa Villiers: I am not going to comment on that leaked document, but I want to reiterate that this Government are committed to high environmental standards. We are introducing in our Environment Bill a whole range of standards and requirements that go beyond what we are obliged to do as a result of our EU membership.



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Chair: Secretary of State, thank you very much indeed.