Corrected oral evidence: Natural Environment and Rural Communities Act 2006

Tuesday 18 July 2017
11.05 am

Watch the meeting

Members present: Lord Cameron of Dillington (Chairman); Earl of Arran; Baroness Byford; Earl of Caithness; Lord Faulkner of Worcester; Lord Foster of Bishop Auckland; Lord Harrison; Countess of Mar; Baroness Parminter; Baroness Scott of Needham Market.

Evidence Session No. 1 Heard in Public Questions 1 - 11

Witnesses

I: Alan Law, Chief Officer for Strategy and Reform, Natural England; Shirley Trundle CBE, Director, Natural Environment Policy, Department for Environmental, Food and Rural Affairs.
Examination of witnesses

Alan Law and Shirley Trundle.

Q1 The Chairman: Good morning. We welcome Shirley Trundle CBE, director of natural environment policy at Defra, and Alan Law, chief officer for strategy and reform at Natural England. I should make it clear that this is our first evidence session. It is held in public and it is being broadcast. You have in front of you a list of interests that have been declared by members of the Committee. As I said, the meeting is being broadcast live via the Parliamentary website. A transcript of the meeting will be taken and published on the Committee’s website. You will have the opportunity to make corrections to that transcript where necessary—I hope only minor amendments.

The other thing I should tell you is that because this is our first evidence session we all have to declare any interests that we might have, which is a slightly boring process. Before any questions are asked everyone has to declare their interests. As I am asking the first question I will declare mine as a farmer and landowner. I am an ex-chairman of the Countryside Agency and Rural Advocate. I am also a member of the NFU, the CLA, the RSPB, the CPRE, the National Trust and the Countryside Alliance. I am a trustee at Rothamsted. I chair the board of the Centre for Ecology & Hydrology and the strategic advisory board of the Government’s global food security programme. After that mouthful, we can make a start.

My first question will deal with the rural side of issues before we move on to the environment. Following the abolition of the Commission for Rural Communities, which was created by the Act, and the Rural Communities Policy Unit, which is now gone from Defra, how is rural communities policy co-ordinated in Defra? Where in Defra does it sit? Who conducts research? Who commissions research? Who develops policy on the ongoing needs of rural communities? In the absence of the Commission for Rural Communities, who provides the rural-proofing voice for rural communities?

Shirley Trundle: Thank you for inviting us to come before you today. Your list of interests shows the depth and range of expertise that I know is around this table, so it will be extremely helpful to us to hear your conclusions at the end of the inquiry. I regard it as very valuable.

Turning to your question, Defra has an overarching strategy that covers not just the core policy department, but all of the organisations that are part of the Defra group. That has a number of strategic objectives. There are four delivery objectives, one of which relates specifically to the rural responsibilities of the department. That objective is a rural economy that works for everyone, contributing to national productivity, prosperity and well-being. That is something that everybody in the Defra group has signed up to and that guides the activities of everybody across the piece.

At ministerial level, the Secretary of State has overall responsibility and takes the lead. Then we have Lord Gardiner as the Rural Affairs Minister.
He also acts as the rural ambassador. Thérèse Coffey leads for us in the Commons. That is the top-level, strategic part.

Within the core department there is a rural policy team, which is part of my directorate and reports to me. The role of that policy team is to support Lord Gardiner in his work and to provide advice, guidance and access to expertise on rural issues.

The Chairman: How many people are in this rural policy team? How big is it?

Shirley Trundle: The rural policy team fully staffed is about 24 people. We are rather below that as of today because the department has been doing quite a bit of recruitment in reflection of the pressures created in particular around EU exit. As well as the rural policy team we have a second rural team that works on the rural development programme for England. That forms part of our big programme on the future of farming and the countryside. That programme of work is very much focused on running the existing programmes funded through the CAP but is also thinking about the transition as we move to EU exit.

Those are the structures. The rural policy team has a big network of contacts across government, so it works with other departments that are developing policy to bring the rural perspective into those discussions. A large part of the way it does that is drawing on the data and evidence that we have access to. We have done a lot of work to develop our ability to use and analyse statistical information right across government. One of the ways in which we can work with other departments very effectively is sometimes to bring a different lens to their data to cut it in different ways and help them to understand the potential impact of their policies on rural areas. Then we can talk to them about how they might be able to have more of a rural perspective on the development of those policies.

The Chairman: Do you commission your own research as well as relying on other people’s?

Shirley Trundle: We certainly do our own analysis of the data. We do not as a department commission very large amounts of research these days. There has been quite a shift in the way government approaches research and certainly the way Defra approaches research, which is much more about working in partnership with people outside the organisation. For example, Sir Paul Nurse’s review of the research councils recommended that government departments need to give a much clearer steer on what the big policy questions are, which could then help to direct the efforts of the research councils and other independent organisations and academia. We have published a statement of the main policy questions in the rural area. We do a lot of scanning of evidence coming from academia and so on and the various interested bodies that produce reports and evidence on rural needs.

Q2 Lord Harrison: I bring my talents to the table that you so eloquently talked about earlier as I have no reportable declarations. On "Farming
“Today”, tourism was declared to be a more important industry in the countryside than farming. When did you last talk to DCMS about it?

**Shirley Trundle:** We talk to DCMS very frequently, and we are well aware that tourism is a significant part of the rural economy. One of the interesting things about the rural economy, which you can see from the data, is that the mix of activities is not widely different from the mix of economic activity elsewhere in the country. It is true, obviously, that agriculture and forestry tend to be only in rural areas, but other economic activity is well represented. We work with lots of other departments. I could not tell you off the top of my head the exact date of the last time we spoke to DCMS, but I know that Lord Gardiner was very engaged with Ministers there—as a result, in fact, of another relatively recent parliamentary inquiry into tourism in rural areas.

**Baroness Parminter:** First, I declare that I am the Liberal Democrat spokesperson on Defra matters and a member of the National Trust and the Wildlife Trusts.

You mentioned the 24 people in the team. I think we would find it very helpful if there was an organogram with job descriptions. These people might be working on other projects, and it is fundamental for us that we are clear who exactly is doing the work on rural proofing and rural policy development.

**Shirley Trundle:** We would be very happy to supply an organogram. However, increasingly in Defra we are working in very flexible ways, so although an organogram might show you who is working on what at a specific point in time, it would not necessarily represent the pattern over time. For example, preparation for this inquiry was led by my rural team, but we have pulled together a virtual team of people and drawn people from land use, wildlife and so on. That is how we operate in Defra these days. It is not always just a fixed particular set of people who are there all the time and who deal with only one set of issues.

**The Chairman:** It would be good if we could have the organogram, even so. On the rural-proofing question, I did not really get a concept of how that might be done and your work with other departments.

**Shirley Trundle:** We work with other departments. We have a particular focus on areas where we know that rural communities have particular needs and concerns, and on areas where we know that policy development is active in government. We know, for example, that digital connectivity, broadband and mobile signals are critical issues for rural communities. Lord Gardiner sits on the relevant ministerial group that is overseeing the development and delivery of policy in that area. We support him in his membership of that task force and therefore work very closely with our counterparts in DCMS, providing evidence, having discussions with them, challenging the policy development and generally bringing the rural perspective into that debate.
That is just one example. We have also done it recently in relation to the development of childcare. Again, there is a ministerial task force, and Defra is represented on that. We have worked very closely with the relevant officials in the Department for Education, and as a result they have developed the funding formula with a base level in it to recognise the challenges of delivering in more dispersed areas, and in some cases extra funding to reflect sparsity.

That is how we do it: in a very targeted way, focusing on where we think the biggest opportunities are to make a difference.

**Q3 Baroness Scott of Needham Market:** First, I declare my interests: I am the deputy chair of the Harwich Haven Authority, which is a trust port operating in Suffolk and Essex, and I am a member of the Suffolk Wildlife Trust and the RSPB.

I want to stay on the question of the relationships with other departments. Fashions change, and we go backwards and forwards on whether mainstreaming is the way to do it or whether we need bespoke arrangements. You see the same discussion in equalities. So, first, why do we see this as a binary choice? Why do we have to do one or the other, particularly in your work? Let us take as an example the Bus Services Bill that went through last year. When the original guidance came out it contained two lines on rural buses. I am afraid that does not speak to me of a department that is really listening to the rural voice. I think it was a missed opportunity to think about the impact that the policy might have on rural services and to think much more proactively about how we can use these new powers and structures to improve the bus services in rural areas. It felt to me that from a rural perspective that was totally missed.

**Shirley Trundle:** I am sorry you were disappointed about that particular bit of policy. You are absolutely right that it is not a binary choice between a targeted approach and mainstreaming. In addition to engaging on the specific issues, the department has been working on rural proofing. We had a very helpful report from you, Lord Chairman, which made a number of recommendations, and we have been taking work forward in the light of that, for example improving our digital hub so that data is more accessible and readily available not just to members of the public but to people in other government departments.

We held a workshop with other departments to raise awareness and to begin to educate them on how they can do this. It is not normally a question of them not wanting to do it; it is often a question perhaps of not being particularly familiar with what they need to do. We are developing a training package that we intend to roll out across government, and we have increasingly been building rural elements into the standard approaches. One example is the Treasury’s guidance on investment appraisal. We have been working with them on how you build thinking about rural areas into that guidance, which is one of the bibles that guide policy development in government.
The Chairman: Can I ask you about the training workshops, which are key to getting other departments in? When did you hold your last training workshop? I thought they were off the agenda now.

Shirley Trundle: We have already had one workshop—I am sorry, but I cannot tell you the precise date off hand—and we are developing a broader range of training.

The Chairman: So they will happen. Have you held any this year?

Shirley Trundle: I cannot be precise about the dates. I will happily send you a note about the more detailed delivery plans.

The Chairman: I would be grateful. Thank you.

Baroness Byford: My family has farming interests in Suffolk. I am president of the Royal Agricultural Society of England, and I am a member, like others, of the CLA, the NFU, the Countryside Alliance and the National Trust. Those are my main interests.

First, I do not wish to sound offensive, so please do not be offended by my question, but when the Commission for Rural Communities was wound down there had been talk as to whether the work that you do at Defra on behalf of the rural areas would be better placed in the Cabinet Office, because that covers everything, and some of us were a little concerned that perhaps government could tick it off as having been done because it was being done by Defra. I do not know whether you have a view on that. Secondly, are there things that were not in the original Bill that, because of the demise of the commission, would help you to strengthen the work that you do? It is a two-part question.

Shirley Trundle: On the first part of the question, you could have endless debates about where you put activities in government. There are always pros and cons to different approaches. We have worked very closely with the Cabinet Office. It can be very helpful to us because it has had a big role in the development of single departmental plans, which has given it very good sight of what is going on across government. It has been helpful to us in embedding rural elements into other departments’ plans. However, we feel that because of where we sit in government we probably have better links out into interested groups and more regular contact with rural stakeholders than people in the Cabinet Office would naturally have. That enables us to bring a more grounded perspective to discussions across government.

Baroness Byford: I am grateful for that, and I am well aware of the very close work that you do with all the other groups, but my question concerned the Cabinet Office having overall direct responsibility for everything and whether it would have been helpful had it been there. I am not decrying the work you do, because I am well aware of the amount of work that goes on.

Can I move you to my second question? Is there anything that is not in the Act now that would have been helpful to you looking forward?
Shirley Trundle: I cannot think of anything in particular. In a sense, legislation gives you a legal backstop, but often the most effective ways to make a difference rely on other levers. A lot of it is about the leadership that government can show. We are getting very strong leadership from our Ministers. It is about the convening power of Governments and the ability to bring people together. Of course, we have important levers in the rural development programme, which gives resource that can be spent. There is a whole range of different ways in which government can influence. I feel that we have a pretty good range of tools at the moment.

The Earl of Arran: I declare interests in the National Trust and the CLA. I am married to a farmer in Devon—no finer part of the country. One thing you said worries me. You mentioned there was less research, which is critical. Is this due to budget cutbacks? Are you spending as much money on research as you used to?

Shirley Trundle: The department as a whole has been shifting. Defra spends less money than it did a few years ago, in common with many other departments. We have had to reduce the amount we spend on research in line with that. It is not that rural issues have been singled out in particular; it is just a consequence of a refocusing of effort. There is more of a sense that a lot of the responsibility for fundamental research can be secured by getting a better, more strategic focus from other organisations.

The Earl of Arran: Is the department suffering from a lack of research?

Shirley Trundle: I am not aware of anything that has been problematic in the near past, no.

Baroness Scott of Needham Market: You observed that you had set up a virtual team to work on this inquiry, which is gratifying for us. Thinking about Parliament more generally, if for example a Bill was going through on social exclusion, would somebody from your department look at that and at what is happening in Parliament as well as in government, or would that be done only by the people in the sponsoring department? I am trying to get at how, when Members of the Lords and the Commons raise issues about rurality and rural impact, those issues are taken on board and dealt with.

Shirley Trundle: We always try if we can to engage with other departments right up stream during policy formulation, because you are much more likely to get an effective response and a better-designed policy if you are there at the beginning. Yes, we do monitor what is going on more widely. Whether it is through the press, contacts with special interests groups or monitoring what is going on in Parliament, we will pick up concerns about other departments’ policies. Indeed, they will often come to us for advice if they find that they are being criticised. We would seek to engage if we saw a problem arising.
Alan Law: As a delivery body, we have a role to government, although our sponsorship route lies through Defra. We engage directly with other departments on housing, infrastructure et cetera and with the relevant policy division in Defra.

Q4 Lord Faulkner of Worcester: My relevant interests are all rail related. I am president of the Cotswold Line Promotion Group and the Heritage Railway Association, and I chair the Great Western Railway advisory board.

Staying with you, Mr Law, do you think that the 2006 Act gives Natural England sufficient powers, including enforcement powers, to carry out your mandate? What is your view of the comments made by environmental bodies such as the RSPB and the Wildlife Trusts that the cuts in your grant in aid have rendered you much less effective and almost powerless to deal with issues such as planning?

Alan Law: Those are questions four and six, I think. First, thank you for the opportunity to present to this Committee. It is a good opportunity for us. You will appreciate that our board has thus far not had an opportunity to consider a formal position. I know that my chairman will be keen to emphasise that the board will want to make a submission when the formal evidence-gathering process commences.

My background is 25 years with Natural England, so I have been with it throughout the period post NERC and the predecessor bodies. We were set up when the very bold vision was set out in NERC for bringing wildlife and landscape together and putting people at the heart of conserving them. That was at a time of considerable economic prosperity, which subsequently changed relatively quickly. We spent our early years finding our feet. We tended to miss the ambition set out in NERC on integrated delivery and working at a landscape scale and instead pursued a narrow set of independent key performance indicators on a traditional agenda of biodiversity and agri-environment delivery. Subsequently, we came into a phase where we looked to reduce costs and the focus was very much on efficiencies.

In the last three years we have tried to reset how we work and go back to the principles set out in NERC at the outset. We are now organised around seeking to deliver at a landscape scale, locally set up and operating across the breadth of levers that we have. The Committee should appreciate that we operate in part through the provision of statutory and non-statutory advice. We have a significant tool at our disposal, which is the Pillar 2 RDPE, the delivery of agri-environment schemes. We also have the regulation lever. The predominant services that we provide are achieved through advice and the incentive lever of the RDPE. Our role is very much to identify where there are opportunities to restore and enhance the environment, and to engage with business, local communities and landowners to achieve those aims, rather than identifying where there has been a problem and seeking to apply regulation to remedy it.
Forgive me for a slightly broad introduction. So, yes, we have the broad range of powers that equip us to deliver the task set up for us. There are areas where one might look for greater latitude, such as in the use of conservation covenants. We recognise that if you roll the value of land acquisition into the costs of delivering environmental enhancement, those costs are very high. They presuppose that you are better off delivering conservation works in a manner that is removed from the land management community, whereas actually the use of covenants avoids incurring the much greater capital cost associated with land acquisition and is much more about working with the land management community than trying to impose something on it.

**Lord Faulkner of Worcester:** So you are not frustrated by the reduction in the enforcement powers.

**Alan Law:** Which enforcement powers would you say have been reduced?

**Lord Faulkner of Worcester:** I am probing to see whether you feel that they have been reduced, particularly on planning issues.

**Alan Law:** We worked very closely with DCLG on developing the National Planning Policy Framework, which we sought to ensure had satisfactory provisions for the natural environment and landscapes. Clearly there can be variation in the way the policy is applied and the decisions that are taken, but broadly speaking—again, citing 25 years in the sector—we now see far less conflict with environmental assets arising through the planning system than we would have done 25 years ago.

Would you like me to come on to the second question about resources?

**The Chairman:** That may come up later, so perhaps we will leave that for now.

**Baroness Parminter:** May I probe you a bit further on the planning issue in particular? Since the NERC Act came into force in 2006, do you have a record of how many planning applications you have been asked to consult on, and how many you have initiated a response to, and is that public?

**Alan Law:** We do. The headline statistics are certainly public. In fact, we report on them quarterly every year to DCLG. We deal with broadly 20,000 per annum. The largest proportion of those tend to be “no comment” responses, because they are simply sent to us as part of a standard basket of consultations to statutory bodies. We do an initial shift to determine that there is no impact on the natural environment that we need to comment on. We look to provide bespoke responses to around 25% of that volume. I can provide the record and the stats if the Committee would like them.

**The Chairman:** Presumably you also comment on landscape issues.
Alan Law: Absolutely. We receive planning applications for developments that could affect protected landscapes, protected sites, protected species. We get that full range.

Q5 The Countess of Mar: My husband owns 110 acres of land in Worcestershire that, except for 10 acres of woodland, is now let. We worked it all ourselves for 40 years and decided to retire. We are now are making a profit at last—

Alan Law: Congratulations.

The Countess of Mar: —and we get a small EU subsidy for the land. I do not benefit directly, but I benefited indirectly from it.

It has been said that one of Natural England’s greatest strengths is the knowledge and capacity of its local staff on the ground. How is Natural England working to maintain this in the national context of budget reductions?

Alan Law: Would you indulge me slightly? I will answer your question, but I will challenge it very slightly. I have spent the majority of my working life as one of those advisers on the ground, so I have a lot of sympathy with the statement. My perspective is that Natural England is at its best when it operates through a combination of knowledgeable local advisers who are supported by people with national expertise and an understanding of the breadth of government policy. What distinguishes us from other bodies is that we can put what is important locally into a national context rather than merely having knowledge of what is local. I accept the premise of the question, and that is very much how we work.

Over the last 11 years, we have contracted as an organisation. Our budget has gone down from £230 million to less than £100 million. We have sought to protect our front-line services as far as we can in various ways. We have reduced our overhead costs by taking out two-thirds of our offices, so our estate is much reduced. We do not have a head office, for example; we operate in a dispersed network. We have operated quite stringently with regard to corporate services—our back-office functions. First, we have reduced IT, HR, procurement and finance, and all those services are now provided by the core department—none of them are provided in house. We have also progressively shifted staff from the centre into our area teams, such that between 2015 and 2017 we have had a 10% increase in staff at the front end rather than at the back end.

So we have done what we can. We have quite a low staff turnover rate. It is perhaps 5%, which reflects the fact that we are still very able to attract high-quality skills. People want to work for us, and the great majority of people who do tend to stay.

The Countess of Mar: That is good. In the past, we benefited from the free advice that was given to us in the days of MAFF and the early days of Defra, and we have noticed that there has been a decline. It is now more difficult to find the right people to contact for advice. I was thinking earlier, when Shirley was talking, about contact with small farmers. You
have contact with the NFU and the CLA. Do you have contact with the Family Farmers’ Association or the Tenant Farmers Association, for example?

**Alan Law:** Yes we do.

**The Countess of Mar:** Do they know how to get in touch with you if they have a problem that they need to have solved?

**Alan Law:** First, forgive us, but like many parts of the public sector we have been through various reorganisations since our birth. I like to think we settled on a stable arrangement for the last four years, which is very much based on area and building local connections. But we also have national experts who provide the relationship leads with organisations such as the Tenant Farmers Association. Those kinds of connections are there, and where there are difficulties connecting with the right people those account management links can, hopefully, resolve those.

**The Chairman:** On that point about connectivity with farmers, do you use the county wildlife trusts as a way in to the agricultural world?

**Alan Law:** We work increasingly in partnership, which is a function of our size, and our conservation strategy is predicated on the idea that whatever your budget size there is no point aiming for anything less than trying to fulfil your statutory purpose. As we have changed over the years, we have recognised that to have the impact that we need to have in order to fulfil our agenda, we need to work with and through other organisations much more than just being self-reliant.

In the same way in which we might work with farmers on multi-area agreements, rather than simply one-to-one agreements, we work with wildlife trusts and the RSPB on local landscape-scale projects and income-generation projects et cetera. For example, we have now started to work with the NGO sector and the Heritage Lottery Fund to try to provide join-up, to provide added value, with that sector by drawing down money from the lottery. The lottery has recognised that it is not putting as much money into the natural environment as it would wish to, and it sees us as a natural conduit to working on cross-organisational bids. The first of those was a bid called Back from the Brink, which seeks to fund conservation works across a range of rare species that all have biodiversity action plans associated with them.

The other area is how we work with the private sector. Until five years ago, Natural England did not have the facility to charge, so we secured a facility to offer a range of discretionary advice services. I emphasise the point about discretion, because this is not about transferring GIA costs to the private sector; this is about offering new services that it is at the discretion of the private sector to purchase. The benefit for the private sector is that it gets our advice early, before it has come to the point of firming up some of its investment plans. The benefit for us is that by providing that advice early on a full-cost recovery basis we can save ourselves subsequent statutory advice time, both at the statutory advice
period and in terms of reducing the number of cases where there is a conflict between planning and the environment.

**The Countess of Mar:** Would you agree that the benefit of that advice is that it is independent?

**Alan Law:** Absolutely. The value to the customer or business is that they get that independence from us. The value to us is that it makes us much more insightful about the requirements of industry and makes our staff much more commercially aware of how we work with industry.

**Lord Foster of Bishop Auckland:** I have no interest to declare, except that I used to chair the north-east area of the Heritage Lottery Fund. It was a great pleasure to work very closely with your organisation and several others on these environmental schemes. Have you any way of quantifying the amount of money nationally that is coming in and through these schemes?

**Alan Law:** The sum is around £400 million per annum. At a peak the figure was, I think, £470 million-odd. That was a time when environmental stewardship covered more than 70% of the utilisable agricultural area.

**Baroness Byford:** We return to question six. You wanted to say something before I asked any questions.

**Alan Law:** The question is about the balance between the environment and the economy. For me it is a great myth that the environment and the economy have to be at odds with one another. Sadly, it is all too widely believed. My experience at an operational end has always been that where you have sufficient early warning of development activity and you are operating at a large enough scale, in the overwhelming majority of cases, by which I mean the high 90 per cents, you can find a resolution that is good for the environment and for the developer, the economy and society. I highlight that I was regional development director for London and the south-east for many years. In that region, you have the highest level of economic activity and of population density. You also have the highest level of biological diversity, the largest area of protected landscapes, the greatest area of semi-natural woodland and a dynamic coast. These things are reconcilable provided that they are brought together at the right scale.

I should flag up the conservation strategy that we published last year. It seeks to move away from a regime whereby we operate at a very small scale and seek to prescribe solutions. Historically, this is where some of our predecessor bodies, such as my own, which was English Nature, would have been. We would have sought to identify a solution on a particular site and then inform the landowner about what must be done. Understandably, I think, we learned over the years that that was not necessarily the best way of bringing hearts and minds with us, or securing engagement with management, or indeed identifying a range of opportunities that might exist on that land.
We seek to change the way we engage, to look at the attributes of a healthy, resilient landscape—back to the purpose of NERC and of things such as the European habitats directive—and to engage with business, local authorities and communities about how you configure those attributes in a place, thereby using place-making in its proper context. I firmly believe that by engaging more at the front end in trying to identify what a healthy, resilient environment looks like in a place rather than simply relying on picking up where damage is likely to occur at the other end of the pipe and seeking to regulate around that, we are much closer to the purpose envisaged by the legislation.

Baroness Byford: Thank you for that briefing. That is helpful. Can I take you to the nub of it? As we know, the countryside and our environment are made up of business, farming, tourism and little businesses starting up that are all totally reliant on broadband. We have not touched on broadband, but it is key. Indeed, Lord Gardiner is well aware of it.

I turn then to the area of farming, which is where a lot of the environment we are talking about is based. I think the majority of farmers are very keen to take part in the various schemes. I declare an interest here because I do so, and we get a single farm payment for it. On that bit of it, do you think that after Brexit the chance of changing how those payments are made could have an effect on the profitability of farming businesses, because you will not be able to get one without the other? That is one question.

Secondly—I do not mind who answers this—some colleagues are saying that there are schemes whose time will run out before the changeover. What is happening in the interim? Also on that, some of the schemes and the paperwork and compliance within them have become so complicated that some are considering not continuing with them. If that happens it will be to the detriment of the environment, which would be a shame.

Shirley Trundle: I will pick up the general question and then ask Alan to talk about some of the current schemes. Obviously EU exit opens up both uncertainty and opportunities. The Government have been very clear that initially, through the process of the legislation that has just been published, we want to give people as much certainty and continuity as we go through EU exit. We have guarantees in place for the level of funding for farmers. This is about not just the environmental payments, but the totality. There will be a guarantee about the level of funding going forward. The legislation will initially roll over the current rules of the schemes so that people will know that they are not going to fall off a cliff edge at the point when we leave the EU. That is really important, and we are doing an enormous amount of work to make sure we will have the underpinning securely in place to allow us to continue to run schemes.

Beyond that, there are possibilities for all kinds of reform. In the Queen’s Speech it was announced that the Government will have an agriculture Bill. That will give the opportunity to set the framework for how the Government intend to support farming and the environment in the longer run. It is not my place to speculate on future policy, but the Government
will certainly want to put out their proposals and consult on them. It is no secret that the Environment Secretary has been out there talking to people and saying that he sees that delivering environmental improvements will be a key priority for future arrangements. I know he is also very clearly aware that we will not have good environmental land management unless we have people on the land managing it, and they need to make a living out of doing that. That is something that we are acutely aware of, and we aim to design future arrangements that deliver benefits for the wider public and society at large as a result of the public investment but also ensure that farmers and others can make a living from the land.

The Chairman: Mr Law, do you want to comment?

Alan Law: Yes, I have a few quick comments. When the previous environmental stewardship scheme was introduced in 2005 it would be fair to say that there were considerable teething troubles. It was notably plagued by difficulties with the IT. We have experienced similar challenges with the introduction of the new scheme. However, I would point, I hope encouragingly, to the success that environmental stewardship proved to be in subsequent years after its difficult inception, and to the volume of uptake and the high confidence across the industry.

We are certainly trying to ensure that there is a transition between schemes that expire from environmental stewardship, particularly where they have high environmental value associated with them, and the new countryside stewardship scheme. We have a period of two years, or just a bit less, in which we may improve the functioning of the existing scheme, for example by seeking to make available more broadly some of the options that are currently available in only the highest tier. Subject to decisions on when and how any new arrangement might be brought in, we also potentially have the opportunity to reduce some of the complexity associated with the scheme once we are no longer subject to the relevant regulations.

Moving beyond that into what the future might look like, there is a lot of room to feel excited about the possibilities of greater alignment of funding streams between departments, and the potential aggregation of vertical funding regimes coming from departments and more locally-derived contributions. One would like to imagine a time when the scheme arrangements, whatever they are, are tailorable to local circumstances, needs and opportunities.

Baroness Scott of Needham Market: There are a number of organisations operating in this space of policy advice and regulation—Natural England, the Environment Agency, the MMO and so on. One often hears a lot of grumbles about duplication. Some of that is inevitable—you always get that—but how much work do you do together as organisations on a strategic level to make sure that you are genuinely working together and not asking the same questions twice? This becomes even more important if we move to an explicit link with funding.
**Alan Law:** At an area team level, we are now operating as a Defra family with common area boundaries and joint planning of the services we provide within those areas. That is with the Environment Agency and the Forestry Commission, and we also collaborate with the MMO. We have pretty good relationships on the ground between our operational teams and our national policy folk. We join up on high-risk cases that involve common engagement, because the last thing we would want is one arm of Defra saying one thing and another saying another. I like to think that over the last few years we have spotted and managed those risks in a really good way before they have impacted on the customer.

There is often the assumption that a one-stop shop is beneficial to the customer. That is not my experience, which is that if you are a developer you want to talk to the person who has expertise about the question you are asking, rather than go to a generalist who has to filter you and pass you on to three different other people. That just creates an overhead. While we share a large volume of casework that we deal with—the Environment Agency has an even larger volume of casework—we have only a 15% overlap. So the volume of cases on which we are both commenting is relatively small, and we have good systems in place to manage that—and similarly with the MMO.

**The Countess of Mar:** You say that you no longer tell people how to manage their land. When I come to London from home, half of my journey is on the motorway and half by train. I notice that the highways department and the railways have a huge amount of ragwort, which is a notifiable weed, growing on their land. Additionally, I noticed quite a number of fields that are totally derelict and could be put to good use; they are in reasonable farming country. Do you have any powers over those, either public or private or both?

**Alan Law:** We have pretty limited powers on injurious weeds. There are some powers. I am afraid that I could not give you chapter and verse right now on them in relation to ragwort, but I can provide those to the Committee if that would be useful.

The issue of land that is not necessarily put to good or productive use of any description takes us back to the ambition to work at a more strategic scale. My wish is that we will one day find ourselves able to deal with strategic plans that may have a statutory footing at a local authority scale and that we can describe in those plans all the attributes that are needed for a healthy, resilient natural environment—and, without prescribing exactly where they should be done, identify where the opportunities are. Natural England operates much more as a convener in those places, using our knowledge and connections with local stakeholders to identify opportunities for win-wins, because you can have bodies with a regulatory role that identify where things have gone wrong, but there is a lot of power in having a role that identifies where there are examples of best practice, where success is, and promoting and extending it.

**Lord Harrison:** Alan, you said you were getting excited by the
opportunity for aligning funds post Brexit. Can you give us a clear example and tell us why domestically you could not have done that already?

**Alan Law:** I would struggle to say why we could not have done that already, although if you were to top up rural development programme funds through alternative funding sources, that might get complicated in terms of the regulations.

**Lord Harrison:** On that point, you are quite right that we could have done it ourselves. It is not something that we have to do post Brexit.

**Alan Law:** Under Pillar 2 it could, but I am talking about money from other sources, potentially private sector money—

**Lord Harrison:** Give me an example.

**Alan Law:** In my mind, we would have a strategic plan that identified environmental infrastructure in a place. You can deliver environmental infrastructure through the contributions from agri-environment, contributions that come from planning gain, or funds that come from DCLG. You might wish to combine those resources and deploy them through a scheme that is equivalent to agri-environment. You might wish to broaden the eligibility of that scheme beyond agricultural land. You might wish to provide greater targeting emphasis on certain habitats in the south-east than you might in the north-west. The facility to do that—whether it would be policy is another matter—will be greater when some of the current regulatory regimes are removed.

**Q7 The Earl of Caithness:** Declaring my interests, I am a vice-patron of a charitable trust that owns land in Scotland. I am a member of the Countryside Alliance. A non-declarable interest is that 30 years ago I was Minister for the Countryside.

A nice easy question to start with: if you had not had the budget cuts or had had a greater budget, what would you in Natural England have done that you have not done now?

**Alan Law:** We would probably have operated on a higher level of bespoke advice. That would be my short answer. We would also—and I am in no way arguing that the budget cuts have been desirable—have been less forced to look radically and creatively at how best we might exercise our functions to deliver for the natural environment. Apologies if this sounds like a history lesson, but the conservation movement evolved through the 1960s, 1970s and 1980s through a sequence of identifying evidence of environmental impact, seeking to understand cause and effect, seeking to build legislative powers to protect in particular the rare and the vulnerable, and designating and putting in place planning provisions. That strategy is all predicated on protecting the rare for some time in the future when the rare could then recolonise the wider landscape and countryside. We ended up with 7% or so of the land under that high level of protection.
In the past 25 years, while we are effective at species recovery and protecting the rare—in effect gardening on special sites—we have seen a wholesale loss of the much more widespread and common, and the degradation of the fabric of the countryside. We have been challenged to look at that and question whether the balance between the rare and widespread that we have been working to is right. If we put our efforts at the landscape scale, very much in line with the vision set out in NERC and with the challenge set out under the Lawton review, we do not merely conserve the rare for some indeterminate period when something will happen in the wider countryside, but we try to do the two together. As a conservationist, that is something that we have to do.

The Earl of Caithness: What have you done to implement the Sir John Lawton review that was so welcome in 2010? What evidence do you have that you have been implementing it?

Alan Law: I referred earlier to our joint area plans that our operation teams have put in place with the Environment Agency and the Forestry Commission. Each area plan has a set of focus areas, which are high-value or high-potential areas. Other organisations have identified areas, such as living landscapes. These are the areas that we are seeking to build resilience around, very much in line with the Lawton review recommendations of bigger, better and more joined-up. The focus has been on the bigger and the more joined-up. Similarly, and I recognise the challenges that my colleague described earlier with regard to the new countryside stewardship scheme, the premise of that scheme was to enable targeting of both the very special through the higher-tier scheme and larger landscapes through multi-agreement applications.

The Earl of Caithness: Can you provide the Committee with details of where that has been implemented on the ground?

Alan Law: Yes.

The Earl of Caithness: Do you agree with Sir John that to implement his report fully you need a minimum budget of £600 million a year?

Lord Harrison: Just say yes.

Alan Law: There is a choice—

The Earl of Caithness: The answer is a yes or a no.

Alan Law: It is unarguable that the natural environment needs more, because the evidence demonstrates that the natural environment is declining in biodiversity and landscape. The extent to which that must be delivered through a state body versus a range of mechanisms with a state body having a significant convening role is a policy choice. As an operational director my obligation is to say that whichever the policy choice is we have to come up with a strategy that enables us to achieve the ambition set out in the legislation to achieve the purpose of our organisation. That is what we are doing.
The Earl of Caithness: Two more quick questions. First, is biodiversity in England still declining?

Alan Law: Yes, but the picture is complicated. I refer you to the *State of Nature 2016* report, which shows a mixture of declines and increases, the majority under decline. As I described previously, the declines tend to be more serious in so far as they are more numerous species. We are losing the common. I grew up able to find frogs, grey partridge, barn owls et cetera in the country—I am a member of the Suffolk community. Those are diminished. We have been able to show that where you put targeted conservation effort into rare species, such as the bittern, the cirl bunting and the large blue, you can effectively conserve them.

The Earl of Caithness: Finally, following up Lady Byford’s question, it surprised an awful lot of us that you are not doing a 25-year plan of rural policy. Why did Defra duck that one?

Shirley Trundle: I am not aware that there was a particular commitment to that. The Government have committed to a 25-year plan for the environment. Our Secretary of State will prosecute that with great vigour.

The Earl of Caithness: You have two 25-year plans, not a cohesive plan.

Shirley Trundle: It is really for my Secretary of State to set out his stall, but I think he would see the environment in very broad terms as an encompassing approach to everything that Defra is responsible for and beyond.

The Earl of Arran: Back to Brexit, which we have already touched on. I am afraid Brexit is a recipe for anxiety and uncertainty to a large extent, but how might—and I underline the word “might”—our exit from the EU make a difference to the way the Act is implemented and enforced, particularly in relation to Defra and Natural England? In other words, what might the big changes be that will affect rural communities?

Shirley Trundle: Quite a lot of provisions in the Act are purely domestic and will not be directly affected, but some of them are linked to EU initiatives. Natural England and the Forestry Commission, for example, administer the rural development programme and their stewardship schemes using powers under the NERC Act. That is, as we have already described, an area where there will be opportunities to look at making a transition from the current approach to new approaches to supporting environmental outcomes from the farmed environment and new ways of supporting tree farming. We can certainly expect to see changes in that area but in a phased way over time and in a way that allows people to adapt and to make the transition.

The Earl of Arran: Is it too early—I imagine it is—to be drawing up an agricultural Bill?
**Shirley Trundle:** Obviously there is a good deal of initial thinking going on. We have been having a lot of discussions with our new Secretary of State about the various elements that might need to go into an agriculture Bill. Indeed, I am missing a meeting with him at this moment to be here with you; he is talking to officials about future arrangements for delivering environmental outcomes from land. That is a very active programme of work, and I would expect the Government to come out with proposals for consultation in not too many months’ time, because clearly we will need to do that before we get to the point of introducing a Bill.

**The Earl of Arran:** And might those proposals include GMOs?

**Shirley Trundle:** I do not want to speculate on that.

**The Earl of Arran:** They should, but thank you.

**The Earl of Caithness:** Once outside the EU, will you recommend to the Secretary of State that he bans imports of soil, with all the diseases and nasty bugs that are in them that are causing so much trouble?

**Shirley Trundle:** Again, I would not want to speculate on particular bits of policy advice. One of things I know is that the Secretary of State is very interested generally in the health of our soil. He has been very clear with us that that is one of the outcomes that he wants to deliver from the new arrangements. As we design what comes after the current stewardship schemes, he will want to include measures that will promote healthier soils.

**Lord Harrison:** I agreed with your earlier answer that the profile of the countryside is much the same as in other parts of Britain, but would you be kind enough to forward to our Chair a note of the meeting that Lord Gardiner had with the DCMS so that we can verify for ourselves that tourism is clearly on that agenda?

Returning to your earlier answer that you are in the process of recruiting to bring up to 24 the number of people available in your team, is there an opportunity cost, in that you might have sought other experts to be doing other important jobs that challenge in the countryside but which you now have to devote to Brexit?

**Shirley Trundle:** Defra as a whole is going through a huge period of change as a result of EU exit, because out of all the policy departments across Whitehall we are more affected than any other, so we have done a lot of work to reprioritise what we are doing to make sure that, wherever we can, we focus resources on the immediate needs related to EU exit.

**Lord Harrison:** I understand that you are doing that, but are you being deflected from other vital questions that could be answered? Were we to have remained you would surely have been challenged in so many areas that you would have liked to get to grips with.
Shirley Trundle: There are always umpteen things that you could work on, and choices have to be made.

Lord Harrison: But you could have made some choices. That is the point I am making.

Shirley Trundle: Well, Ministers could have made some choices. We very much work to their priorities.

Lord Harrison: Let me give you an example. You mentioned productivity in your opening speech. Give me an example of where you have involved yourselves with improving productivity—where there is a yawning gap in the United Kingdom—in the countryside.

Shirley Trundle: We talked a little earlier about connectivity, which is critical to productivity. The work that we have been doing with DCMS to bring to its attention the needs of rural areas, and the Government’s commitment to a universal service obligation and rolling out 5G, including pilot schemes in some rural areas, is one example of where we have focused very much on raising productivity.

Baroness Parminter: Following on from Earl Arran’s question, when we leave the European Union the accountability and governance structures that have underpinned all our legislation will disappear. What are your thoughts on how UK legislation and the institutions, particularly Natural England, will need to replace those structures? The repeal Bill will not tackle that at all.

Shirley Trundle: I assume you are talking primarily about environmental governance.

Baroness Parminter: Yes, the ECJ’s function and the Commission’s role in keeping information.

Shirley Trundle: The Government’s view is that we have a very effective system of law and courts in the UK. One of the points of leaving the EU is that that will enable us to take back control and to have our own courts controlling decisions about what happens in the UK.

Baroness Parminter: So you agree with the Minister that judicial review is not the only recourse in this matter?

Shirley Trundle: I am a civil servant. I am here to implement Ministers’ policies, so yes.

The Countess of Mar: Something that we have not mentioned all morning is food. Food production is the primary purpose of our countryside, surely. Do you give food production the priority that it should have in all your discussions?

Shirley Trundle: The interesting thing about land is that it has multiple purposes. That is a great opportunity, but it is also where some of the challenges arise, because we need to try to optimise the benefits that we
get from land. Clearly food and timber are very important primary products that come from our land.

**The Countess of Mar:** They are going to be even more important after Brexit.

**Shirley Trundle:** We absolutely want to maintain the production of food, and we want to make sure that the food we are producing is of the greatest value added. Our Secretary of State very much has a vision about the place that UK food can have in the world as food that is produced in an environmentally sustainable way to high standards of animal welfare. He very much sees us as having that reputation for very high-quality food.

**The Chairman:** We move on to the biodiversity duty.

**Q9**

**Lord Foster of Bishop Auckland:** What difference has the duty on public bodies to “have regard to biodiversity” made to conservation of biodiversity on the ground? How has Defra promoted the implementation of the duty? Has it measured its impact?

**Shirley Trundle:** Back in 2010 we did a formal review of the biodiversity duty in Section 40 of the Act. That review concluded that quite a lot of organisations were taking action and doing activities that supported that. We surveyed in particular quite a lot of local authorities. At that point over half of them said that they were doing things that were raising the profile and visibility of biodiversity. It is always quite hard to isolate the effects of a specific legal duty from all the other influences that play on people. I mentioned earlier that government departments have a whole range of different ways in which they can try to promote the outcomes they are seeking to deliver.

A particularly timely example is how we work on pollinators, because it is Bees’ Needs Week. The duty certainly supports that activity, but we have had Ministers showing leadership. We have been convening and facilitating the coming together of interested groups. We use social media campaigns to widen the reach. That has enabled us to promote changes. We have seen local authorities change the way they manage their verges. We have seen supermarkets promote pollinator-friendly plants for people to buy. We have seen a lot of individual citizens get involved in monitoring pollinators and engaging with the issues. All that promotes biodiversity, but it does not rely just on the legal duty that sits behind it.

**Q10**

**Baroness Parminter:** What has been learned from the impact on the ground in Scotland and Wales of the different models that they have adopted to deliver similar rural and environmental goals?

**Shirley Trundle:** Our 2010 review explicitly compared the position in Scotland with that in Wales¹, and the reviewers concluded at that point

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¹ Note by witness: Although the transcript refers specifically to a comparison between Scotland and Wales, it should be noted that the same duties applied to both England and Wales at the time of the review. This does not change the conclusion regarding effectiveness.
that there was no material difference between the experience in the two
countries. We obviously monitor biodiversity and publish information
about what is happening, and we look at what is happening across the UK
as a whole as well as across England, but I do not think that we detect
any particular differences.

**Alan Law:** I would echo the general theme. There is variation in the
extent to which different public bodies have responded to the duty. Some
that we have worked with have clearly taken it very seriously and have
sought to try to implement it across the breadth of the piece. Others
have taken is less seriously, perhaps. The duty does not appear to have
particularly strong teeth when it comes to planning provision. Certainly
the test cases that have been brought have suggested that it would not
form a strong basis for planning decisions, and it seems to be the same in
England and Scotland, despite the wording being ostensibly more robust
in Scotland; it is untested as yet in Wales.

**Baroness Parminter:** Will you monitor that, given the 2016 Act in
Wales?

**Alan Law:** We will certainly do that.

**Q11 Baroness Byford:** How successful do you feel you have been since 2006
in preserving natural capital, ecosystems and landscapes? I add to that
the whole question of climate change, soil quality, and the resources, or
lack of them, of water in the circumstances.

**Shirley Trundle:** That is a very broad range. The answer is that there
have been great successes, but there is still more to do in some areas.
Alan has already referred to some of the declines in the more common
parts of biodiversity. Equally, we could point to successes in
improvements in water quality. The picture is varied across the piece, but
it is very clear that the Government feel that there is a lot more to do,
not least because of the manifesto commitment to be the first generation
to leave the natural environment in a better state than the one we found
it in, and the commitment to develop a 25-year environment plan. It is
very much the case that there is more to do. The plan will need to cover
all the elements that you have spoken about, and it will need to cover air
quality and what is happening in the marine environment, so it will need
to be very broad-ranging.

**The Earl of Arran:** I have a different question. Are you talking to your
European counterparts about withdrawal?

**Shirley Trundle:** I am not personally having discussions with them
about withdrawal, but the department has a whole set of programmes of
work focused on managing the transition in relation to agriculture and
food and to environmental regulation—a whole range of programmes.

**The Earl of Arran:** That means talking to Europe, does it?
**Shirley Trundle:** We have people who are talking to Europe and people who are talking to the other nations in the UK. We have a whole range of engagement.

**Alan Law:** Since NERC was introduced, we have had a huge number of things that we are enormously proud of that relate to your question. We have moved the condition of SSSIs in unfavourable condition from 50% to 95% in recovering condition, and in the last few years we have also progressively increased the proportion that is in a favourable condition. Within that, we have 100,000 hectares of priority habitat and biodiversity habitat, which have been created through our schemes since 2010. We have designated new national parks and new sites of special scientific interest. We have 8,000 hectares that our board will look at later this week. We have designated new marine conservation zones and new special protection areas. We have introduced coastal access to large stretches of the coast. There is a huge amount that we are really proud of. I have only scratched the surface here.

The challenge for the future is to draw those themes together in places and to bring them into what will add up to a resilient landscape. As I said before, that is an exciting challenge for the future.

**The Chairman:** Thank you both very much. No doubt our other witnesses over the next year will support you—or not, as the case may be—in everything that you have just said. To repeat, there are various things that you were going to give the Committee. I have made a note of some of them. One was an organogram of the rural policy team. Another was a note on the training workshops with other departments, both current and recent. Another was a note on the powers with regard to ragwort. I did not write down the one that Alan Law promised Lord Caithness.

**The Earl of Caithness:** It was a note of evidence of the implementation of Sir John Lawton’s *Making Space for Nature* recommendations: what has happened on the ground in implementing that.

**The Chairman:** And Lord Harrison wanted a note on the meeting with the DCMS about tourism, et al.

**The Countess of Mar:** May we also have a note on notifiable weeds?

**The Chairman:** Notifiable noxious weeds, exactly. You will both get a list alongside a transcript of the session.