

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

Third Delegated Legislation Committee

ENVIRONMENT AND RURAL AFFAIRS
(MISCELLANEOUS REVOCATIONS)
ORDER 2018

Monday 22 October 2018

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Friday 26 October 2018

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The Committee consisted of the following Members:

Chair: SIR CHRISTOPHER CHOPE

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| † Cunningham, Mr Jim (<i>Coventry South</i>) (Lab) | † Jones, Mr David (<i>Clwyd West</i>) (Con) |
| † Debbonaire, Thangam (<i>Bristol West</i>) (Lab) | † McGovern, Alison (<i>Wirral South</i>) (Lab) |
| † Dhesi, Mr Tanmanjeet Singh (<i>Slough</i>) (Lab) | Mahmood, Shabana (<i>Birmingham, Ladywood</i>) (Lab) |
| † Doughty, Stephen (<i>Cardiff South and Penarth</i>)
(Lab/Co-op) | Moore, Damien (<i>Southport</i>) (Con) |
| † Drax, Richard (<i>South Dorset</i>) (Con) | † Pollard, Luke (<i>Plymouth, Sutton and Devonport</i>)
(Lab/Co-op) |
| † Drew, Dr David (<i>Stroud</i>) (Lab/Co-op) | † Rowley, Lee (<i>North East Derbyshire</i>) (Con) |
| † Eustice, George (<i>Minister for Agriculture, Fisheries
and Food</i>) | † Stewart, Iain (<i>Milton Keynes South</i>) (Con) |
| † Grant, Mrs Helen (<i>Maidstone and The Weald</i>)
(Con) | † Tracey, Craig (<i>North Warwickshire</i>) (Con) |
| † Harper, Mr Mark (<i>Forest of Dean</i>) (Con) | Sarah Rees, <i>Committee Clerk</i> |
| | † attended the Committee |

Third Delegated Legislation Committee

Monday 22 October 2018

[SIR CHRISTOPHER CHOPE *in the Chair*]

Environment and Rural Affairs (Miscellaneous Revocations) Order 2018

6 pm

Dr David Drew (Stroud) (Lab/Co-op): I beg to move,

That the Committee has considered the Environment and Rural Affairs (Miscellaneous Revocations) Order 2018 (S.I., 2018, No. 739).

I am delighted to serve under your chairmanship, Sir Christopher. The Opposition believe that the order, which is dated 19 June 2018 and a copy of which was laid before the House on 20 June, should be revoked; in other words, we wish to revoke the revocations order. We know how many such statutory instruments we may face, so we do not necessarily wish to keep the Government for long tonight, but we have a few important points to make.

I make no apology for the fact that most of my speech will be about the Agricultural Wages Board, although no doubt we will have plenty of time to revisit the matter in our debates on the Agriculture Bill, which has been discussed in Parliament today. However, I will begin with a few general questions to the Minister. It is interesting that the Government are still trying to revoke orders on the milk quota. I am somewhat surprised that something that ended in 2015 is still being dealt with in 2018. It would be helpful if the Minister explained that.

As someone who supports the way in which land drainage works at a local level, I am surprised that we seem to be revoking orders on flood defence operating authorities. The question is really what we are putting in their place, because they are important to areas such as mine that are affected by flooding. Land drainage committees are essential to allow our areas to function without the threat of flooding.

On the issue of hay and straw, I would be interested to know why we are revoking something that seems to be standard practice. Given how difficult this year has been for many of our farmers as a result of rising hay and straw prices, where does that fit in? The explanatory memorandum from the Department for Environment, Food and Rural Affairs states that it is to do with the threat of foot and mouth. It would be interesting to know why and how we are controlling that, and why the existing legislation is being revoked.

The order is a bit of a curate's egg; the orders that it revokes do not seem to have much in common. However, no doubt the Minister will be able to explain why we are doing what we are doing. I make no apology for speaking mainly about agricultural wages. It is sad to see what is left of the protections for workers in agricultural areas disappear completely. As a manifesto commitment, our party would reinstate the Agricultural Wages Board, but the agricultural committees, which were separate from it, are also worth trying to protect.

There is a labour crisis in rural areas. The supply of people working in the industry has been affected by the migrant issue. We have talked a lot about the seasonal agricultural workers scheme and whether the Government's

current attempt will make much difference, but unless we can provide more domestic labour, where will the labour come from? Farmers tell me that they cannot get labour, partly because we have no structure for payment any more. People are receiving lower incomes, which is not good either for them or for the way in which rural areas operate.

Mr Tanmanjeet Singh Dhesi (Slough) (Lab): Does my hon. Friend agree that post Brexit, the resourcing of labour in rural areas is paramount if those local economies are to flourish, and that the Agricultural Wages Board should be reinstated?

Dr Drew: I agree with my hon. Friend; it is important that we make that point. We differ from the Government on the issue and will continue to do so when we debate the Agriculture Bill, so I am not going to rehearse those arguments in detail now. There was quite a debate on Second Reading in relation to some of the proposals in the Bill about how poorly England has done. Scotland and Northern Ireland still have parts of the Agricultural Wages Board and, of course, Wales has its own code. In England, we have nothing. I gather that about 60% of farmers—this is not necessarily the view of the National Farmers Union, with which we will agree to disagree—said in their submissions that at the time of the Government's decision to get rid of the Agricultural Wages Board, they were worried about how negotiations would take place. All the evidence suggests that wage levels have fallen in the agricultural sector, so it is difficult to recruit the people we desperately need, whether to pick fruit and vegetables, look after our dairy cows or do more general work. There is a crisis, which we all know about, and one way to put that crisis behind us is to ensure that we fund those workers properly—sadly, that is not currently the case.

I have touched on the inequality between the different territories in the United Kingdom, and I ask the Minister what research the Government have done on the impact of the removal of the Agricultural Wages Board to see if that is at least partly responsible for some of the crisis.

Mr Mark Harper (Forest of Dean) (Con): I thank the hon. Gentleman for giving way—his constituency is just across the fantastic River Severn from mine. I was listening carefully to what he was saying. Why does he think that agriculture businesses cannot do what all other businesses do? If they are having trouble recruiting labour, that is a market signal that they should perhaps pay people a little bit more. We do not have a supermarkets wages board, or a wages board for every other industry. Why does he think farmers are incapable of understanding the market signals that every employer must understand?

Dr Drew: Tesco, for example, has a union agreement with USDAW and negotiates centrally, but also has some discretion to negotiate locally. Farm workers have no mechanism now, which is as much of a problem for farmers as it is for the farm workers. Our argument has always been that there is no structure at all, which has not helped the industry. We have made that point and will not labour it because we will table an amendment to the Agriculture Bill. That is a division between us, but one that we could resolve if there were some structure in place. The revocation of the Agricultural Wages

Board has had an impact in lost wages, lost annual leave, and loss of sick pay—it was not just a wage-setting structure but one that gave the industry some stability. All this is made very clear by Unite, which is the union that represents farm workers. It has carried out regular surveys showing how difficult the position is for farm workers.

Given the crisis in recruitment, we hope that the Government will find a way to bring back that arrangement. It was not put in place by a Labour Government; Lloyd George brought it about with the trade bodies that he introduced and Winston Churchill—then a Liberal MP—took measures to put it in place, so it is surprising that a Conservative Government does not see its benefits. With the revocation, the remaining figment is being removed. Locally, agricultural communities played a part, and fed into the Agricultural Wages Board. If the revocation goes through, those committees will be completely removed. I hope the Government will listen to our proper and thoughtful contributions on the Agriculture Bill Committee, but we are giving them an early opportunity to think about what might replace the Agricultural Wages Board. I look forward to the Minister's reply.

6.10 pm

The Minister for Agriculture, Fisheries and Food (George Eustice): It is a real pleasure to serve under your chairmanship, Sir Christopher. The Environment and Rural Affairs (Miscellaneous Revocations) Order 2018 completes the various reforms and actions to simplify and clarify the statute book which have been identified through the red tape challenge initiative. On the point made by the shadow Minister, those reforms are not part of an EU withdrawal programme—as he said, we still have that to look forward to. They are the closing stages of the red tape challenge that took place between 2011 and 2015, which reviewed some 6,000 rules and regulations across Government. The Department for Environment, Food and Rural Affairs alone reviewed some 1,200 regulations, involving full public participation and external review. That led to recommendations to improve, simplify, merge or revoke 650 regulations.

The initiative was carried out against a clear objective: to ensure the maintenance of existing environmental and consumer standards. There was also a clear aim to remove needless red tape and bureaucracy and to support enterprise. Some of the reforms that were identified and implemented through the red tape challenge included the removal of outdated or redundant regulations to tidy up the statute book and the removal of overlapping or confusing guidance. Collectively, the reforms that were implemented by DEFRA under the red tape challenge were estimated to reduce business costs by around £300 million a year, as validated by the independent Regulatory Policy Committee.

It was in completing that work under the red tape challenge that the Environment and Rural Affairs (Miscellaneous Revocations) Order 2018 came into effect. It revoked a total of nine redundant SIs and came into effect on 11 July 2018. Turning to some of the key components that the shadow Minister raised, the order revoked a number of redundant provisions, including the Milk Quota (Calculation of Standard Quota) Order 1986, which was part of a redundant EU scheme that was first introduced in 1984, when EU production far outstripped demand. The quota regime was one of

the tools that were introduced to overcome those structural surpluses. Successive reforms of the EU's common agricultural policy have increased the market orientation of the sector, and in parallel provided a range of other, more targeted instruments to help support producers in vulnerable areas, such as mountain areas where the costs of production are higher.

Schedule 1 to the Agriculture Act 1986 provides for landlords to pay compensation to their tenants for milk quotas that are registered to them in relation to the land that makes up the holding, upon termination of tenancy of land in England and Wales. Those regulations ceased to have effect on 1 April 2015, following the final day of operation of the EU's milk quota regime. Since the scheme ceased to have effect at that time, we believe that it is right to remove the redundant order, which serves no further purpose.

The Environment and Rural Affairs (Miscellaneous Revocations) Order 2018 also revokes the Importation of Hay and Straw Order 1979, which prohibited the landing in Great Britain of any hay or straw except under the authority of a licence. As the hon. Member for Stroud pointed out, that order was introduced to protect animal health by requiring all hay and straw to be licensed prior to importation into Great Britain, thereby allowing the Secretary of State to put in place the necessary conditions. Hay and straw are a potential source of the foot and mouth virus.

The Importation of Hay and Straw Order 1979 has long been superseded by EU legislation, which now provides conditions for the importation of hay and straw from third countries. As such, that order is redundant and has been superseded by the definition of hay and straw in the Trade in Animals and Related Products Regulations 2011, which allows England to set conditions for processed hay and straw that may still carry animal health risks. DEFRA takes our obligation to protect against animal disease outbreaks very seriously. As we leave the EU we will ensure that all relevant EU provisions relating to the importation of hay and straw are maintained in our domestic law through the European Union (Withdrawal) Act 2018, thereby ensuring continuity.

The order also revokes the Code of Practice on Environmental Procedure for Flood Defence Operating Authorities (Internal Drainage Boards and Local Authorities) Approval Order 1996. That rather long-titled order, granted approval in accordance with section 61E of the Land Drainage Act 1991, set out a code of conduct. As part of the red tape challenge, DEFRA consulted widely with a number of bodies, including the Association of Drainage Authorities and the Association of Directors of Environment, Economy, Planning and Transport regarding the revocation of the code of practice. No concerns were raised, since the principles of the code are now fully embedded in good practice in any event.

Finally, and by no means least, since I know that it was the main reason the Opposition chose to bring about today's proceedings, the order revoked the remnants of the former agricultural wages legislation, which were no longer relevant and no longer in force following the coalition Government's decision to abolish the Agricultural Wages Board in 2013 via the Enterprise and Regulatory Reform Act 2013.

The Agricultural Wages Committees (Transitional Provisions) Order 1974 simply dissolved the then agricultural wages committees in England and Wales, in order that they

[George Eustice]

could be replaced by new committees in conformity with altered local government boundaries under the Local Government Act 1972. The Agricultural Wages Committees (Areas) Order 1974 then separately established, with effect from 1 April 1974, agricultural wages committees in line with the new altered local government boundaries. That order was repealed, in respect of England, by the 2013 Act, which abolished the Agricultural Wages Board and all the agricultural wages committees that existed at that time.

I simply say to the hon. Gentleman that the committees that existed in 2013 to support the Agricultural Wages Board have already been disbanded, and the legislation that established them has been revoked. Today's order does no more than remove a redundant order from the early '70s that simply pertained to local government boundary changes and the necessary reconfiguration of advisory committees that took place at that time, which was incidentally about the time that I was born. I hope that I have reassured him that, whatever his views about the need or otherwise for an agricultural wages board, the order we are revoking is neither here nor there, since it has ceased to have any effect since those local government boundary changes in the early 1970s.

I will touch briefly on the wider argument around the Agricultural Wages Board, since I have chosen to focus most of my comments on that particular order. As my right hon. Friend the Member for Forest of Dean pointed out, it is not necessary to regulate to increase wages in that way, when actually we have a very tight labour market, with close to full employment, and the market is driving higher wages.

The Agricultural Wages Board was conceived before the Labour party introduced the national minimum wage, which is now supported by Members on both sides of the House. More importantly, it was the current Government that introduced a new higher national living wage. The reality is that both the national minimum wage and the new national living wage have superseded the need for an old-style agricultural wages board, which had limitations. At best, it simply duplicated what was being done by the new national minimum wage. It also did not recognise the ability to pay certain staff a salary as it related all the time to an hourly rate of pay. That prevented some of the middle-tier management from being established on a proper footing with an annual salary, bonuses and the like. It was a restrictive system in that sense. It was built for a different era and I believe it has no place in the world in which we currently exist.

6.20 pm

Dr Drew: As I said, we will have this debate again when we consider the Agriculture Bill. I do not necessarily agree with what the Minister said. I am interested to know whether he will be able to introduce research on the impact of the loss of the Agricultural Wages Board when we consider the Bill, given the acute problems with migration. We may disagree on the cause of that, but we would agree on the consequences, which are not good.

I welcome the Minister's points on the other issues. The order is one of those strange things that has been put together to try to deal with a number of different

features, and I understand now exactly why it has been done as it has. We have not really got to Brexit—that is for another day.

Mr Harper: Can I just clarify what the hon. Gentleman is saying? He threw it in, but I did not quite follow it. On migration, was he suggesting that unlimited access to a very large labour market helps to keep wages down at the lower end? If that is the case, perhaps our exit from the European Union is an opportunity for us to decide who we want to come to this country and for those at the lower end of the labour market to see an increase in their wages, which I think would be welcomed on both sides of the House.

Dr Drew: What the right hon. Gentleman says, as a former Immigration Minister, is very interesting. I know that he had to deal with such issues. I am just making the point that we do not have enough labour in rural areas, particularly in farm supply, and that we must address that. Like everything else, that is part of a much bigger debate, which no doubt we will touch on in the Agriculture Bill, but I am just looking at what is happening at the moment, with insufficient labour to pick fruit and veg.

I talk to my farmers, just as the right hon. Gentleman will to his, and trying to get labour to do milking and some of the general work is not easy, and that situation is particularly acute because we are losing migrant labour, for whatever reason. Many of my farms have traditionally employed people from abroad for periods of time, which is why we have been critical of the Government's attempts to address this in the seasonal agricultural workers scheme. That should have been in place a long time ago to encourage people to come to this country for a specified period for specified work. That has not happened, and we will see how the new proposal operates, but it is a bit late and it seriously under-provides for the numbers we need in the current acute crisis.

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): I do not want to prolong the debate further but, reflecting on the number of orders that this order revokes, I wonder whether those have been captured as part of the one in, one out regulatory reform process—whether we have already seen ones in for these ones out. Or is it my hon. Friend's view that they are being saved up for the 800 Brexit statutory instruments that we are shortly to get?

Dr Drew: I do not want to be taken away from what we are debating today. I am sure we will have plenty of other opportunities to talk about Brexit issues. However, given the Government's emphasis on the number of statutory instruments that will be associated with the Agriculture Bill, we might as well get used to what we are doing because we will be testing a lot of them in the SI process. I would prefer that to be done through primary legislation with our amendments to the Bill, but that is not where we are today.

These orders are largely historic and we do not have any issues with the revocations, other than that we are laying down the ground rules of where we will try to move to in the Bill to get the Agricultural Wages Board back in some form. I accept what the Minister says. The board was not perfect, but it needed reforming, not abolition, and that is our great sadness on the Opposition Benches. I am indebted not only to Unite but to Sustain,

which is not a trade organisation per se but tries to encourage different ways of producing our food. It feels very strongly, as do Opposition Members, that that would be better advanced if we had some form of agricultural wages board.

We are open to suggestions. If the Government want to come back with a way in which we can solidify and restructure the setting of agricultural wages and conditions,

we are only too willing to be part of that process. Likewise during the Bill, we will not be there to wreck it but to reform, improve and enhance it.

Question put and agreed to.

6.25 pm

Committee rose.

