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PARLIAMENTARY DEBATES
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HOUSE OF LORDS

OFFICIAL REPORT

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Abbreviation	Party/Group
CB	Cross Bench
Con	Conservative
DUP	Democratic Unionist Party
GP	Green Party
Ind Lab	Independent Labour
Ind LD	Independent Liberal Democrat
Ind SD	Independent Social Democrat
Ind UU	Independent Ulster Unionist
Lab	Labour
Lab Co-op	Labour and Co-operative Party
LD	Liberal Democrat
LD Ind	Liberal Democrat Independent
Non-afl	Non-affiliated
PC	Plaid Cymru
UKIP	UK Independence Party
UUP	Ulster Unionist Party

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House of Lords

Thursday 16 July 2020

The House met in a Hybrid Sitting.

Noon

Prayers—read by the Lord Bishop of Birmingham.

Arrangement of Business

Announcement

12.05 pm

The Deputy Speaker (Lord Faulkner of Worcester) (Lab): My Lords, the Hybrid Sitting of the House will now begin. Some Members are here in the Chamber, respecting social distancing, and others are participating remotely, but all Members will be treated equally. If the capacity of the Chamber is exceeded, I will immediately adjourn the House. Oral Questions will now commence. Please can those asking supplementary questions keep them short and confined to two points? I ask that Ministers' answers are also brief.

Digital Platforms: Impact on Democracy

Question

12.06 pm

Asked by Lord Holmes of Richmond

To ask Her Majesty's Government what assessment they have made of the impact of digital platforms on the functioning of democracy.

The Parliamentary Under-Secretary of State, Department for Digital, Culture, Media and Sport (Baroness Barran) (Con): Digital platforms can play a positive role in public debate, helping to connect people and hold our political figures to account. The Government welcome the steps that some of the major social media companies have taken to help users make more informed decisions, including increasing transparency and working with independent fact-checkers. However, clearly they need to do more, and we continue to work with them to develop solutions that promote our democratic values.

Perhaps I may note on behalf of the department how much we welcome the report from the Lords Democracy and Digital Technologies Committee. I thank, in particular, the noble Lord, Lord Puttnam, for having chaired it and my noble friend for being part of it. I thank all who contributed.

Lord Holmes of Richmond (Non-Aff) [V]: My Lords, does my noble friend the Minister agree that platforms must be made responsible for the content they push, promote and amplify? It should be a case of "We support freedom of speech; there is no right to freedom of reach." Will she give the House a hint as to when the online harms Bill will appear, and will she assure the House that none of the provisions in the Bill will be unwittingly traded away in any upcoming trade deals?

Baroness Barran: In relation to my noble friend's first point, we have been very clear that the framework we will use for the upcoming legislation will be that social media platforms have a duty of care to those using them and that there should be an element of proportionality in that; that is, the higher the harm, the greater the duty. In terms of the legislation's timing, we will respond formally to the consultation in the next few months and legislation will follow that.

The Archbishop of Canterbury [V]: My Lords, I declare an interest in that certain funds across the Church of England and the Anglican Communion hold shares in social media companies, and vast numbers of churches and Anglicans, including me, use platforms for the promotion of the Church's work. The Minister will be aware that, although social media has immense power for good, some social media platforms are used to incite hatred, stirring up social disruption and even extreme violence in some parts of the world, as I have recently heard from bishops in the DRC. What steps are Her Majesty's Government looking at to motivate and encourage responsibility to be taken by such platforms to prevent their use in everything from hate speech to genocide?

Baroness Barran: The most reverend Primate captures the essence of both the potential benefits and the potential risks of social media platforms—a problem that arises particularly in countries where they represent almost the exclusive source of news. We will set out in great detail what we will do in relation to all those elements in our response to the consultation and then in the upcoming legislation. However, we anticipate that the international aspects will require intensive international collaboration to be effective.

Lord Trimble (Con): My Lords, I congratulate the noble Lord, Lord Holmes, on raising this issue. For me, the issue is still open and the jury is out, and we shall see how these things develop. I suggest that noble Lords should emulate the Conservative Party in 1945, which accepted the result of the election, which brought in a reformist Government. They should realise that the recent election that we have had has the potential to change the state of our democracy and should be treated with more respect than some noble Lords have given it over recent weeks.

Baroness Barran: I am happy to agree with my noble friend that we should accept the result of the recent election.

Baroness Kidron (CB) [V]: The United Kingdom is home to ground-breaking domestic legislation—such as the recently passed age-appropriate design code and the upcoming online harms Bill—that seeks to protect children online. However, the protections that these measures offer are at risk from an aggressive lobbying effort that is leveraging the US-UK trade negotiations and might undermine our domestic regulation. In doing so, it is undermining promises made to an electorate who have voted repeatedly for a Government who have promised to protect children online. This is in a context where today, right across the BBC, we see programming highlighting the risks to children online, including a 50% rise in child sexual abuse material during Covid.

[BARONESS KIDRON]

What steps is the DCMS taking to ensure that UK children are protected in the US-UK trade talks, and will the Minister be willing to liaise with the Secretary of State for Trade so that I and other concerned parliamentarians can put the case clearly for a carve-out in the trade deal to protect UK children from online harms?

Baroness Barran: My Lords, protecting children online is perhaps the greatest priority in our online harms legislation. Obviously, we are working very hard to understand the interaction between our trade policy and our online harms policy in future trade agreements, but we stand by our online harms commitment and nothing in the US trade deal will affect that. I am more than happy to do my best to liaise with colleagues in the Department for International Trade, as the noble Baroness suggests.

Lord Wills (Lab) [V]: My Lords, I recognise what the Minister said earlier about the duty of care but will she now rule out placing explicit obligations on social media companies to police advertisements with political content on their platforms? To save time, a simple “yes” or “no” would be sufficient as an answer.

Baroness Barran: I cannot give a simple “yes” or “no” at this time; all these things will be considered in detail, as I have mentioned already.

Lord Clement-Jones (LD) [V]: My Lords, the Select Committee chaired by the noble Lord, Lord Puttnam, rightly says:

“The digital and social media landscape is dominated by two behemoths—Facebook and Google ... Platforms’ decisions about what content they remove or stop promoting through their algorithms set the de facto limits of free expression online”—

a concern expressed by Facebook’s own recent audit. The Minister will be aware of the boycott of Facebook, Twitter and Instagram by leading companies over their approach to hate speech and fake news. Will she now ensure that all government departments join that boycott?

Baroness Barran: I would hope that government departments are putting nothing on Facebook or any other platform other than helpful and accurate information, so I cannot give the noble Lord that guarantee.

Lord Howell of Guildford (Con) [V]: My Lords, my question may be more for Parliament than for Ministers, but does my noble friend the Minister nevertheless agree that, with a highly informed, although also often sadly misinformed, and digitally connected electorate, Parliament itself badly needs to strengthen its committees, where there can be proper and sustained inquisition in the face of a hugely expanded and much more intrusive Executive, and where the increasingly visible dangers of growing presidential, technocratic and much too centralised government—none of which sit easily with genuine democracy—can be effectively scrutinised and curbed?

Baroness Barran: I cannot comment more widely on committees but, judging by the report produced by your Lordships’ committee in this area, it has been an exemplar of rigour.

Lord Stevenson of Balmacara (Lab) [V]: My Lords, I join others in congratulating my noble friend Lord Puttnam and his committee on their excellent report. As it says in paragraph 294, the Government already have the powers to introduce a requirement to include digital imprints on online political adverts. They have already consulted and committed to action in 2019; indeed, this is already the law in Scotland and it can be done by secondary legislation. The case is overwhelming. Will the Minister explain when we can expect this legislation?

Baroness Barran: I believe that this will form part of the online harms legislation.

The Deputy Speaker (Lord Faulkner of Worcester) (Lab): My Lords, the time allowed for this Question has now elapsed. I apologise to the three noble Lords who were not able to ask their supplementary questions.

Covid-19: Prisoners

Question

12.17 pm

Asked by Lord Harris of Haringey

To ask Her Majesty’s Government what progress they have made towards the implementation of the recommendations in the report by the Independent Advisory Panel on Deaths in Custody “*Keep Talking, Stay Safe*”: *A Rapid Review of Prisoners’ Experience under COVID-19*, published on 31 May.

The Advocate-General for Scotland (Lord Keen of Elie) (Con): My Lords, we welcome this report from the IAP on the experience of prisoners during Covid-19. The Government are committed to making safety a priority for all those in custody as well as staff. We have reviewed the recommendations in the report and are making good progress against a number of the areas identified, with many discussed further at a Covid-19 sub-meeting of the Ministerial Board on Deaths in Custody on 7 July 2020.

Lord Harris of Haringey (Lab) [V]: My Lords, I am grateful to the Minister for that reply. The IAP report said that early release was important to protect life. We were told that 4,000 prisoners would be released; indeed, the MoJ bought 2,000 tagging kits for those released. But, so far, only 209 prisoners have been released early. What went wrong? So far, 23 prisoners have died from Covid-19 in a prison population of 80,000. Each death is a tragedy; those prisoners were under the care of the state, and the state had a duty to keep them safe. However, to keep the numbers to such levels, many prisoners are confined, essentially in solitary confinement, in their cells for 23 hours a day, with limited access to exercise or basic rehabilitative activities, exacerbating mental health problems. There have been 36 self-inflicted deaths so far this year. Can the Minister tell us what proportion of prisoners are currently restricted in this way and when he expects that figure to improve?

Lord Keen of Elie: My Lords, the end-of-custody temporary release on licence scheme was there essentially as a safety valve for capacity reasons. As the noble Lord observed, there have been 209 releases as at 3 July. That is consistent with maintaining appropriate capacity within the prison population. There have tragically been 23 prisoner deaths since the start of the pandemic, again based on data available at 3 July, as against a model in March of 2,300 deaths—I emphasise, a model. Nothing has gone wrong with the release system as such. With regard to the situation within prisons, we have now seen a majority of prisons move to a less rigorous regime within the parameters set for prisons; indeed, a proportion of prisons are now able to admit visitors as well.

Lord Bradley (Lab) [V]: My Lords, noting my interests in the register, this report reminds us of the need for robust and effective alternatives to custody. This is especially so for people with mental health problems, whose experience of prison can worsen pre-existing conditions, including the risk of self-harm. Will the Minister therefore assure me that the planned investment in community sentence treatment requirement programmes will continue in the current 12 test areas, and that national rollout will be prioritised to ensure universal sentencing options for the courts and necessary treatment for offenders?

Lord Keen of Elie: My Lords, we are committed to developing a more robust community sentencing framework. We recognise the importance of that. With regard to the health of those within the prison system, we have been taking steps to ensure that appropriate support is in place. The Ministry of Justice, working closely with Cruse Bereavement Care, has established a series of interactive webinars specifically designed for chaplaincy and welfare teams.

Lord German (LD) [V]: My Lords, in his follow-up report just a few weeks ago, the Chief Inspector of Prisons said that “large and increasing” numbers of new prisoners are arriving and that “the End of Custody Temporary Release Scheme ... had failed to reduce the population meaningfully.” With overcrowding and capacity still major problems, and with prisoners locked in cells for 22.5 hours a day, what is the point of having a release scheme which, according to Her Majesty’s chief inspector, has failed?

Lord Keen of Elie: My Lords, the scheme is there to ensure that there is a safety valve for capacity within our prison system. It has worked in that respect. The primary issue has to be public protection. We have to take great care over the early release of those who have been imprisoned, particularly for offences that might otherwise inflict further danger on the public. At present, the Government have fully implemented compartmentalisation in 98% of prisons and introduced strong measures to protect not only prisoners but staff. The remaining matters of compartmentalisation simply await the completion of temporary accommodation.

Lord Garnier (Con) [V]: I refer to my interests in the register. While recognising the point that my noble and learned friend has just made about security, can he tell us what progress has been made in implementing the

report’s second recommendation—namely to streamline and expedite the early release scheme to create the headroom needed to take active steps to protect life? Does he agree with the report’s suggestion that:

“Given numbers of medically vulnerable people who need to be shielded”,
we should

“overhaul the process of release on compassionate grounds and review and halt the misuse of prison custody as a place of safety”?

Lord Keen of Elie: My Lords, we are not going to rush into reviews of the kind that my noble and learned friend refers to at this stage. However, we are of course anxious to build on improvements within the prison system, for example by building on some of the recommendations in the report, such as those concerned with the key worker scheme and with greater prisoner engagement and peer support.

Lord Ramsbotham (CB) [V]: In view of the Government’s general acceptance of the very sensible recommendations of the independent advisory panel, will they make a further report on the progress of their implementation when the House resumes at the beginning of September?

Lord Keen of Elie: My Lords, I am perfectly content to take further questions on this issue as we seek to implement some of the recommendations of the IAP report. As I indicated, it has already been the subject of consideration at a joint sub-committee ministerial meeting and we are taking forward some of the recommendations. I have mentioned two; the others I would mention are improvement in family contact, and the introduction of bereavement support and counselling for prisoners.

Lord Falconer of Thoroton (Lab) [V]: I congratulate the independent advisory panel on its report. One problem at the moment, because of coronavirus, is the fact that there are very few jury trials or magistrates’ courts trials, the consequence of which is that more prisoners are spending longer on remand. Can the Minister describe to the House what steps have been taken by the Prison Service to facilitate having more, and quicker, jury trials and magistrates’ courts trials, in particular by facilitating video links to prisons, courts in prisons and lawyers being able to take instructions from people remanded in custody?

Lord Keen of Elie: My Lords, the Prison Service is not directly facilitating the issues relating to jury trials, but we are taking steps to introduce additional courts so that we can, essentially, restart and develop the criminal justice system.

Lord Purvis of Tweed (LD): The last full report of the Prisons and Probation Ombudsman suggested that 70% of people who died of self-inflicted means in prison had already been identified as having mental health needs, but that these needs had been flagged to the Prison Service in only half those cases, while 29% of them had not even had a community referral for community mental health services. What is the Government’s target to ensure that 100% of those admitted to prison with mental health needs are flagged up to the Prison Service, and that they are able to continue to receive treatment?

Lord Keen of Elie: My Lords, we have encouraged prison governors to continue to operate peer support schemes, where possible, and issued guidance on how and why they should be maintained. We have also continued our partnership with the Samaritans by providing a further grant until 2021 to run its Listener scheme, which operates in 111 prisons and provided something like 30,000 hours of emotional support last year.

Baroness Uddin (Non-Afl) [V]: My Lords, I welcome this opportunity to ask for robust and full implementation of a Lammy recommendation, and I add my voice to that of my noble friend Lord Harris on the implementation of this report. I am disheartened to learn that we did not secure the release of significant numbers of prisoners during the pandemic, particularly those who are pregnant and women with young children. The numbers of black and Muslim men suffering at the hands of our police remain grim and deaths in custody are a scar on our democratic system. I have spoken about Zahid Mubarek in this very Chamber; he was killed in 2000 at the hands of a racist prison inmate and denied human decency when he sought assistance from prison officers. I could list hundreds of others; I wish that I could. I honour the women and families still campaigning for justice. What steps are being taken to enable the justice system to be fit for purpose and to have trust in upholding a humane justice system, eradicating the physical and mental cruelty inflicted disproportionately on black and Muslim men, be it on the roads with stop and search, through arrest or in police custody?

Lord Keen of Elie: My Lords, we have taken considerable steps in the implementation of the recommendations in the Lammy report.

The Deputy Speaker (Lord Faulkner of Worcester) (Lab): My Lords, the time allowed for this Question has elapsed. We now come to the third Oral Question.

Covid-19: Human Trafficking *Question*

12.28 pm

Asked by The Lord Bishop of Bristol

To ask Her Majesty's Government what assessment they have made of the impact of the Covid-19 pandemic on human trafficking in the United Kingdom.

The Minister of State, Home Office (Baroness Williams of Trafford) (Con): My Lords, during the Covid pandemic we are working closely with law enforcement to ensure that high-risk modern slavery cases continue to be pursued and that any changes to the threat of modern slavery are assessed. As a priority, we are continuing to deliver essential services and support for victims during the Covid pandemic.

The Lord Bishop of Bristol [V]: My Lords, in conjunction with the National Crime Agency, the Clewer Initiative has today released an app to help agricultural workers and their employers understand their rights and responsibilities. In the light of current

travel restrictions across the world, what assessment has the Minister made of the impact that the Government's proposed points-based immigration system will have on seasonal agricultural workers? Will the Government give the sector advance warning of any changes, following the review of the pilot later this year?

Baroness Williams of Trafford: My Lords, whether we have a points-based system or not, people who work in our agricultural sector should be protected from exploitation by unscrupulous people who might employ them. Therefore, I cannot see that our points-based system will have a particular effect, but we should always be on guard against people who might exploit those vulnerable to it.

Baroness Massey of Darwen (Lab) [V]: My Lords, before Covid-19 child migrants were already vulnerable to trafficking and suffered problems with health and social care. Could the Minister say what extra support for such children is now available at a local level, and how it will be monitored?

Baroness Williams of Trafford: The noble Baroness points to something that we have been very mindful of throughout this lockdown period. I did not quite hear what she said about whom we might support. Was she talking about vulnerable children?

Baroness Massey of Darwen [V]: Yes, vulnerable children.

Baroness Williams of Trafford: Absolutely, we have been very mindful of the vulnerability of children in all sorts of ways, whether it is from the effects of domestic abuse, online malicious intervention or drugs and gangs. We have secured £1.73 million for charities to provide emergency support to victims, and we have provided a further £1.4 million this year to continue our dedicated funding for the police to tackle modern slavery under the new modern slavery and organised immigration crime programme. This year, we will invest £7 million to safeguard victims of modern slavery.

Lord Taylor of Warwick (Non-Afl) [V]: My Lords, human trafficking is graphic, and it is a form of modern-day slavery. There are more slaves today than at the height of the transatlantic slave trade. What further action will the Government take to ensure that companies—for example, those in the textiles and fashion industry—eradicate slavery from their supply chains?

Baroness Williams of Trafford: Sadly, I agree with my noble friend; I fear that, having ruled against slavery over 200 years ago, it is now back on our shores in a different and far more difficult way. We do not require companies or organisations to certify that their supply chains are slavery free, because in many cases that might be impossible, but we do ask businesses to be transparent about their risks and the measures they take to mitigate this. Leicester is a very good example of where we have stepped in, and a task force, led by the Gangmasters and Labour Abuse Authority, has been set up to bring together the enforcement bodies.

Baroness Burt of Solihull (LD) [V]: The Walk Free Foundation, a human rights group, found that 75% of hospitality businesses were flouting anti-slavery legislation. As we emerge from lockdown, debt bondage will have increased and traffickers could capitalise as pressure on the hospitality industry to survive grows. Will the Government increase the number of workplace inspections and ensure that inspectors are highly trained to identify victims of trafficking?

Baroness Williams of Trafford: The noble Baroness makes a very good point. However, as I said earlier, modern slavery can be a hidden crime, so it is incumbent upon all agencies in their work to try and identify the signs of modern slavery and tackle it. The noble Baroness makes a very good point about the hospitality industry.

Baroness Redfern (Con) [V]: My Lords, Covid-19 has increased vulnerability to human trafficking and pushed victims into more risky work. At the same time, financial and other resources allocated to anti-trafficking efforts are likely to be stretched during the pandemic. Are extra measures being looked at, such as expanding the referral helpline and working with local government to place prominent notices in public areas to highlight the issue of victims and their need to be able to contact local authorities?

Baroness Williams of Trafford: I mentioned earlier some of the funding mechanisms that will be available. My noble friend is absolutely right that we have seen an unprecedented increase in the number of potential victims of modern slavery being referred to the NRM—in 2019, it was 52% more than in 2018. In response to that, we have surged resources into caseworking teams to ensure that those victims receive the decisions and the support that they need in a timely fashion.

Baroness Butler-Sloss (CB) [V]: My Lords, during the Covid-19 pandemic, might it be a sensible move, as well as a way of saving money, not to put children through the NRM?

Baroness Williams of Trafford: I agree with the noble and learned Baroness in the sense that we have paused an awful lot of the processes that might be in place for people seeking asylum. Protecting people during this period and making sure they get the support that they need is at the heart of our endeavours. She has a point—children need specific intervention. I am not entirely sure what the position is with regard to NRM, but the Home Office is very focused on supporting children who might be vulnerable.

Lord Kennedy of Southwark (Lab Co-op) [V]: My Lords, will the Minister first join me in paying tribute to the work of the Clewer Initiative and the leadership shown there by the right reverend Alastair Redfern, the former Lord Bishop of Derby, whose wise words are much missed in this House? Secondly, does the Minister accept that the exploitation of vulnerable people has continued and increased during the pandemic, with victims finding it more difficult to escape their abusers as front-line services have been either reduced

or shut down? Can the Minister tell the House what remedial action will be taken to help victims as the country reopens?

Baroness Williams of Trafford: I join the noble Lord in his praise for the Clewer Initiative. We feel that victims have been more in danger not because local services are not available to them but because we fear that many of them, particularly in situations of domestic abuse and slavery, are actually locked in with the exploiter or the abuser.

Baroness Barker (LD) [V]: The initial review from the Royal College of Obstetricians and Gynaecologists of abortion services delivered by telemedicine during Covid showed that staff, highly trained in safeguarding, have found trafficked women. Will the Minister's department work with the Department of Health and Social Care to evaluate and make this telemedicine service permanent?

Baroness Williams of Trafford: I fully support what the noble Baroness has said. I will certainly go back to the department in terms of the permanency of this, but she is right to point out that it is another indicator of what might be going on.

The Deputy Speaker (Lord Faulkner of Worcester) (Lab): My Lords, the time allowed for this Question has now elapsed.

Covid-19: Personal Protective Equipment Question

12.39 pm

Asked by **Baroness Andrews**

To ask Her Majesty's Government what steps they are taking to ensure that there is a sufficient supply of personal protective equipment for (1) hospitals, and (2) care homes, in the event of a second wave of cases of COVID-19.

The Parliamentary Under-Secretary of State, Department of Health and Social Care (Lord Bethell) (Con) [V]: My Lords, we have made our supply chains more resilient by massively expanding both our supply from overseas and our domestic manufacturing capability. We are now confident in our supply of PPE to meet the needs of health and social care over the next seven-day and 90-day horizons and are looking further ahead. We continue to model future demand from health and care services to cover the approach of winter and bring resilience to the supply chain.

Baroness Andrews (Lab) [V]: My Lords, the Government are being warned, urgently, on all sides to prepare for a second wave of Covid this winter. I hear what the Minister has said but last week, the Public Accounts Committee found that the Government are still not treating the supply of PPE with similar urgency. Will the Minister now commit to publishing a detailed plan by September, as the committee has asked for, explaining what exactly will be different, so that mistakes are not repeated and health and care workers are better protected?

Lord Bethell [V]: My Lords, I completely share the concerns of the noble Baroness, Lady Andrews, about a second peak and we are working to prepare for that. I respect the views of the PAC and emphasise that our approach to PPE is incredibly serious. A huge amount of work has gone into it and a huge amount of progress has been made.

Baroness Browning (Con) [V]: Can my noble friend identify what lessons have been learnt so far from both the quantity and quality of the PPE that has been used in homes and hospitals? What action will be taken to minimise cross-infection for those who have to go into people's domestic homes and who often work in more than one location?

Lord Bethell [V]: My Lords, the big lesson from Covid is that the quantity of PPE needed for a disease like this is massively more than could ever have been expected, particularly compared with our past experience. It has hit every country in the world and has hit the global supply chains incredibly hard. A benign lesson is that British manufacturers are capable of stepping up the challenge, and I salute their work. Contamination from itinerant workers was always one of the greatest challenges of the care sector, and we have put in a huge amount of work and financial resources to avoid the need for workers who move from home to home.

Baroness Coussins (CB) [V]: My Lords, when I asked the Minister on 24 June to ensure that interpreters in the NHS would not be forgotten when stockpiling PPE in case of a second wave, he very helpfully told the House that he would continue to press the department on this. So, I am mystified that I still have not had a reply to my simple question of 12 May, asking who is responsible for providing PPE for freelance NHS interpreters. Can the Minister enlighten me today?

Lord Bethell [V]: The noble Baroness is entirely right to champion the role of interpreters. Their role in the recent Leicester lockdown has been incredibly important: there could not have been an incident that better highlights the importance of language skills in the healthcare setting, and I pay tribute to the noble Baroness for championing those. The care of interpreters is an incredibly complex question and entirely depends on where they are sited. It is the responsibility of individual trusts to look after interpreters in hospital settings but, in other settings, it may be that of other organisations.

Lord Rooker (Lab) [V]: Do the Government now accept that there is no further excuse for secret, non-competitive contracts for PPE channelled through the friends of Ministers and special advisers? There are thousands of UK companies ready and willing to bid for contracts to produce PPE—why not use them? China may not be reliable in the future.

Lord Bethell [V]: I completely reject the implications of the noble Lord's question. While British companies have stepped forward and we are pleased to have made many contracts, there are not, I am afraid to say, thousands of domestic producers capable of providing the billions of items we need in the British health service.

I pay respect to all the companies that moved quickly and contracted under difficult circumstances for major contracts. I also salute the companies overseas with which we have good relationships, and which remain our trusted partners.

Baroness Brinton (LD) [V]: My Lords, alongside PPE we must have a comprehensive test and trace system to prevent a second wave. Today, the *Health Service Journal* reports that virtually all the top team of test and trace are leaving, and that McKinsey is contracted to review the governance and entire form of test and trace. Why would the Government bring in a multimillion-pound consultancy firm to review a so-called world-beating test and trace system?

Lord Bethell [V]: My Lords, turnover of the test and trace team is an inevitable consequence of an organisation that was set up using temporary staff, many of whom are on short contracts and need to return to their previous roles. It is regrettable, but I owe them a huge debt of thanks for the work they have done. The work of McKinsey is focused on governance, not on HR. It was commissioned some time ago and it is an entirely proper and regular appointment.

Baroness Thornton (Lab): My Lords, I refer back to what the noble Lord said about the amount of PPE that is needed. It is actually the case that in the 2016 report it was signalled that we would need a gigantic quantity. I am sure we would all agree that we need better organised and effective preparation if there is to be a second wave, and the centralised purchasing of PPE, managed by local public health agencies, will ensure effective distribution. I want to ask about the care sector. Does the noble Lord believe it is acceptable or wise for care homes to have to pay over the top prices and compete for PPE? Does this not put the wider public health interests at risk? What steps is the Minister taking to end discrimination against the care sector in the supply of PPE and ensure essential protection for care workers, residents and visitors?

Lord Bethell [V]: My Lords, it is a reality that the cost of PPE has gone through the roof. There is nothing that I or the Government can do about that. It is something we are going to have to live with and budget for: it is part of the new reality. As to the procurement of PPE, as the noble Baroness knows, within the care sector it was previously the arrangement that local providers would source their own PPE. The Government have stepped in to bring resilience and confidence to that supply chain and to offer alternative sources of supply to local care homes. We have moved emphatically and sought to bring both affordability and resilience to the supply chain.

Lord Dobbs (Con) [V]: My Lords, I was going to ask my noble friend about private sector provision of PPE, but I shall move on to something which may be even more significant—the hopeful news of developments in Oxford scientists identifying a vaccine against Covid. Is my noble friend able to offer any update on that news? Can he set out what role the private sector has in the development and, we hope, eventual manufacture of any such vaccine?

Lord Bethell [V]: My noble friend is entirely right: the news from Oxford appears to be incredibly encouraging. Coronaviruses are typically very difficult to provide vaccines for, but the Oxford team is clearly confident that it is making serious progress. It has a contract with AstraZeneca, which is its private sector partner in the UK and globally. The administration of that vaccine, should it be successful, or of any other successful vaccine, is a matter of huge national importance. Thanks to Kate Bingham and the Vaccine Taskforce, we are putting a huge amount of work in to ensure that the administration of that vaccine into the arms of the country will be done in a speedy and efficient fashion.

Lord Craig of Radley (CB) [V]: My Lords, the noble Lord, Lord Deighton, was appointed last April, with much fanfare, to resolve a national PPE crisis. Is he now responsible for ensuring adequate PPE, both clinical and other types—particularly for care homes, to deal with any second wave and the expected higher numbers infected through the winter months—for the whole of the UK, or just for England?

Lord Bethell [V]: My noble friend Lord Deighton is still in place: I spoke to him recently. His impact has been immense, and I owe him a huge debt of thanks for that. He is particularly focused on the “make” leg of the PPE project, and within that he has recruited firms such as Medicom, Redwood, Photocentric, Ramfoam, Elite and Macdonald & Taylor Healthcare—British manufacturers that are, between them, providing hundreds of millions of items of PPE.

The Deputy Speaker (Lord Faulkner of Worcester) (Lab): My Lords, the time allowed for this Question has elapsed and Question Time has now finished.

12.50 pm

Sitting suspended.

Arrangement of Business

Announcement

1 pm

The Deputy Speaker (Lord Faulkner of Worcester) (Lab): My Lords, the Hybrid Sitting of the House will now begin. Some Members are here in the Chamber, respecting social distancing, and others are participating remotely, but all Members will be treated equally. If the capacity of the Chamber is exceeded, I will immediately adjourn the House. We now come to the Motion in the name of Baroness Williams of Trafford. The time limit is one hour.

Terrorism Act 2000 (Proscribed Organisations) (Amendment) (No. 2) Order 2020

Motion to Approve

1.01 pm

Moved by Baroness Williams of Trafford

That the draft Order laid before the House on 13 July be approved.

The Minister of State, Home Office (Baroness Williams of Trafford) (Con): My Lords, the threat level in the UK, which is set by the independent Joint Terrorism Analysis Centre, remains at “substantial”. This means that a terrorist attack in our country is highly likely and could occur without warning. The threat we face from Islamist terrorism remains significant but, as Assistant Commissioner of the Metropolitan Police Service and national lead for counterterrorism policing, Neil Basu, has said, right-wing terrorism is the fastest-growing terror threat in the UK.

We can never entirely eliminate the threat from terrorism, but we are determined to do all we can to minimise the danger it poses and keep the public safe. The nature of terrorism is constantly evolving. There are organisations which recruit, radicalise, and promote and encourage terrorism, as well as those which commit terrible acts of violence against innocent people. Proscription is an important part of the Government’s strategy to disrupt the full range of terrorist activities.

The group we now propose to add to the list of terrorist organisations, amending Schedule 2 to the Terrorism Act 2000, is Feuerkrieg Division, or FKD. This is the 25th order under Section 3(3)(a) of that Act.

This Government are committed to tackling terrorism, regardless of what motivates it. FKD is a white supremacist group, the views and ideology of which stand in direct contrast to the core values of Britain. Its actions, which seek to divide communities and stir up hatred, are entirely contrary to the interests of our nation.

Proscribing this group will prevent its membership growing and work to stop the spread of propaganda that allows a culture of hatred and division to thrive. It will also help to prevent FKD from radicalising people who may be vulnerable to extreme ideologies and at risk of emulating the terrorist acts which they glorify.

Under Section 3 of the Terrorism Act 2000, the Home Secretary has the power to proscribe an organisation if she believes it is currently concerned in terrorism. If the statutory test is met, the Home Secretary may then exercise her discretion to proscribe that organisation. The Home Secretary takes into account a number of factors when considering whether to exercise this discretion, including the nature and scale of an organisation’s activities and the need to support other members of the international community in tackling terrorism.

The effect of proscription is to outlaw a listed organisation and ensure that it is unable to operate in the UK. It is a criminal offence for a person to belong to, support, or arrange a meeting in support of, a proscribed organisation or wear clothing or carry articles in public which arouse reasonable suspicion that an individual is a member or supporter of a proscribed organisation. Proscription acts to halt fundraising and recruitment and makes it possible to seize cash associated with the organisation.

Given its wide-ranging impact, the Home Secretary exercises her power to proscribe only after thoroughly reviewing the available evidence on an organisation. This includes open-source material, intelligence material

[BARONESS WILLIAMS OF TRAFFORD]

and advice that reflects consultation across government, including with the intelligence and law enforcement agencies. The cross-government Proscription Review Group supports the Home Secretary in her decision-making process. The Home Secretary's decision to proscribe is taken only after great care and consideration of a particular case and it is appropriate that it must be approved by both Houses.

Having carefully considered all the evidence, the Home Secretary believes that FKD is currently concerned in terrorism and that the discretionary factors weigh in favour of proscription. I cannot comment on specific intelligence, but I can provide the House with a summary of the group's activities.

This order proscribes FKD, a white supremacist group founded in late 2018 which has an international footprint, with members across North America and Europe. The group celebrates the concepts promoted in a collection of essays which advocate the use of violence and mass murder in pursuit of an apocalyptic race war. While the bulk of its activity is online, members have engaged in distributing violent, racist and anti-Semitic propaganda. In mid-2019 the group reportedly called for the deaths of a European Parliament politician and YouTube's chief executive officer.

FKD members have been arrested on terrorism charges in the UK and overseas. In 2019, US authorities charged several individuals with a variety of offences, including weapons charges, plotting to bomb a synagogue and attack members of the LGBTQ community, plotting to bomb a major news network, and distributing information related to explosives and weapons of mass destruction.

In September 2019, UK police apprehended a 16 year-old on suspicion of the commission, preparation and instigation of acts of terrorism. As a result, the group distributed among its members a list of police buildings and an image of the chief constable of West Midlands Police with a gun to his head and the words "Race Traitor" across his eyes, urging members to carry out attacks in retaliation for the arrest of one of its followers. In October 2019, a 21 year-old appeared in court in London charged with terror offences related to his purported support for FKD. He allegedly encouraged the mass murder of members of the Jewish and LGBTQ communities. FKD members have condoned and glorified acts of terrorism, including the Charleston church shooting, the synagogue shooting in Pittsburgh, the Oklahoma City bombing and the Christchurch shooting.

Our strategy to combat terrorism looks at the full spectrum of activity. This includes ensuring that groups which call for violence and mass murder and which unlawfully glorify horrific terrorist acts are prevented from continuing to stir up hatred and encourage violence. In addition, the Government's counter-extremism strategy challenges extremism in all its forms. Alongside this, and our Prevent work, we will continue to monitor whether extremist groups have crossed into terrorism.

It is right that we add FKD to the list of proscribed organisations in Schedule 2 to the Terrorism Act 2000. Subject to the agreement of this House and the other place, the order will come into force on Friday 17 July.

1.08 pm

Lord Wood of Anfield (Lab) [V]: My Lords, I thank the Minister for setting out the facts of the case with regard to FKD. I of course support its inclusion on the proscribed terrorist organisations list. I have a couple of brief questions about the system by which terrorist organisations get proscribed.

First, with reference to previous cases, particularly Kurdish terrorist organisations, can the Minister explain what material difference it makes to redesignate an organisation on the proscribed list as a separate terrorist organisation rather than an affiliate of another large organisation? That has been the subject of previous orders and I am sure will be the subject of future ones.

Secondly, does the Minister agree that there is a need for a better, more internationally co-ordinated system for the designation of proscribed terrorist organisations? I declare an interest as chair of the United Nations Association UK. There is currently no UN system for designating terrorist organisations, just a collection of organisations with approved sanctions passed by individual resolution. Each country has its own list, which may or may not overlap with those of other countries. Should the UK not argue for a multinational regime capable of providing a comprehensive and authoritative list of proscribed organisations that would be at least expected to be binding across countries?

1.10 pm

Baroness Ludford (LD) [V]: My Lords, the case for adding the Feuerkrieg Division to the list of organisations proscribed under the Terrorism Act seems strong. Its very name, Fire War, is calculated to convey violence and hate, and I trust the Home Secretary to be acting on sound intelligence about the activities of this group. The current Independent Reviewer of Terrorism Legislation, Jonathan Hall QC, has called it "a violent extreme white supremacist group".

If this SI passes, it will join National Action and the Sonnenkrieg Division as banned far-right groups. It is encouraging that the system is getting to grips with this strand of terrorism as well as with others.

However, I want to say something about the unsatisfactory state of affairs regarding the list itself, expressed forcefully by successive independent reviewers such as the noble Lord, Lord Anderson, and by the current one. In his 2015 report, the noble Lord, Lord Anderson, called the continued proscription of 14 groups which no longer met the statutory test "an affront to the rule of law."

During the passage of the last counterterrorism Bill he sought unsuccessfully to get a review scheme, with support from my party.

Mr Hall's first report, relating to 2018, was published in March this year. In it he noted that proscription has powerful effects on persons and groups beyond the proscribed body itself. This is particularly true for agencies and charities working overseas. But unlike for financial sanctions or designated area orders, proscription is neither time-limited nor subject to periodic review. He concluded that

"there is little excuse for not keeping the list of proscribed organisations up to date."

He noted that in its sole decision to date, on the PMOI case in 2007, the Proscribed Organisations Appeal Commission stated—albeit obiter—that it was the duty of the Secretary of State to hold periodic reviews. Mr Hall went on:

“The judges observed that ... it was ‘incumbent’ on the Secretary of State to ‘consider at regular intervals’ whether the power to deproscribe should be exercised”,

because

“it cannot have been Parliament’s intention that an organisation for which there were no longer any grounds for believing is currently concerned in terrorism should remain on the list ‘for any longer than is absolutely necessary’.”

The court was told at that time that the Home Secretary did carry out approximately annual reviews, but this practice ended in 2014. Mr Hall’s recommendation, perhaps to get round the Government’s objection, however flimsy, that they would have to divert resources to regular review exercises, was that proscription orders should automatically lapse after three years, unless extended. When will the Government agree to that sensible reform?

1.13 pm

Lord Bourne of Aberystwyth (Con) [V]: My Lords, I thank my noble friend the Minister for setting out the position with such clarity. It is chilling that right-wing groups—a white supremacist group in this case—are the fastest-growing terrorism threat to our country, as Neil Basu of the Metropolitan Police has rightly said. There are obviously echoes of this in the Prevent programme; I know the Minister is familiar with the fact that the far right-wing threat is growing. We very much value the work of the police and our security services for the incredible work they do.

The threat of terrorism is of course evolving, and I appreciate the need to be nimble and stay ahead of the curve. My point, perhaps in contrast to that of the noble Baroness, Lady Ludford, is more about groups that should be added to the list rather than deproscribed, although I will say something briefly on that too.

I appreciate that my noble friend will not want to comment on groups that pose particular threats and which may be added to the list but I seek reassurance—I know that this was also raised in the Commons—about groups that are well known and which have been highlighted, for example, by HOPE not hate, which does valuable work in this regard; I know that my noble friend is familiar with the work it does as she has worked with it. Will she confirm that we will, where necessary, have a laser-like scrutiny of these groups and act swiftly where there is a clear and present danger, as I believe there is from some of those groups?

On deproscription, which the noble Baroness, Lady Ludford, raised, the Explanatory Memorandum to this order it makes it clear at paragraph 14 that if a proscribed organisation or any person affected by the proscription raises the issue and applies to the Secretary of State,

“the prescription of the organisation will be reviewed.”

That should not be done too readily. I appreciate that that is a reasonable mechanism but I seek reassurance from my noble friend that we are not too swift to deproscribe organisations where there remains a clear

and present danger from them. However, I accept that if there is no such danger, there seems little reason for continuing proscription.

1.16 pm

Lord Hussain (LD) [V]: My Lords, the United Kingdom has suffered immensely and continues to be under threat from terrorism, and we have a responsibility to legislate and amend existing legislation whenever demanded to protect our people from the menace of terrorism.

The FKD is a dangerous, far-right organisation which is to be added to the list of banned terrorist groups, and I very much welcome this move. It seems that it has been extremely active online and has encouraged violent action against sections of the community, including Jewish and LGBTQ people, and welcomed the Christchurch killings. The rise of far-right terrorist organisations is a threat to peaceful people around the world, and there is evidence that they groom and poison the minds of young people to their violent and hateful cause. We must be constantly vigilant towards organised groups such as this which advocate hate and violence. The rise of the far right has become a big threat to our democracy, although the perception is that it is always the Islamist groups.

I support this amendment but add how proud we are of our freedom of expression and democratic values that we enjoy under British law. This freedom has also allowed many people from different parts of the world to escape oppression and persecution in their own countries and take refuge in the United Kingdom. From here, many of them continue to fight their battle for rights in their country of origin. I am sure that many of your Lordships have come across some such cases during your political life—I certainly have. Through their campaigns they highlight the plight of people like them in their own countries and expose their Governments. That is often seen as an insult and embarrassment for their native Governments, and as a result, from time to time we may find some of those individuals or organisations being outlawed by the Governments of their native countries. In some cases, those Governments may go even further by using diplomatic channels to ask the British Government to follow suit and ban those organisations and/or extradite individuals involved. I hope that the Minister will be able to assure the House that under no circumstances will the British Government entertain such a request from any country, no matter how strong the links Britain may have with it, unless the individual or organisation concerned has broken the law of this country.

1.19 pm

Lord Bowness (Con) [V]: My Lords, I thank my noble friend for her presentation and explanation of this measure. However, I question why we are considering it in July 2020 when, according to the policy background in the Explanatory Memorandum, this organisation has been on the radar here and elsewhere since late 2018, arrests were made in the UK and the US, and its alleged leader, a 13 year-old boy, was tracked down in Estonia at the beginning of the year. Furthermore, the organisation has apparently been dissolved, so will we need a fresh order if it reappears under another name? Do we know who the members might be who have become active in other organisations?

[LORD BOWNESS]

Also, reference is made in paragraph 3(1) of the Explanatory Memorandum to three organisations, but I assume we are dealing only with this one organisation. I fear that we are a bit behind the curve with our timing: according to reports, the group was established in the Baltic region, probably in Estonia, and the Estonian security service intervened in January 2020, seven months ago. Did we get information about this directly from Estonia or through EU agencies?

A much wider question arises. If we are to react expeditiously when such a group emerges, what arrangements will we have in place with the European Union post 31 December? I again remind my noble friend that the political declaration signed by the Prime Minister spoke of

“an ambitious, broad, deep and flexible partnership”,

the security element of which would include

“law enforcement, judicial co-operation in criminal matters, security and defence”.

Future arrangements should allow for

“timely exchanges of intelligence and sensitive information between Union bodies and the United Kingdom”.

I put it to my noble friend that that includes information about organisations such as this. With great respect, I hope that she will not repeat the usual answer I receive to Written Questions or from the Dispatch Box—that it will depend on the outcome of the negotiations—and that she will let us know what progress we have made and what the consequences will be if we have no agreement on 31 December.

I understand that we are planning to advertise the problems that individuals and businesses are likely to face post December of this year. Does that not signal that there is not much confidence about the outcome of the negotiation and an acceptance of no deal? I ask my noble friend: is the desire to be free of arrangements so great that even security matters are sacrificed?

1.22 pm

Lord Truscott (Ind Lab) [V]: My Lords, I support the order before your Lordships’ House proscribing the FKD. The FKD is clearly an odious, racist and anti-Semitic organisation which is a threat to our individual and collective security; it should be banned. For too long, the UK has tolerated fascist and terrorist groups in our midst, not only those like the FKD but Middle Eastern extreme Islamist groups. Unfortunately, the UK has had a long history of tolerating or even supporting such groups. A prime example was the UK’s and US’s support for Osama bin Laden and the mujaheddin in Afghanistan, which led to the foundation of al-Qaeda. Our meddling in the Middle East has not gone well—in Iraq, Libya or Syria. The UK has often granted asylum to terrorist groups or taken them in after ill-fated adventures. Today, we learned that Shamima Begum, and possibly other ISIS refugees and fighters, will be allowed back into the UK. Does the Minister have a comment on the Court of Appeal judgment, and will Her Majesty’s Government challenge it?

The UK has also funded and financially supported the White Helmets, despite that organisation operating only in terrorist-controlled areas of Syria. It has been filmed taking part in terrorist executions. The Netherlands

and the United States withdrew their financial support but last year, the UK gave asylum to 100 members of the White Helmets and their families. Will Her Majesty’s Government now declare the White Helmets a proscribed organisation?

The UK faces many security threats, both externally and from within. I hope that Her Majesty’s Government will do everything necessary to protect our citizens from terrorist organisations that seek to destroy the cohesion and fabric of our society.

1.24 pm

Baroness Altmann (Con) [V]: My Lords, I support this instrument and the proscription of the Feuerkrieg Division, FKD, which has tried to stir up hatred reminiscent of Europe’s darkest times. I commend the Government on the work they are doing to stop the spread of the propaganda that cultivates the culture of hatred and division that we have worked so hard to overcome. It is important that we ensure the proscription of such groups—whether they are from the left or the right—which are all threats to our way of life and directly contrary to our core values.

Can my noble friend reassure the House that the police are resourced sufficiently to ensure that they can keep an eye on all the people involved in those activities? As other noble Lords have mentioned, this group was dissolved in February this year, but the people have not gone away. It is therefore vital that, regardless of the organisation’s name, we have in place ways in which we can sufficiently track the activities of such people and send a strong and unambiguous message that condoning or glorifying acts of terrorism will never be tolerated.

Clearly, it is difficult to act swiftly and also uphold the necessary due processes, but I hope that my noble friend the Minister can assure us that counterterrorism policing and its strategic partners have sufficient resources to deal with these challenges. I also add my support for the excellent work of HOPE not hate, which my noble friend Lord Bourne mentioned. Equally, I share the concern of my noble friend Lord Bowness about potentially departing from the EU without a deal and what that would mean for security co-operation. Can my noble friend the Minister give the House an idea of how much security co-operation from the EU fed into the process that led to the banning of the FKD under this order?

1.27 pm

Lord Mann (Non-Aff) [V]: I congratulate the Minister and the Home Secretary on their appropriate action in relation to FKD, and the Sonnenkrieg Division and the Atomwaffen Division previously. I also commend the Anti-Defamation League, in America, which has been critical in exposing both those organisations, and with which I have constant communication and contact.

Have there been discussions with Estonian ministerial counterparts, given that the FKD and the Sonnenkrieg Division appear to have strong Estonian links? If not, would the Government consider such discussions to see what we can learn about the reason for the growth in such organisations in the Baltics?

1.28 pm

Baroness Hamwee (LD) [V]: My Lords, as other noble Lords have said, the question is not just “Why?” but “Why now?”; I am certainly satisfied as to the former. The FKD seems to be—or have been—a thoroughly nasty, dangerous extremist organisation and it is hard to find words to describe what one reads about it:

“A small international neo-Nazi organisation that embraces the most extreme interpretations of white supremacist ideology” according to a website—not its website, obviously. Apparently, it

“criticises and demeans other white supremacist movements, such as the alt-right, for being too focused on public perception and unsuccessful in creating real societal change”—

a rather sinister application of “deeds not words”.

It says that there needs to be a war against a society controlled by Jews, and that that is inevitable and the only way to reset cultural and societal norms—“Black lives don’t matter”. I am sure that the *Official Report* will understand that those last four words are in quotes. It advocates killing and, as I think the Minister was alluding to, it targets teenagers and young adults.

I ask, “Why now?”, because the actions referred to in the Explanatory Memorandum and by the Minister have mostly been outside the UK and took place a little while ago. Activities in the UK, at least those cited, took place last autumn; there was one arrest without prosecution and one alleged offence, as I read it, although ironically, there was an announcement in February this year that the group would dissolve. I do not challenge the assessment that the group and its members remain active through channels other than Telegram, but would this order catch them? Can the Minister address this in her response? This links to the questions from the noble Lords, Lord Wood and Lord Bowness, and the noble Baroness, Lady Altmann. I am glad that they raised the international and EU dimensions.

The House has heard that a former Independent Reviewer of Terrorism Legislation described how the regime of proscription is undermined. More than that, the noble Lord, Lord Anderson of Ipswich, described it as

“an affront to the rule of law”

by keeping on the list organisations that have changed and are no longer concerned with terrorism. It is an affront, given the implications of proscription for freedom of speech and the penalties carried with it.

Yesterday, the campaigning organisation HOPE not hate—its name describes its purpose—welcomed this proscription but demanded to know why a group with only a handful of members in the UK was to be proscribed but not the Order of Nine Angles, which it says is a violent Nazi group actively organising in the UK whose beliefs have inspired several young people recently convicted of terrorism. Yesterday, HOPE not hate encouraged people to tweet the Home Office asking it to proscribe that group, which is still a threat to British people. Obviously, I do not expect the Minister to comment on that group; I do not know whether she has been briefed on those tweets.

There have now been many calls for regular and frequent proactive reviews of proscription orders by such reprobates as the current Independent Reviewer of Terrorism Legislation, the noble Lord, Lord Anderson of Ipswich, the Home Affairs Select Committee and my noble friends Lord Paddick—during the passage of the then Counter-Terrorism and Border Security Bill—and Lady Ludford. I, too, take the view that the Government should have a duty to keep orders under review to bring this into line with sanctions and the designation of areas—so, a duty to deproscribe.

The noble Lord, Lord Bourne, referred to what I think is the standard paragraph—paragraph 14—about the right of a person affected by proscription to apply for deproscription. I seem to remember that, during the passage of the then Counter-Terrorism and Border Security Bill, we queried how realistic this was as the individual would draw attention to himself. I believe that the noble Lord, Lord Anderson, referred to Northern Irish groups having difficulty in pursuing this.

The Minister in the Commons talked about orders such as this

“ensuring that groups who call for violence and mass murder ... are prevented from continuing to stir up hatred”.—[*Official Report*, Commons, 15/7/20; col. 1632.]

I wish that could be ensured. The orders are one tool to do so; of course, we do not oppose this order. Given how precious our freedoms are, again, we call for the most careful and well-justified use of powers to restrict those freedoms, as well as for the converse: the use of powers where that use defends those freedoms.

1.34 pm

Lord Rosser (Lab) [V]: I thank the Minister for her explanation of the content and purpose of this order, which we support. It adds Feuerkrieg Division—FKD—to the list of proscribed organisations covered under Schedule 2 to the Terrorism Act 2000. This is, I believe, the 25th order under that Act. To pursue points made by others, can the Minister indicate how many organisations are still on the proscribed list, and confirm that the Government still consider that they all remain in existence and continue to be concerned in terrorism?

The Home Secretary can seek to have an organisation proscribed if, and only if, she believes that it is concerned in terrorism as defined in the Terrorism Act, and then decides to exercise her discretion to do so. Proscription means outlawing an organisation and preventing it operating in the United Kingdom; it then becomes a criminal offence to belong to or support such an organisation.

As has been said, the organisation we are discussing today is a white supremacist group founded less than two years ago. It has members in North America and Europe, and advocates the use of violence and mass murder in pursuit of an all-out race war. Most of its activity is online but it also distributes violent, racist and anti-Semitic propaganda.

As we know, right-wing terrorism is the fastest-growing terror threat in the United Kingdom, and indeed in other countries. The Government need a coherent and comprehensive strategy in place to tackle far-right extremism, including availability of resources. I hope that the Minister can outline in her response what that strategy is beyond proscription orders.

[LORD ROSSER]

As the Minister said, FKD members have been arrested on terrorism charges both in the UK and overseas. Last year, US authorities charged several individuals with offences including weapons charges, plotting to bomb a synagogue, plotting attacks on the LGBT community, plotting to bomb a major news network and distributing information related to explosives and weapons of mass destruction. As we know, 10 months ago, police in this country apprehended a 16 year-old on suspicion of the commission, preparation and instigation of acts of terrorism, which led to the group urging members to carry out attacks in retaliation for the arrest of one of its followers. In October last year, a 21 year-old appeared in court charged with terror offences relating to his purported support for FKD after allegedly encouraging the mass murder of members of the Jewish and LGBT communities. Group members have also condoned and glorified acts of terrorism, including the Christchurch shooting.

In February this year, FKD announced that it would be dissolving but no reason was given and it is apparently considered that the group and its members remain active through other channels. As others have said, on the face of it, it is a little odd that when FKD did not seek to hide its existence, the Home Secretary did not take the necessary action to have it proscribed but once it claimed it would dissolve, the Home Secretary decided to act. Can the Minister comment on that in her response?

When the Government say that it is considered that the group and its members remain active through other channels, does that mean that it is suspected that the group has likely merged with another organisation; that it may have, in effect, simply renamed or unnamed itself and be operating exactly as before; or that it is operating in a different way, albeit continuing to be concerned in terrorism?

If FKD claims to be dissolving, does that claim also apply to the United States or is it only in this country or in Europe? If it does apply to the United States, do the US authorities also hold the view that the group and its members remain active through other channels? Can the Minister confirm that the Government do not consider that there would be any insuperable difficulty in proving membership of, or support for, FKD once it has been proscribed, despite its claim that it would be dissolving?

We support this order since we are committed to tackling all forms of terrorism and ensuring the safety of our nation and our citizens. We express our thanks to our police and security services for their work in this regard. I agree that there is a strong case to be made for FKD's proscription. I accept that much of the information on which the Home Secretary has based her decision to pursue this order is likely to be of a nature and content that precludes it being disclosed for national security reasons. However, I hope that the Minister will be able to respond not only to my few brief questions but also to the questions asked and points made by the other noble Lords who have spoken in this debate.

1.40 pm

Baroness Williams of Trafford: I thank all noble Lords for the points they have made on this proscription debate. I shall start with the last point made by the noble Lord, Lord Rosser, and confirm that if I cannot answer specific questions, it is because those answers cannot be disclosed. Similarly, on any decision that the Home Secretary might make about proscription, those sorts of decisions are not generally shared.

The noble Lord, Lord Rosser, mentioned the difficulty of deproscription applications, but last year, the Home Secretary deproscribed the Libyan Islamic Fighting Group following its application. Deproscription applications do work and it is a simple form that is used. The noble Lord asked about the number of groups that are currently proscribed: the number is 75, plus 14 Northern Ireland groups. As I said, I cannot go into details on the system by which decisions are made, but I can comfort noble Lords by confirming that the system is based on a range of evidence, and decisions are taken after extensive consideration and in light of a full assessment of that available information.

My noble friend Lord Bourne asked whether we can act swiftly on groups that pose a threat. Absolutely we can, but, given the impact this has on people, we need to be very careful to make the right decision based on all the evidence we have before us.

The noble Lord, Lord Hussain, referred to foreign Governments' requests for proscription, deproscription and extradition, or any activity of that type. The Government do not and will not make decisions based on pressure from a foreign Government, or indeed political pressure; that would be quite against the democratic process. The Home Secretary makes decisions based on the facts before him or her.

A number of noble Lords have asked: why now and why? Why now? Because decisions of whether to proscribe this organisation have been taken after extensive consideration and in light of a full assessment of all available information.

The noble Lord, Lord Bowness, and my noble friend Lady Altmann asked what happens when we leave the EU and whether we will consult member states. We engage with other member states on intelligence-sharing; that will not change when we leave the European Union. In fact, I recall the noble Baroness, Lady Manningham-Buller, making that very point in this House. The intelligence sharing will always go on, within or without the EU.

The noble Lord, Lord Bowness, made the point that the group claims to have dissolved. We can be cynical about that, and what we require is evidence of ongoing threat or not. When we leave the European Union, we will want as robust a security arrangement as possible.

For reasons I have already outlined, I will not comment on the White Helmets or any other group, and I certainly will not be commenting on the Shamima Begum case; the Home Secretary will consider the court's judgment, note it and decide on the next steps to take.

My noble friend Lady Altmann asked whether the police are adequately resourced to deal with groups such as this and about CT policing specifically. It is ring-fenced, and I am quite certain not only that CT police are adequately resourced but that the 20,000 new police officers will very adequately meet the changing demands of policing.

The noble Lord asked about ministerial discussion with Estonia. I have already said that we engage with other nations, but I cannot confirm whether we engage with Estonia on this particular case.

There was one final point I was going to make, which seems to have escaped me, but it might come back to me—I literally cannot remember. I think those are the main points, and with that, I beg to move.

Motion agreed.

1.47 pm

Sitting suspended.

Arrangement of Business

Announcement

2.45 pm

The Deputy Speaker (Lord Alderdice) (LD): My Lords, a limited number of Members are here in the Chamber, respecting social distancing. If the capacity of the Chamber is exceeded, I will immediately adjourn the House. Other Members will participate remotely, but all Members will be treated equally wherever they are. For Members participating remotely, microphones will unmute shortly before they are to speak; please accept any on-screen prompt to unmute. Microphones will be muted again after each speech. I ask noble Lords to be patient if there are any short delays as we switch between physical and remote participants. I remind the House that our normal courtesies in debate still very much apply in this new hybrid way of working.

A participants' list for today's proceedings has been published and is in my brief, which Members should have received. I also have lists of Members who have put their names to the amendments or expressed an interest in speaking on each group. I will call Members to speak in the order listed. Members' microphones will be muted by the broadcasters except when I call a Member to speak. Interventions during speeches or before the noble Lord sits down are not permitted, and uncalled speakers will not be heard.

During the debate on each group, I will invite Members, including Members in the Chamber, to email the clerk if they wish to speak after the Minister. I will call Members to speak in order of request and call the Minister to reply each time. The groupings are binding and it will not be possible to de-group an amendment for separate debate. A Member intending to press an amendment already debated to a Division should have given notice in the debate. Leave should be given to withdraw amendments.

When putting the Question, I will collect voices in the Chamber only. If a Member taking part remotely intends to trigger a Division, they should make this clear when speaking on the group. We will now begin.

Agriculture Bill Committee (4th Day)

2.47 pm

Relevant documents: 13th Report from the Delegated Powers Committee

Clause 1: Secretary of State's powers to give financial assistance

Amendment 73

Moved by **The Earl of Caithness**

73: Clause 1, page 2, line 35, at end insert “, and to reduce and sequester climate change emissions.”

Member's explanatory statement

This amendment would ensure that financial help can be given to help reduce climate change emissions.

The Earl of Caithness (Con) [V]: My Lords, Amendment 73 stands in my name and that of the noble Baroness, Lady Worthington. This is a simple amendment. About 25% of greenhouse gases come from agriculture. That percentage will increase as more green energy production comes online. What we can grow, and what we will be able to eat, will be determined by climate change.

We are watching the rapidly changing climate in the Arctic with some horror. That is of huge importance to us, as four of the six main systems that determine this country's weather are driven by conditions in the Arctic. One example, and a pretty sobering one, is that the “beast from the east” that we experienced in March 2018 cost the UK about half the annual budget paid to farmers.

The Paris Agreement states that countries should be

“holding the increase in the global average temperature to well below 2°C ... and pursuing efforts to limit temperature increase to 1.5°C”.

We are likely to break that threshold of 1.5 degrees before the next general election.

All of the pathways in the IPCC's special report say that there has to be the use of negative emissions; that is, the removal of CO₂ from the atmosphere. This is not an alternative to reducing emissions but an essential extra if the planet as we know it today is to survive. Our land is not absorbing as much CO₂ as it could, and the priority should therefore be to restore nature to allow it to sequester increased amounts of CO₂. That is what my amendment seeks to do.

I commend the NFU on the progress that it has made on this and on its template aim of net zero by 2040. We must give every encouragement to farmers to help them meet the reductions that will be necessary, and I believe that the Bill could do more on that. I had thought that my amendment would sit well at the end of Clause 1(1)(j) relating to soil, but I prefer it where it is, so that any financial payment would be conditional on meeting the reduction in sequestration condition. That is no more than what the Climate Change Committee asked for in its 2019 report, when it recommended:

“Financial payments in the UK Agriculture Bill should be linked to actions to reduce and sequester emissions, to take effect from 2022.”

I beg to move.

Baroness Jones of Moulsecoomb (GP) [V]: My Lords, it is a pleasure to follow the noble Earl, Lord Caithness, and an even greater pleasure to hear a Conservative Peer—a hereditary one at that—speaking so eloquently about climate change, because this is a problem that the UK is not facing up to in a coherent way, so the more that we can do with this Bill, the better. It is not really a surprise that the concept of zero carbon is not in the Bill, because most of it was written before we signed up to that. It was drafted three years ago, and I regret that more redrafting was not done before it came before your Lordships' House. The Government have had over a year since they put a commitment to net-zero carbon emissions by 2050 into law. I will be very forgiving with the Minister and suggest that they have just not got around to updating this legislation yet.

The amendments in the group, including my Amendment 274, seek to bring the Bill up to date with our net-zero carbon commitment and ensure that agriculture and land management play their proper role in achieving net zero. Agriculture plays a huge role in our carbon footprint and it will grow proportionally as other sources of emissions are reduced. It is therefore essential that the Government should set out a clear trajectory for agricultural emissions and a credible strategy to achieve that. Of course, we have to think about other parts of the economy as well. If we insist on carrying on flying as we did in the past pre coronavirus, other bits of the economy will have to do more to bring our emissions down to zero carbon—so there is that thought as well.

There are some differences between Amendments 272 and 274. Amendment 274 would require net-zero agriculture emissions by 2050, whereas Amendment 272 does not contain this net-zero requirement. Instead, it would require the Secretary of State to have “due regard” to Section 1 of the Climate Change Act. This would mean that agriculture would make some contribution towards the wider goal of net-zero emissions across the economy, but I believe that net zero is possible, and indeed achievable and desirable, for agriculture, and I urge noble Lords to aim to include the amendment in the Bill on Report.

I turn now to the Minister. I have a few things to which I hope that he or she—I cannot see who it is—can give a response. Does the Minister think that net-zero carbon emissions in agriculture is actually achievable by 2050, and what about the important role that setting this out in law will play at stimulating innovation and investment in the right things? Will the Minister undertake to work with noble Lords from across the House to update the Bill by Report stage to reflect the big change in net-zero legislation that occurred last year after the Bill was first drafted? I look forward to the Minister's response.

The Earl of Devon (CB) [V]: My Lords, we spent the first three days of this debate discussing the baubles that were to adorn the Christmas tree under Clause 1 on ELMS. We are now somewhat getting to the meat of the matter and considering, in my view, the Christmas tree itself. But I am concerned that if this Christmas tree Bill is allowed to pass into law in the manner in which it is currently drafted, it may well wither and die

before any of those ELMS baubles can be appreciated. The reason for that—I raised this issue at Second Reading—is the transition gap, or perhaps more pertinently, the transition chasm across which many farms may not make it in the years between 2021 and 2028, when ELMS are due to come into effect.

The noble Baroness, Lady Young, spoke about the “cataclysmic changes” that will occur to farming as a result of this legislation, and I do not think that she is overstating the position. As a result of this legislation, we will see over the coming years a dramatic decrease in the basic payments that farmers receive. At some point, those payments will be replaced by a series of payments under ELMS, but, as we are well aware after three days of interesting but very varied and somewhat random debate, the details of the scheme are years away from completion, and farmers simply do not know what will replace the essential income that they currently receive. My real concern is that this will have a dramatic effect on the environmental impact and environmental outcomes of farming. This is based on personal experience as well as discussions with the NFU and others, and it stems from a number of different angles.

For a number of farmers, the loss of the BPS will be fatal to their businesses, and those businesses will go out of business. The result will be that land will either fall fallow and therefore deteriorate—the environmental impact of that is considerably negative—or it will be sold to a more commercial neighbouring farmer who will be able to increase productivity and thus increase environmental degradation. Other considerations are that those farmers who are able to survive the transition chasm will do so only by tightening their belts. From a personal perspective, I have been advised not to invest heavily in capital projects at this time; why invest in something now for which you might well be paid by ELMS later? The conversations that I have had with agricultural and environmental advisers along the same lines conclude exactly the same thing: they are advising all their clients to hold off making any major productivity and environmental investments at this time because we simply do not know what is going to happen and we may be paid for these things at some point in the future. The net result of that will be a catastrophic drop-off in environmental gains.

My amendment is a very simple one that I recommend to noble Lords as a somewhat shorter amendment than Amendments 272 and 274, although I believe that it is targeted at the same thing. It asks that the Secretary of State should confirm that the implementation of this legislation will not negatively impact our progress towards net zero by 2050. The amendment is worded in that way for a specific reason. It is not that it will stop us achieving net zero by 2050; it is that, during the time between 2021 and 2028, our progress towards those goals will not be negatively impacted; that is, we will not go backwards.

The next five, six or seven years are absolutely crucial if we are to have any hope of reaching the monumental target of net zero, but introducing a system that simply forces us to take backward steps is not, I believe, appropriate. My amendment was inspired by the decision of *R v Secretary of State for Transport*

with respect to the Heathrow runway. It seems that Parliament should not be passing legislation that is contrary to those net-zero targets and we should not be passing legislation until we have satisfied ourselves that this will not have a negative environmental impact.

3 pm

Lord Randall of Uxbridge (Con) [V]: My Lords, I have added my name to Amendment 274, although I am thoroughly behind the other amendments in this group. I will not go down the line of Heathrow; it always gets me excited because I am firmly opposed to any expansion there.

There is really nothing further that I would say; the eloquent speech of my noble friend Lord Caithness really said it all. I also pay tribute to the NFU for its work on trying to reduce carbon emissions. I am very keen for us to get on with this discussion and debate, so the only thing that I will say is that one thing that is sometimes forgotten when we talk about sequestering carbon emissions is wetlands. That is something that we can look at very seriously in the Bill. If the noble Earl, Lord Devon, is correct and there will be problems, wetlands may be the answer. The Bill may supply the answer to how that is done.

We want to get on with the Bill, though, because while we have been congratulating and paying tribute to farmers and land managers all along, if we are not careful and do not get this legislation through, we will not be able to pay them.

Baroness Worthington (CB) [V]: My Lords, it is my pleasure to speak to Amendment 73 in the name of the noble Earl, Lord Caithness, and Amendment 274. I also strongly support the other amendments in this group.

Like many, I have been listening to the many varied and fascinating debates that have surrounded the Bill in Committee. I am holding myself back and contributing only to this group of amendments. This is partly because, while this is not my area of expertise, I look at this through the lens of the need for us to take a whole-economy approach to climate change. This is therefore the group on which I thought I had the most relevant comments to make. I hope noble Lords will forgive me if I speak for a little longer than others have on this group, just to articulate why it is so fundamental to the Bill's success that we address climate change front and centre in the Bill.

The Agriculture Bill is essentially a framework piece of legislation, but the collection of measures in it lack an overriding purpose and an overriding legislative goal for which we can hold the Government to account. The function of moving from the current system of the common agricultural policy to a new set of parameters and rules that the UK can set for itself is welcome. We all know that the current system of subsidies for agriculture has had many impacts, many of them environmental but many of them social, and this has affected how we interact with our land. We now have an opportunity to set a new path, and the Government should be commended for the policy statements they have made and the signals they have given about this new change in direction. That is very timely and will be very significant for generations to come.

With that, I ask the Minister if the Government could seriously consider adding a clause to the Bill that would make it perfectly clear that it is part of an endeavour to realign our agricultural and food sector with that goal of being climate-compatible and net zero by 2050. The noble Earl, Lord Caithness, has eloquently made the point that this sector, more than any other, will feel the impact of a disturbed climate—a climate that can no longer be predicted, where extreme weather events impact our ability to grow food and sustain our land in the way that we have been accustomed to. It is imperative that we take action in the long term to secure a stable climate.

The other interesting fact about agriculture and food is that both are a source of climate change emissions and greenhouse gases but also a significant sink—a way of absorbing more of the excess greenhouse gases back into our soils, our forestry and our land. So the sector is in a unique position, both to reduce its own impact and to increase its ability to be a central part of the solution for getting to net zero. For those reasons, it is imperative that we make that clear in the objectives of the Bill. Clause 1 says that future payments will be tied to environmental sustainability, but that is not precise or clear enough to give the Bill the direction of travel that it really needs or to give clarity about the purpose of the Bill and this change of direction.

At the moment, when we think about tackling climate change, one of the most politically difficult issues is that of who will pay for taking actions that at the moment may cost more but that we know will be beneficial for future generations. With agriculture, we are in a unique position in that we already see large sums of public money going into the sector. There is no need to discuss how we introduce a carbon price and no need to talk about taxation. We have a system that already sees a large amount of money from taxpayers flowing into the sector. It is fully understood that that can continue through a transition period, but we will be attaching a requirement that those payments deliver a public good. That public good, as defined through the lens of climate change, would see large amounts of money being given to farmers who found innovative ways and solutions to reduce greenhouse gas emissions and enhance our ability to store carbon in our land.

This is a huge and exciting opportunity for the Government. We have set out for this net-zero target, we have legislated for it and we have led the world in doing so, but now we really need to demonstrate that we understand what that means and we know what policies we will need to get us there. The more cost-effective those policies are, the more we can point to our success and see other countries follow that path. We have an opportunity with this redirection of public money to demonstrate that it is eminently possible and hugely exciting to achieve net zero in our agriculture, food and forestry sectors at an accelerated pace.

If the Government are able to craft their own version of this group of amendments, clearly setting out that it is a core aim and we will see net-zero provided through this sector, it will be a fantastic opportunity to provide clarity for the sector. As we approach the next conference of parties of the UNFCCC

[BARONESS WORTHINGTON]
in Glasgow next year, which we are hosting, we will also be able to point to our own domestic legislation to show that when we talk about the need to drastically reduce emissions and stabilise the climate, we are not just talking about it but doing it. We are putting in place the sectoral policies and sectoral laws that will drive investment.

This will be an opportunity. There is no doubt in my mind that, as we transition from the current subsidy system to a new system, it will be greatly beneficial to have a carbon target for the sector because it will draw in investment from other parts of the economy. If we wish to reduce our taxpayers' subsidy into the sector, what better way than to do so through private sector investment paying for the public good of carbon reduction, carbon removal and carbon abatement in this sector? It will relieve pressure on the public purse and enable money to flow into the sector from those sectors finding it harder to abate. That is a wonderful opportunity, and with a bit of thought we can make that explicit in the Bill.

To summarise, this group of amendments deserves careful attention from the Government. I look forward to hearing the Minister's reply, and we hope to see the Government take this on and bring something forward. This is not just about climate change; it is an opportunity to create clarity and drive inward investment and private money into the sector. It is an opportunity for the UK to develop a set of framework legislation that we can be duly proud of and which we can announce and discuss in the global context in Glasgow next year.

I, too, pay tribute to the NFU and all the farmers who are potentially running ahead of many in government and many commentators in acknowledging that this can be done and that it is an exciting opportunity. They believe that we can get to net zero in this sector earlier than 2050. We should be giving them legislation that makes it completely clear that we as a society, as a whole, are backing them in that and want to create the right framework to enable them to do it.

I will not detain the House any longer, but I hope I have conveyed my enthusiasm for this group of amendments. It would be fantastic to see a version of any of the four of them in the Bill in its next stage. I very much look forward to the reply from the Front Bench.

Lord Judd (Lab) [V]: My Lords, this is a very important amendment. It is a rather historic occasion, because I cannot recall any other occasion on which I have associated myself with the noble Earl, Lord Caithness, politically, but I completely associate myself with him on this occasion. For me it is quite simple: if we will the ends, we have to will the means. It is clear that agriculture not only contributes to the problem but could be doing far more to help solve the problem. We all have to think, wherever we are in society, how we can change our ways in order to play a practical part in this urgent priority for the survival of the human race. I therefore commend the amendment and am very glad to see the other amendments in the group addressing ways in which agriculture can contribute towards the objective—not just how it can restrain itself, but how it can contribute. This is a practical priority, and I hope the Government take it very seriously.

Lord Tyler (LD) [V]: My Lords, all Members have emphasised just how significant and timely this group of amendments is. I particularly support Amendments 272 and 274. The noble Earl, Lord Caithness, referred to last night's shock report from the Met Office-led investigation into the effect of manmade carbon emissions in the Arctic and the effect, therefore, on UK weather. That should be a very loud alarm call. I think we are all very conscious of the problems that have arisen from the sequential scrutiny of this Bill and the forthcoming Environment Bill. Very clever co-ordination is obviously essential. In agricultural circles I think we would refer to it as cross-compliance.

I and my Liberal Democrat colleagues believe that the thrust of these two amendments is essential. Indeed, it is difficult at this stage to decide between them: we may want to find ways in which they could be brought together at Report, depending on the Minister's response. We are very proud of the role that our colleague, Ed Davey, played as the Cabinet member who prepared the UK for the Paris climate change conference in 2015. For that reason, to some extent, I have a slight preference for Amendments 272, since it seems to be firmly rooted in the Paris agreement and the developments, policy and commitments in the process since then. The link to the Climate Change Act 2008 in both amendments is, of course, entirely right in UK legislative terms. However, we respect and wish to encourage recognition of the way in which British Ministers have taken a leading role in the EU, in a real partnership, to maintain momentum since Paris in 2015. That is specifically acknowledged in Amendment 272 at subsection (1)(b).

The detailed rules, procedures and guidelines adopted at the follow-up UN conference in December 2018 are critical in this context and, of course, they are binding on the UK, as any other treaty obligation. This country will be obliged to report on success in meeting emission reduction targets in agriculture in a transparent, complete, comparable and consistent format. Should that not be spelled out in the Bill? It would be very helpful to do that as we look forward to Glasgow next year.

3.15 pm

The balance in terms of emissions is hugely complex. As has been acknowledged and mentioned already, agriculture and forestry land naturally hold large stocks of carbon, preventing its escape into the atmosphere. Yet, on the other hand, activities in all sectors of agriculture can contribute disproportionately to emissions. Both sides of the equation are, therefore, very significant in terms of the Bill. On the one hand, emissions can take place when plants die or decay; on the other, the draining of peatland, the felling of woodland or the ploughing of grassland can remove vital carbon sinks. I am told that the release of just 0.1% of the carbon currently stored in European soils, including those in this country, would equal the annual emissions from as many as 100 million vehicles. This is very significant, so it is an essential objective of the Bill to target financial assistance for short, medium and long-term environmental benefits, not least in terms of reducing carbon emissions.

I think we all welcome the renewed ministerial emphasis on the challenge of our climate change commitments over the last few days, renewing the priority given by the coalition Government. We look forward to a positive response from the Minister to this group of amendments.

Lord Marlesford (Con) [V]: My Lords, I declare my interests in Suffolk as in the register. I am rather doubtful of the wisdom of some of these amendments on climate change, especially Amendments 272 and 274. I believe they are too declaratory and unrealistically mandatory to be part of the Bill.

Of course, the great majority of us believe that we must do what we can to reduce carbon emissions and the consequences they can have on the climate, and much can be done. Farmers have to live and work within the constraints of climate. There is probably no group that keeps a closer eye on the weather: the climate is a practical reality for farmers. The weather can and does have a huge impact on farmers' prosperity and, indeed, economic survival. For example, the drought in England this April and May will have a severe effect on the 2020 harvest. But the idea that the Government can:

“Within 12 months ... publish a strategy outlining how Her Majesty's Government plans to reduce the emissions resulting from agriculture”,

is so unrealistic as to be absurd.

I warn noble Lords that quite a lot of misinformation is used in this climate change argument. I shall give one example. A few years ago, I heard my noble friend Lord Deben, who is a great panjandrum on this issue, start a speech on climate change with the story that one of his constituents had had to abandon growing apples because of the great reduction in rainfall in recent years. I live and farm in my noble friend's former constituency. Like many farmers, we keep daily rainfall records. From 1945, rainfall has been measured with the same gauge, located in the same part of Marlesford. Over those 75 years, the results are revealing. The average annual rainfall over the whole period has been 25.81 inches. This data is based on more than 27,000 measures of rainfall. The 2019 total was 28 inches, about 9% above the long-term average. The rainfall in 2018 was 22 inches, about 22% below the average. But the most recent 10 years, 2010 to 2019, at 26 inches, has been remarkably close to the 75-year average.

The 10-year period with the highest rainfall was 1999 to 2008, when there was nearly 29 inches—20% more than in the 10-year period with the lowest rainfall. The first 10 years after the war averaged 24.67 inches. The wettest year in the whole 75 years was 2012, with 34 inches, which is virtually double the rainfall in the two driest years—1953 and 1959—when there was 17 inches. The 10-year average has helped to iron out short-term weather-related fluctuations, but the question must be: how do we interpret a 5% increase in this part of Suffolk over the 75 years from 1945?

Climate change is a crucial issue and there will need to be regulations to encourage, and indeed require, farmers to reduce emissions, but let these come forward as and when they are ready, based on their own merits. There is quite enough in this important Bill without loading it with what are in effect political declarations.

Baroness Ritchie of Downpatrick (Non-Aff) [V]: My Lords, I support Amendment 73 in the name of the noble Earl, Lord Caithness, and Amendments 272 and 274, in the names of the noble Baronesses, Lady Jones of Whitchurch and Lady Jones of Moulsecomb.

Protecting the environment is important to me. Unlike the noble Lord, Lord Marlesford, I believe that over the last 10 years we have seen many severe weather events that have had a direct impact on our land, our nature and, above all, our soil texture and quality. The land has been leached of essential nutrients, thereby disabling agricultural production and the capacity to produce food. This debate is really all about food and the quality of food for consumption by all our citizens.

There is a value and a benefit to the environment in making financial provision, financial entitlement and financial qualification a means of encouraging a reduction in climate change emissions. It is worth remembering that our Select Committee report entitled *Hungry for Change*, which was published last week, stated that the features of a sustainable food system are that it should be environmentally sustainable, that land must be managed to ensure that it is used appropriately and is continuously viable for food production, and that the negative impacts of GHG emissions and water and air pollution on habitats and diversity must be substantially reduced, while carbon sequestration and flood management are enhanced. It is important that the forthcoming national food strategy considers those factors, as well as ensuring that our food supply is socially and economically viable.

Therefore, I have no problem in supporting these amendments, because I believe that we have to reduce our CO₂ emissions. We have to make that contribution to net-zero emissions and there should be financial payments to our farming folk that recognise that. What better way to do that than to recognise it on the face of the Bill? I hope that in replying the Minister will indicate the Government's response to these amendments and set out how they intend to contribute to net-zero emissions through farming and food production.

Baroness Young of Old Scone (Lab) [V]: My Lords, I support Amendments 272 and 274 in the names of the two noble Baronesses, Lady Jones and Lady Jones, respectively—you can never have too many Lady Joneses, in my view.

These amendments would put an urgency and a framework into the objective of substantially reducing the carbon impact of farming, and would include a series of targets and interim targets in line with successive carbon budgets under the Climate Change Act. The noble Lord, Lord Marlesford, said that the amendments were too declamatory and mandatory, and that is why I support them. We need a bit of backbone to make sure that this vital purpose is achieved.

Agriculture accounts for 11% of UK greenhouse gas emissions, and that percentage has not reduced very much over the last 10 years. Unless change can be incentivised financially, agriculture will account for a greater proportion of our UK emissions, as other sectors decarbonise quickly. On the other hand, land is an essential resource for tackling climate change through its ability to sequester and store carbon, and that needs to be taken into account at the same time.

[BARONESS YOUNG OF OLD SCONE]

I know that the Minister will say that the purposes in Clause 1 already enable support to be provided for measures to combat climate change. However, the amendments before us provide a much stronger framework to drive the urgent changes required in agricultural practice, and I urge him to consider the extra welly that they will provide for this vital purpose.

Lord Clark of Windermere (Lab) [V]: My Lords, I very much associate myself with the thrust of these four amendments. They highlight something which is absolutely critical, and we can think of this as we go through Covid-19, because, although the pandemic is serious, it is not as serious as climate change.

Here, we have a set of amendments that sets modern agriculture in Britain within the context of our climate change challenge. It is a big challenge but one that we have to face and, in fact, win. I very much associate myself with the comments of my noble friend Lady Young of Old Scone. In particular, I support Amendment 272 in the name of my noble friend Lady Jones of Whitchurch, although I equally support the amendment in the name of the other noble Baroness, Lady Jones.

If we had to invent a machine to lead the campaign against carbon emissions, that would be quite difficult, but nature has provided us with just such a machine. It has provided us with trees. Trees absorb carbon as they grow and retain carbon as they mature: in their leaves, their trunk, their bark, their roots and their soil—it is all there. Although we do not have many woods and trees in this country, we all have ambitions to have more. To give one statistic, one young mixed wood captures 400 tonnes of carbon per hectare. It is a very efficient way of meeting our climate change target, and this Bill will help, because more trees will be planted.

I want to raise something with the Minister which I hope he or she will look at. We all talk about planting trees because they provide so many benefits—in this case, we are talking about climate change—but if you remove trees, you do exactly the opposite, with the saving grace that if you replant, you start the whole process again. There is a law in this country that says that before a tree of a certain size is felled, a licence must be obtained. However, I am afraid that that legislation is hardly ever applied. It is when it comes to large areas of trees, because, just as individuals might get grants to plant trees, they have to get permission to fell.

3.30 pm

I have noticed particularly in the last few years that thousands of trees, as in the Lake District National Park, are being chopped down: people buy a house and then they chop the trees down—not even in their own garden but on associated land—to improve the view. That is wrong. It is defeating the object of what we are trying to do. I am not asking the Government to do anything today, but will the Minister discuss the problem with the Forestry Commission and local authorities to see whether that legislation needs to be applied more rigorously?

Lord Holmes of Richmond (Non-Affl) [V]: My Lords, I venture to say that the amendments in this group can be summed up as: what purpose profit if there is no

habitable planet to spend it on? What purpose fine produce if there is no habitable planet on which to enjoy it? Does the Minister agree that the potential to achieve net zero will completely depend on the combination of talent and technology? I thank the NFU for all the work it has done in this area; it is ahead of a number of curves in this respect. Does the Minister recognise the need for far greater consideration of and investment in all the elements of 4IR, not least distributed ledger technology and robotics? If we are to achieve the purposes set out in these amendments—or indeed the overall governmental purpose—we need to accept and be proud that nuclear will be part of that mix. Would the Minister care to say something on the investment potential, not just for small modular reactors to assist in this but in the race for nuclear fusion? This could enable such innovation, not just in agriculture but across the economy. I will be very interested to hear the Minister's comments.

The Deputy Chairman of Committees (Lord Duncan of Springbank) (Con): For the benefit of Members tuning in remotely, it might be helpful to know that the Minister responding will be the noble Baroness, Lady Bloomfield. I call the next speaker, the noble Lord, Lord Foulkes of Cumnock.

Lord Foulkes of Cumnock (Lab Co-op) [V]: My Lords, that is indeed helpful. I am pleased to speak in support of all these amendments but particularly Amendment 272, tabled by my noble friends Lady Jones, Lord Grantchester and Lord Judd. I endorse everything said by my noble friend Lord Clark of Windermere about trees. He speaks with authority as a former chair of the Forestry Commission. I hope the Minister will take account of every word he said.

Central to all these amendments is incorporating in the Bill the principle that our future farming framework has climate change and our net-zero emissions target at its very core, as was outlined so eloquently by my noble friend Lady Worthington. I am pleased to be a member of the organisation Peers for the Planet, which she and my noble friend Lady Hayman were instrumental in setting up. They have been doing an excellent job in driving forward discussion and debate on the key issues relating to this Bill. Like them, I want to see a more sustainable farming system which incorporates a good balance between food production, sustainable land use, biodiversity protection and emissions reduction. As we know—most of us, anyway, I hope—time is of the essence. We need a clear plan to put these goals into action and give ourselves a fighting chance of meeting our 2050 target. Important to this is providing the necessary tools, funding and infrastructure to support our food and farming industry in order to make this transition possible.

I support the specific requirement, outlined in Amendments 272 and 274, that the Government must publish a strategy within 12 months of the Bill becoming law. The noble Lord, Lord Marlesford, claimed that this was absurd but he did not give any reason why. It is not absurd; it is absolutely vital. This strategy must outline plans to reduce emissions from agriculture and its associated land use, and it must set out interim emissions targets for 2030 so that we can make substantial progress towards the 2050 target.

I turn to another aspect of Amendment 272. I am speaking as a Scottish Peer, along with many others today. Looking around, I see Peers from Caithness, Montrose, Old Scone, Glenscorrodale, whose contribution is to come; and there is me, from Cumnock. We represent almost every corner of our great country of Scotland. I am keen to highlight the need for strong co-operation among all the nations of the United Kingdom. Noble Lords may recall that I raised this issue in Committee last week. Amendment 272 would require the Government to publish a future farming strategy and oblige the Secretary of State to consult devolved Ministers. We have already had disputes between the UK Government and devolved nations, and these look increasingly likely after Brexit. It is therefore critical that any discussions and decisions about a future farming strategy place the devolved nations, as well as the industry and farmers themselves, in the starting line-up, rather than relegating them to the subs' bench—if I can be excused a footballing metaphor.

As many in the farming industry and beyond continue to argue, we need a whole-system approach to support this transition—critically, one that instils collaboration across our four nations. I hope the Minister can assure us that that will happen.

The Duke of Montrose (Con) [V]: My Lords, it is a pleasure to follow the noble Lord, Lord Foulkes, as he bangs the drum for Scotland's place in the union. I declare my interest as a lifetime livestock producer. I support my noble friend Lord Caithness in his Amendment 73, which flags up one of the great challenges facing agricultural production. Noble Lords will know that when the Kyoto Protocol was signed in December 1997, there was an awareness that, as well as the industrial emissions on which the subsequent climate action was largely focused, emissions from land use would need to be incorporated.

At that point, knowledge about emissions from agricultural production had not got much beyond rarefied academic studies. The difference now is that, since the Paris Agreement of 2015, Governments are required to pursue agricultural emissions as a major policy consideration. These amendments focus on that aspect. From a practical farmer's point of view, I see immense scientific research around the world into both emissions levels and ways to reduce them. This indicates that we have not yet arrived at a full understanding of how these complex systems work and interact. I particularly think of the Oxford Martin School studies on the lack of persistent methane emissions in the atmosphere.

One of the quainter remedies I have come across to alleviate cattle emissions is mixing biochar—a form of charcoal—into the regular feed. As we strive to improve our current understanding of emission levels, I put it to my noble friend the Minister that the one thing we must not do is import agricultural produce—I think particularly of beef—which has a higher carbon footprint than that which we have achieved here, no matter how cheap it appears to be. It is important that our government policy and research have this element firmly in their sights. This amendment would ensure that it was on the face of the Bill.

I have much sympathy with Amendment 144A, in the name of the noble Earl, Lord Devon; this is obviously dependent on what methods are found to reduce greenhouse gas production. On Amendment 272, we need more clarity regarding what is meant by “agriculture and associated land use”.

A great deal of government policy on achieving net-zero emissions seems to be based on taking land out of agriculture. The idea that agriculture on its own could reduce emissions to 100% below 1990 levels appears a bit fanciful.

Lord McConnell of Glenscorrodale (Lab): My Lords, I support the general thrust of these amendments and I hope that the Government will listen carefully to this debate and perhaps come back with the best of each amendment in future stages. The noble Earl, Lord Caithness, made a very powerful contribution in support of his Amendment 73.

Obviously, there are some differences between Amendments 272 and 274, but I will address in particular the point that my noble friend Lord Foulkes made about the fact that Amendment 272 mentions specifically the need to work with the devolved Governments in Edinburgh, Cardiff and Belfast. At each level of government in the United Kingdom, there is a responsibility to tackle climate change and each of these devolved Governments have specific legislative responsibilities for agriculture. If we are to make the case in this debate, and perhaps beyond, for a tighter connection in the Bill to the climate change targets, it makes sense that engaging with the devolved Governments would be a key component of that. There needs to be, in my view, far better co-ordination and agreement at all levels of government—local, national and UK—if we are to meet these targets by 2050.

The idea of including the climate change targets in this Agriculture Bill is inspired. The noble Baroness, Lady Worthington, made that case very powerfully when she talked about the leadership that the United Kingdom could show in what may end up being the largest Bill to come before your Lordships' Chamber—and maybe our longest debates—this year. This Bill, taking back powers from the European Union and setting out a new strategy for British agriculture to be so closely aligned with the climate change targets, would be a very powerful signal not only inside but outwith the United Kingdom in the run-up to the summit in Glasgow, now in 2021. For reasons of the opportunities that the noble Baroness outlined and the leadership that we could show, I think these amendments are on the right lines.

If I may be allowed to digress slightly for a second, I tried to intervene last Thursday in Committee but had connection problems and was not able to make one very small specific point that in fact relates to this topic today. Amendment 12, which was debated last Thursday, used the phrase:

“the impact of climate change on agriculture”.

The amendment proposed this as one of the additional purposes to which the Government could provide finance. I felt at the time that this was the wrong way round and that it should have been about the impact of agriculture on climate change. That would be more

[LORD MCCONNELL OF GLENSCORRODALE]
in keeping with the amendments in front of us today, which are about the impact of agriculture on climate change. Perhaps those who were involved in moving Amendment 12 last week might think about that before we reach Report. I look forward to hearing what the noble Baroness the Minister has to say in response.

Lord Adonis (Lab) [V]: My Lords, I know that the Government are frustrated at the very slow progress of the Bill and, although we are very grateful for the extremely assiduous responses we have received from both Ministers—the noble Baroness and the noble Lord—I know there is concern at the slow progress.

In my experience of legislation passing through the House, a pattern establishes itself and, once you see the pattern, you understand the underlying issue of the approach that the House is taking to a Bill. It is very clear to me what the issue is in respect of this Bill. The Bill—which is of huge significance for the future of one of our major national industries as we leave the European Union—is, essentially, a framework Bill. It contains very little policy. It sets out a whole range of permissive provisions that enable the Government to do X, Y and Z but only one or two broad-brush policy statements, such as the noble Lord's statement in our earlier debates that the Government will not subsidise food because that should be left to the market; in fact, it is clear to me that, even in our debates on that, when it comes to issues of shortage, scarcity and crisis, the Government not only have, but are proposing to take, significant new powers in that regard. Leaving aside very broad-brush statements of that kind, we do not know what the Government's policy will be hereafter.

3.45 pm

What is now happening is that, in group after group—as in this group on the crucial issue of how we will tackle carbon emissions and climate change—noble Lords are tabling a whole series of probing amendments on absolutely critical issues to do with the whole future of this national industry, because we do not know what the Government's actual policy is. We know what policies are in other areas; we know what our climate change targets are in respect of the underlying issue in this group of amendments, but we do not know—because the Government have not said—what their policy will be in terms of the new financial and regulatory regime for this huge industry going forward. All we know is that this Bill gives the Government a set of framework powers that enable them to do anything or nothing. That is the absolute truth of the matter.

I could make a wider set of points about how this just reflects the great national crisis that we are going through. Indeed, we are going through two national crises: the Covid-19 crisis, obviously, but also the Brexit crisis. We are having to put in place a whole set of policy and legislative frameworks to deal with the massive self-inflicted wound of Brexit.

For those of us taking part in the debate who do our very best to facilitate the passage of wise government legislation and fully understand that we are a revising Chamber and should not seek to challenge the premise

of Bills that have a majority in the House of Commons, this probing is absolutely essential so that we have some idea of what these powers might be used for. As a second Chamber, our job is surely to probe and seek to elucidate what the Government's policies will be in respect of the use of the powers under this Bill. That is what we will need to do when it comes to inserting additional provisions on Report.

I have listened intently to these debates because what will happen to this big national industry is so important. I have detected in them that somebody I have never heard of before, called Henry Dimbleby, turns out to be a person of extreme importance. The noble Lord the Minister told us earlier that Mr Dimbleby is drawing up the national food strategy. It turns out—this goes to the heart of the point that I have just been making—that the national food strategy has still not been published. Apparently it will not be available until the end of the year, so we have a massive cart and horse problem in dealing with this Bill.

Since the Minister told us that Mr Dimbleby is a figure of such importance to the development of policy in this area, I have been assiduously reading his speeches. The speech that seems to be most revealing is one that he gave to the Oxford Farming Conference in January, where he set out a whole set of considerations that would feed into—forgive the pun—the national food strategy but did not say what the result would be, which is very frustrating for those of us trying to grapple with the Bill.

However, I just note, because it is very important for this debate—and I hope that the noble Baroness the Minister might respond to it—that in the speech Mr Dimbleby gave to the Oxford Farming Conference, the thing that he flagged up as being the most significant factor in the development of the regulatory and financial framework for the future of farming and agriculture was climate change. He said:

“Every stage of the farming process exacerbates the carbon crisis; the forests cleared to plant crops; the energy-intensive manufacture of fertiliser; the release of carbon from degrading soils; the methane produced by rice paddies and livestock; the energy used by manufacturing plants and retail outlets; and the fuel used to power the vehicles in the supply chain.”

He then continued in a later part of that speech:

“So, there's a simple story.”

In the past, he said:

“We focussed on an existential risk—growing enough food so we didn't starve—and we largely solved that problem. But as we increased the amount of food available to eat, we ate more and got heavier. And as we got heavier, we got sick. And as we increased the amount of food we grew on our land, we drove out nature and increased our carbon emissions.”

On the face of it, the statements Mr Dimbleby has made would lead to quite bold policies of regulation and financial incentives to reduce carbon emissions. Indeed, it is hard to see that they could be achieved without accepting the amendments proposed in this group. I would be grateful to hear from the Minister whether the Government agree with what their adviser, Henry Dimbleby, said in his speech at the Oxford Farming Conference in January. If they agree, I cannot see why they would not accept the amendment from the noble Earl, Lord Caithness—a framework amendment simply making climate change a consideration under

Clause 1(4), which sets out the broad framework objectives for policy and financial support in respect of agriculture—and possibly the other amendments.

Baroness Bakewell of Hardington Mandeville (LD) [V]: My Lords, this suite of amendment deals with the critical issue of climate change. Agriculture has an important part to play in helping the UK meet its emissions targets. I have spoken previously in support of the introduction of an interim emissions target for 2030; 2050 is a long way off and I certainly will not be here to see that day, but with luck I just might be here in 2030. I would like to think that I could contribute in some small way to reducing the emissions the country produces. Having an interim target at 2030 gives a much more realistic goal for everyone to aim for. As the noble Baroness, Lady Young of Old Scone, said, it provides backbone.

Industry, agriculture, local authorities and individual households all have their part to play. For all these sectors, 2050 is just a date in the future and means little, but 2030 would be a much more meaningful goal—especially if agriculture has its own carbon target. Children born this year will be 10. Those now aged five will be 15 and very definitely waking up to the type of world they inhabit. We have a duty and responsibility to ensure that we have made strides towards reducing emissions and tackling climate change. I can hear their voices now, shouting as only enraged teenagers can, “What did you do about it, when you knew the disastrous impact of not tackling climate change?”. I wonder whether they will care about the Paris Agreement.

Zero carbon is really important and flying abroad for our holidays—as some of us may be considering at the moment—will not help achieve this. The noble Baroness, Lady Worthington, spoke knowledgeably about realigning agriculture to reduce the impact on emissions and climate change. The system is already there to make payments for public goods, store carbon and reduce emissions.

My noble friend Lord Tyler raised the Met Office report on the impact of our activities on the Arctic, which is really shocking. This is not something to be left to some other piece of legislation. He also raised the inextricable links with the Environment Bill. It is not acceptable to leave this issue solely to the Environment Bill; there must be synergies between these two Bills. Beginning with a substantial commitment in the Agriculture Bill will be the start that everyone is looking for. The noble Earl, Lord Caithness, tells us that 75% of greenhouse gases come from agriculture, and the NFU offers encouragement to farmers to reduce their emissions.

It is a pity that I am speaking before the noble Baroness, Lady Jones of Whitchurch, so have not heard her arguments in favour of her Amendment 272. Having heard her speak on this subject before, I have no hesitation in supporting what she will say, especially on consulting and working with the devolved Administrations.

The noble Lord, Lord Adonis, asks for clarification on policy as this is a framework Bill and gives no information. I agree with him completely that this is what has produced all these probing amendments.

I agree with the comments of the noble Baroness, Lady Jones of Moulsecoomb, the noble Lord, Lord Randall of Uxbridge, the noble Earls, Lord Devon and Lord Caithness, and my noble friend Lord Tyler, who spoke about the effect of draining peat bogs and cutting down trees. I look forward to the Minister telling us when a future farming strategy will be produced, as promoted by the noble Lord, Lord Foulkes. I hope I will be able to agree with the Minister’s response when she makes it.

Baroness Jones of Whitchurch (Lab): My Lords, as noble Lords have commented, we have Amendment 272 in this group. It sets out a requirement to publish within 12 months a strategy setting out how agriculture and land use will play their part in delivering our 2050 net-zero obligations under the Climate Change Act, with regulations to set an interim emissions target by 2030. Like the noble Baroness, Lady Bakewell, I hope to be around for at least that date, if not longer. Several noble Lords have welcomed that it also requires consultation with the devolved nations and other interested groups on how we will deliver those targets.

I believe that our amendment and Amendment 274 aim to do the same thing. I thank all noble Lords who have supported those amendments and Amendment 73. Forgive me if I do not name-check everybody who has spoken, but I think we have more or less reached a common cause.

We obviously welcome the reference in Clause 1(1)(d) that funding will be available to manage “land, water or livestock in a way that mitigates or adapts to climate change”,

but here the details end. We believe that confronting the threat of climate change should be at the heart of the Bill. This is why we have tabled a new clause to help deliver a strategy for agriculture that would set us on our way to meet those targets.

I say to the noble Lord, Lord Marlesford, that the Government are already a signatory to the Paris treaty. Indeed, the recent Heathrow judgment shows that they already have a legal obligation to have regard to that treaty, so we need a plan to deliver what is effectively a legal obligation, declaratory or not. That is why our Amendment 272 specifically links back around to the Paris treaty and our obligations under it.

Meanwhile, the Committee on Climate Change’s latest report, published last month, shows once again that we are nowhere near being on target to meet the Government’s net-zero target of 2050, and agriculture has a long way to go to deliver its share of the greenhouse gas reductions. Its report says that “the current voluntary approach has failed to cut agricultural emissions, there has been no coherent policy to improve the resilience of the agriculture sector, and tree planting ... has failed outside of Scotland ... Progress remains significantly off track in adaptation to build climate resilience.”

In a separate letter from the committee to the Minister, Victoria Prentis, on the potential of the environmental land management schemes, it also raises a critical issue that has been a running theme in our recent debates: the lack of a joined-up government approach within Defra to the climate change crisis. Its letter says:

“Defra has yet to set out how ELM, the Environment Bill, the 25 Year Environment Plan and various policies ... for trees,

[BARONESS JONES OF WHITCHURCH]

peatlands and nature will fit together. In turn it is unclear how the different strategies together will support the Government's climate change mitigation and adaptation goals."

This is extremely well said, and this has been our experience whenever climate change targets are raised. We are always told that this work is happening in another department or another policy brief within the department, but it is clearly not happening with any serious impact. As the recent Natural Capital Committee report commented, the 25-year environment plan, which should be monitoring progress, remains a long list of ambitions with "little evidence of improvements".

4 pm

The fact is that agriculture is not on track with any of its indicators and there has been little progress in reducing emissions since 2008. We cannot keep talking about these issues; we are now required to take action. On the one hand, we need action to cut greenhouse gas emissions in agriculture through, for example, changing land use, fewer food miles, less methane, less pollution and better water storage; on the other, we need to increase mitigation through, for example, planting trees, restoring peatlands, changing people's diets, restoring soil and so on. Of course, sequestration can play its part, as the noble Earl, Lord Caithness, quite rightly points out in his amendment.

Let us be honest: we know that this will mean some painful decisions and difficult choices, which is presumably why the Government are making so little progress. But we cannot afford to duck this issue any longer. The evidence is clearly there that global warming of 2 degrees or above will have a catastrophic impact on our lifestyle and livelihoods, with many parts of the globe becoming uninhabitable. So I hope noble Lords will feel able to support our amendment. It provides a clear framework to take this work forward, with full consultation across the UK and a report to Parliament so that our progress, or lack of it, cannot be hidden away.

Finally, I listened to the noble Earl, Lord Devon. Indeed, I normally have great respect for his thoughts on this matter. I will reflect on his comments, which were well made. My concern is that it might have the opposite effect from his intention and actually delay the introduction of measures to deliver net zero in agriculture even further. I am sure that we can have that discussion at a later stage.

Baroness Bloomfield of Hinton Waldrist (Con): I thank my noble friend Lord Caithness for Amendment 73, with which I will take Amendment 144A from the noble Earl, Lord Devon, Amendment 272 from the noble Baroness, Lady Jones of Whitchurch, and Amendment 274 from the noble Baroness, Lady Jones of Moulsecoomb. I thank all noble Lords who contributed to the debate.

From listening to many of the contributions, one would hardly think that, last June, the UK became the first major economy in the world to set a legally binding target to achieve net-zero greenhouse gas emissions from across the UK economy by 2050. The UK already has a very strong foundation of action and leadership to build from, having cut our emissions by 42% since 1990, while growing the economy by 72%.

Climate change is a global challenge, requiring action across the whole economy. Unlike the noble Baroness, Lady Young of Old Scone, I believe that urgency is felt across government. Defra has worked with the industry to reduce emissions through improved productivity. Since 1990, we are producing a litre of milk with 20% less greenhouse gas emissions, and a kilogram of pork with 37% less. Efficiency gains in dairy farming mean that we now produce 9% more milk than we did in 2000 with 23% fewer cows and 9% less greenhouse gas emissions.

Targets are set under the Climate Change Act, but we do not have sector-specific targets under that Act. Indeed, we are following the whole-economy approach advocated so eloquently by the noble Baroness, Lady Worthington. This is to ensure that we meet our climate change commitments at the lowest possible net cost to UK taxpayers, consumers and businesses, while maximising the social and economic benefits to the UK of the transition. To take up the points made by the noble Baroness, we think that the whole purpose of Clause 1 is clear, as expressed in subsection (4). In framing financial assistance schemes, we will have regard to the need to encourage environmentally sustainable food production, which will align the agriculture and food sectors.

However, I note with interest that the Committee on Climate Change's *Net Zero* report from 2019 says:

"It is difficult to reduce agriculture emissions to near-zero given the inherent biological processes and chemical reactions arising from crops, soils and livestock."

Therefore, I cannot reassure the noble Baroness, Lady Jones of Moulsecoomb, that net zero will be achieved by 2050, but we are doing everything we can to let it happen.

In its June 2020 report to Parliament on reducing emissions, the Committee on Climate Change provided recommendations for government departments, including Defra, on policy priorities to address net-zero climate mitigation and adaptation. We will consider this advice and provide a response before 15 October. I believe that the Bill addresses these targets in a very coherent way.

The Government recognise the contribution to greenhouse gas emissions made by the livestock and dairy sectors, while valuing the importance of our farmers in feeding the nation and managing our rural environment. Agricultural greenhouse gas emissions have reduced by 16% since 1990, as I said, with many farms using more efficient agricultural practices. Land use, land use change and forestry continue to provide benefits in carbon sequestration.

The Government recognise the importance of reducing emissions further in these sectors. The clean growth strategy and the 25-year environment plan should reassure the noble Lord, Lord Foulkes, since they set out a range of specific commitments further to reduce emissions from agriculture, including through environmental land management, by strengthening biosecurity and control of endemic diseases in livestock, and by encouraging the use of low-emission fertilisers. The Government welcome the National Farmers Union's ambition on this—indeed, its target is to reduce emissions by 2040—and the fact that the industry is taking this strong lead. Climate change represents a significant

challenge, but also opportunities. We work closely on this issue with the NFU and other leading stakeholders, including the greenhouse gas action plan partners.

Clause 1(1)(d) enables the Secretary of State to give financial assistance for the purpose of

“managing land, water or livestock in a way that mitigates or adapts to climate change”,

which provides coverage for the reduction and sequestration of carbon emissions. I believe that that statement is very clear. With particular reference to my noble friend Lord Caithness’s Amendment 73, I note that all agricultural or horticultural activities that contribute towards this purpose would already be in scope of funding support under Clause 1(1)(d). For example, financial assistance could be used to incentivise farmers to manage their livestock in a way that reduces their greenhouse gas emissions by adjusting animal feed practices, or to incentivise crop rotation. This provides a foundation for continued improvements, which the Government will drive forward through giving productivity grants alongside introducing the new environmental land management scheme. ELM will ensure that farmers and other land managers are rewarded for delivering environmental outcomes that benefit us all. This new scheme will aim to deliver a range of environmental benefits, including the mitigation of, and adaptation to, climate change. Land management activities that could be funded under ELM to reduce greenhouse gas emissions and sequester carbon include tree planting and peatland restoration.

At present, UK forests capture about 4% of our greenhouse gas emissions. We need those trees and forests to grow to capture more carbon. Defra is taking necessary steps to deliver a step change from current planting rates. I hope that reassures the noble Baroness, Lady Jones. Having announced the Nature4Climate fund, the Government are now consulting on a new England tree strategy. We invite input to shape our proposals to plant more trees, protect those we have and support the economy. I will certainly take on board the comments of the noble Lord, Lord Clark of Windermere, which the noble Lord, Lord Foulkes, endorsed, regarding licences for the destruction of trees.

On Amendment 144A from the noble Earl, Lord Devon, the sooner the Government introduce these new schemes, the better for the environment. Reducing direct payments from 2021, as planned, will allow us to do so. Direct payments are untargeted and poor value for money, and deliver little for the environment. All ELMS will come into effect in 2024. Reductions to direct payments will free up money so that the Government can introduce pilots of the ELMS. It can also work to increase the number of farmers who are in new countryside stewardship scheme agreements.

The noble Lords, Lord Foulkes and Lord McConnell, and the noble Baroness, Lady Jones of Whitchurch, also mentioned financial assistance for the devolved authorities. While agriculture is, as they all know, a devolved matter, I would like to reassure them that we are working very closely with officials in all the devolved authorities to establish common frameworks on agriculture. With these explanations, I ask my noble friend Lord Caithness to withdraw his amendment.

The Deputy Chairman of Committees (Lord Faulkner of Worcester) (Lab): My Lords, I have received requests to speak after the Minister from four noble Lords: the noble Baronesses, Lady Gardner of Parkes, Lady Bennett of Manor Castle and Lady Boycott, and the noble Earl, Lord Devon. I call first the noble Baroness, Lady Gardner of Parkes.

Baroness Gardner of Parkes (Con) [V]: My Lords, I congratulate the Minister on her speech, which covered most of the points I wished to make. However, I want to emphasise the importance of Amendment 75. The Minister drew attention to the improvements that have already been made. The detailed categories are set out in this amendment, but I believe they would benefit all. Public health outcomes must be borne in mind all the time. Our present virus situation has made us all much more aware of the need for this protection of the public. Allying that with improvements in the agricultural world is good. I do not wish to take up more time because this has been a very interesting and complete debate, but I support Amendment 75.

Baroness Bloomfield of Hinton Waldrist: I note my noble friend’s comments. I think she probably meant to refer to Amendment 73, which is in this group. I thank her for her comments.

The Deputy Chairman of Committees: I now call the noble Baroness, Lady Bennett of Manor Castle. The noble Lord, Lord Lilley, will speak after the noble Earl, Lord Devon.

Baroness Bennett of Manor Castle (GP) [V]: My Lords, it is a pleasure to follow the noble Baroness, Lady Gardner of Parkes, and to note that she is reflecting the support that is to be found on all sides of your Lordships’ House for the inclusion of the climate emergency in the Bill. I thank the Minister for her responses thus far. She brandished the “we have legally binding targets” stick that the Government very much like to bring out. I point out that we also have a Fixed-term Parliaments Act which supposedly sets the date of elections every five years—and we have had three elections in the past five years.

What we need is action. As the noble Baroness, Lady Jones of Whitchurch, said, pointing to the report that has just come out from the independent Committee on Climate Change, we have not had, and do not have in mind, anything like the action that we need. The Minister quoted a 2019 report from the same committee pointing out the difficulties of making agriculture net-zero carbon. But the National Farmers’ Union, which is representative of many farmers in this country, particularly the larger ones, has set that target for itself. It is therefore surprising that the Government are lagging behind the farmers and are perhaps in conflict on yet another subject with what might traditionally have been seen as their natural constituency.

There are a number of amendments in this group, but it will not surprise your Lordships’ House to know that my favourite is Amendment 274, which was tabled by my noble friend Lady Jones of Moulsecoomb and is backed by the noble Lord, Lord Randall of Uxbridge. This amendment goes furthest and says that we must

[**BARONESS BENNETT OF MANOR CASTLE**] ensure that we meet our legally binding target under Paris and that we need real action in six months' time. I also commend the elements in Amendment 272 about working with the devolved Administrations. That is a very strong element that I hope the Government will also take forward.

When we were last in Committee, the noble Lord, Lord Dobbs, said that politics, "is not the stuff of fundamental legislation but for the political hustings."—[*Official Report*, 14/7/20; col. 1626.] I am not sure whether the noble Lord would consider tackling the climate emergency—the existential threat that is facing us all—politics, but it is crucial to this Agriculture Bill and it has to be there.

I very much hope that we will hear in coming days and weeks a more conciliatory approach from the Government on this. They often talk about following the science; the science is that we need action. We have a special role as the chair of the—

The Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs (Lord Gardiner of Kimble) (Con): Can I ask the noble Baroness to wait a moment? I think it would be a courtesy to the Committee if the noble Baroness could keep remarks to a short intervention. She is speaking after the Minister and I think it would be polite if she were to ask the noble Baroness the Minister a question, rather than making a speech.

Baroness Bennett of Manor Castle [V]: I thank the noble Lord for his comment. I was coming to my last sentence, which is this: does the Minister acknowledge that there is support from all sides of your Lordships' House for including a commitment to climate change action in the Bill? Will she and the Government at least go away and think again?

4.15 pm

Baroness Bloomfield of Hinton Waldrist: I acknowledge the support from all sides of the House for all that we can do to encourage climate change mitigation, but I believe that that intention is already fully provided in Bill.

Baroness Boycott (CB) [V]: My Lords, I add my support for Amendment 272. I shall make a few points, while being mindful of what the Minister just said.

Healthy land is also healthy food. At the moment so much of our acreage is given over to growing grains that end up in very cheap, white, processed bread and the like. These fields are covered in chemicals. Any move that we can make in the right direction not only improves our biodiversity—agriculture is to blame for the 80% loss that has been suffered across the world—but is a win-win situation. I do not understand why the Government appear to be afraid of setting a target. We cannot make this target without agriculture being part of it; it is too big a part of our system.

Henry Dimbleby is producing a report for the Government, and I am very proud to say that I am an adviser on it. I say to the noble Lord, Lord Adonis, that an interim report is coming soon. If the Agriculture Bill does not set up sufficient pillars and legislation to

change the way we farm, which can then change the way we eat, Henry Dimbleby's terrific report will not have the impact that it needs.

Baroness Bloomfield of Hinton Waldrist: I agree with everything the noble Baroness has said about healthy land meaning healthy food. The Bill is designed to do all that we can to encourage farmers to produce healthy land. We do not have a sector-specific target for agriculture because the Committee on Climate Change advised that emissions reductions would be needed in all sectors. We know that to achieve net zero more is needed from this sector, and we are looking to reduce agricultural emissions controlled directly within the farm boundary with a broad range of cost-effective measures, primarily through improvements in on-farm efficiency and land use change.

The Earl of Devon [V]: My Lords, I am sorry to return to this point—I am being forced to become something of an environmental campaigner. I have a simple question which has not yet been answered. Are the Government satisfied that the agricultural transition will not slow or reverse our progress towards net zero in 2050?

Baroness Bloomfield of Hinton Waldrist: I can confirm that we are absolutely confident that we are doing everything in legislation and encouragement in order to achieve that end.

The Deputy Chairman of Committees: After the noble Lord, Lord Lilley, I will call the noble Baroness, Lady Worthington, who has requested to speak.

Lord Lilley (Con): I congratulate my noble friend on being the only person in this debate who has raised the question of whether the net-zero target for agriculture is feasible. Does she agree that probably the most realistic assessment of realistic steps to achieve net zero is the report *Absolute Zero* by the Universities of Cambridge, Oxford, Bath, Nottingham and Strathclyde, and Imperial College, which said that even a massive expansion of forestry will have only a small effect? It therefore concludes that to achieve zero emissions from agriculture would require,

"beef and lamb phased out by 2050 and replaced by greatly expanded demand for vegetarian food."

I hope she will make it clear to the House that if we accept these amendments we are mandating the end of lamb and cattle farming in this country.

Baroness Bloomfield of Hinton Waldrist: We are not accepting these amendments. I take my noble friend's point. We should always have absolute zero as our goal because it will enable us to move as far towards that goal as possible.

Baroness Worthington [V]: I am grateful to be able to speak a second time. I echo the comments of the noble Earl, Lord Devon, and ask the Minister how she can be confident that we will not see backsliding and an increase in emissions, given that we will lose cross-compliance and we have no sectoral targets for this

very important sector. If they were set, it would drive investment into the sector, since it is the sector that can help to offset emissions in other parts of the economy. I simply ask the Minister to reconsider. This would be a beneficial addition to this framework legislation, to prevent backsliding and drive investment.

Baroness Bloomfield of Hinton Waldrist: As I have said already, from next year we will bring forward grants and new countryside stewardship and productivity schemes that will prevent the backsliding that we all want to prevent.

The Earl of Caithness [V]: My Lords, I am extremely grateful to all noble Lords who have participated in the debate and for the very helpful comments that have been made all around the Chamber. It was interesting to hear my noble friend Lord Marlesford's statistics. I would only say to him that the whole pattern of rainfall is changing. Last winter, the rainfall in Caithness was significantly below average, whereas in parts of Hampshire it was about 170% or more above average—so the year's average might equate, but the time and quantity of rain and drought that one is now getting have changed.

The noble Baroness, Lady Worthington, was absolutely right to say that the amendments are of prime importance and something should be included in the Bill. Therefore, I was a little disappointed by what my noble friend said in her reply. I will read with care what she said, but I think that she missed two crucial points that I sought to make in justification of my amendment. Her examples were all of mitigation. I am not worried about mitigation: mitigation is to make less severe or alleviate, which is but one aspect of what we are talking about. Adaptation is to adjust or modify. That is another aspect. What the Bill does not cover satisfactorily, according to the legal advice that I have had, is the word “sequester”, which is a hugely important addition that needs to be made to the Bill at the next stage.

The other point that I sought to make in justification of my amendment was that it should be a condition of financial assistance that sequestration of climate change emissions is included in whatever ELM one is talking about. We desperately need to take more carbon out of the atmosphere, not just mitigate it. I hope that, between now and the next stage, the Minister will meet me to discuss this because, as the Bill stands, it does not meet the point that I have been trying to make. Meanwhile, I am reluctantly content to withdraw my amendment.

Amendment 73 withdrawn.

Amendments 74 to 86 not moved.

Amendment 87

Moved by Lord Trees

87: Clause 1, page 2, line 37, at end insert “slaughtering,”

Member's explanatory statement

To enable assistance to be given in an appropriate case to a licensed abattoir which, for example, provides a private kill service or enables slaughtering facilities in an area otherwise without adequate provision.

Lord Trees (CB) [V]: My Lords, I am very pleased to speak to this amendment in my name and those of the noble Baronesses, Lady Mallalieu, Lady Jones of Whitchurch and Lady Bakewell of Hardington Mandeville. I draw attention to my interests as declared in the register, and particularly my role as co-chair of the All-Party Parliamentary Group for Animal Welfare.

This is an enabling Bill, and I note that many amendments to date have been seeking more detail on how the Bill's objectives will be realised. This amendment, adding one small word—slaughtering—puts some meat on the bones, if noble Lords will excuse a veterinary pun. It offers a means of helping to achieve two of the strategic objectives of the Bill: namely, to improve animal welfare and to enable the financial self-sustainability of farming and, in this case, of livestock farming.

First, with respect to welfare, there has been a huge reduction in the number of abattoirs in the UK in recent years. Since 2007, we have lost 40% of the abattoirs that existed at that time, as the industry has consolidated into bigger units. There is nothing wrong with bigger units, but bigger means fewer, and that means that animals in turn must travel longer distances in order to be slaughtered. It is a laudable commitment of this Government—and also a recommendation of a recent animal welfare committee report and a recent resolution from the British Veterinary Association—that animals should be killed as close to the point of production as possible. Fewer abattoirs runs counter to that admirable welfare goal.

On the financial self-sustainability of farming, one way that livestock farmers can achieve that is to add value to their product and retail directly. This is enabled by abattoirs that offer the so-called private kill option. These are, for the most part, the smaller abattoirs. Private kill returns the products of slaughter to the primary producer or their collaborators for processing. It enables local food production of good provenance and low food miles. It offers livestock farmers, especially those in upland areas, a viable business model. It offers them a much fairer and higher share of the price that the consumer pays. But it depends on the existence of suitable abattoirs.

Clause 1(5) currently lists “ancillary activities” for which the Secretary of State may give financial assistance, which are

“selling, marketing, preparing, packaging, processing or distributing products”

from agriculture. Spot the missing link in the farm-to-fork food chain. As a livestock farmer, how can one do any of those ancillary activities without slaughtering?

The amendment is not about subsidising abattoirs. It would merely allow as eligible for assistance certain abattoirs that recognise the higher regulatory standards rightly required for operations that are relatively low throughput and local. Conditions of support can be developed in statutory guidance or schedules and could for instance include capital grants for equipment needed to comply with new legislation, such as the recent introduction of CCTV or to achieve more sustainable and carbon-efficient waste disposal.

Given the key role that small abattoirs can play in improving animal welfare, enabling local food production and enabling the financial sustainability of livestock

[LORD TREES]

farming, while contributing to the wider rural economy and our national food security, I submit that there is a strong case for their eligibility for support, subject to conditions, under this Bill. I beg to move.

Baroness Mallalieu (Lab) [V]: My Lords, my farming interests are set out in the register. The noble Lord, Lord Trees, has just pointed out the word that is very obviously missing from the list in Clause 1(5). Livestock farming has to produce meat in the main and “slaughtering”, the most essential and first step in the process of all those set out in the list, is missing.

I do not think that this is an oversight. I am afraid that it might be deliberate, and there are two possible reasons. The Minister may consider that the word “preparing” includes slaughtering. If this is the case, could he or she please make it clear in plain terms for *Hansard* and then we can all go home happy? If the Minister will not do so, I am afraid that the omission is deliberate and has been made because so many small and medium-sized abattoirs have closed and the Government are frightened of making a commitment that they fear might require them to prop up a line of possibly failing businesses.

That is not my intention in putting my name to this amendment, nor do I believe that this very small amendment, if accepted, would result in public money being thrown away on a pointless, uneconomic enterprise. I hope that government money would not be spent under any of the other categories included in Clause 1(5) on other enterprises without a good reason and a good business case. This simple one-word amendment is important for livestock farmers, of which I am one, particularly farmers in the uplands, of which I am one. It is important for small producers, and vitally important for family farms, which the Government say they want to support.

4.30 pm

May I give the Minister a reason to go back to the department and change minds if necessary? In Clause 1(1)(f), the Bill recognises that improving animal welfare is a public good that merits financial assistance. The public are concerned about it, particularly in relation to the meat industry, and the Government clearly are too. The Farm Animal Welfare Committee’s report, commissioned by Defra, says that animals should be slaughtered as near as possible to the place of production. I understand that the Government endorse that view, and not just for animal welfare reasons. The reduction of food miles and the carbon generated by them helps the mitigation of climate change, another public good meriting financial assistance under Clause 1(1)(d).

We will shortly hear the Government’s food strategy, being prepared by Henry Dimbleby. I hope that it will highlight the need for short supply chains, more local produce and reduced food miles, all of which this amendment would benefit. As the noble Baroness, Lady Boycott, said, this Bill needs a pillar on which action may have to be taken when that report is put into effect.

The public are increasingly interested in where food comes from, as testified by Radio 4’s “The Food Programme” and its food and farming awards, and the Countryside Alliance’s retail awards. The Government

say that they are concerned about obesity and healthy eating, and that they want producers to add value to primary products. This amendment ticks so many of the Government’s boxes and is of enormous assistance to family farms, which will undoubtedly be up against it in a major way when these changes happen.

There has been widespread praise for farmers who have stepped up and supplied meat boxes for local delivery during the current crisis. Many are small family farms trying to diversify, which the Government say that they support. Yet all of this is jeopardised, not supported, if the chain of small and medium-sized abattoirs continues to break down. Clearly, they are going out of business because the big buyers—mainly supermarkets—concentrate their operations on a small number of large abattoirs. Most of my Exmoor-produced lambs must go to Wales to be slaughtered, and many of my neighbours send theirs to Preston in Lancashire. Those are very long journeys for animals that almost invariably have never been off the farm before.

There is now a serious shortage of abattoirs in large areas of upland livestock rearing. It is also incredibly difficult in many places to find abattoirs that will slaughter pigs, which often travel very long distances. When emergency slaughter is needed, a lengthy journey is often necessary to find an abattoir prepared to do it. A market is expanding and could expand enormously but, as the noble Lord, Lord Trees, just said, the number of abattoirs prepared to do private kills for the small producer is dwindling.

So much could be done with very little financial assistance to rescue and rebuild the chain, and not merely by subsidising it. *The Future for Small Abattoirs in the UK*, produced by the All-Party Group for Animal Welfare, chaired by the noble Lord, Lord Trees and on which I sat, made a number of recommendations. The first was the formation of an abattoir sector council, which could speak to the Government, pool resources, knowledge and ideas, look at the waste collection market—a near monopoly that has closed so many small and medium-sized operations—and help the small abattoirs to change, as many are having to do, to meet current legislative requirements. There could also be many opportunities for hides and other by-products to add value in ways not currently being exploited. We should also be looking at the recent Scottish trials for the co-operative provision of mobile abattoirs for remote areas and looking to guide groups of small-scale producers who currently want to do the same.

As the noble Lord, Lord Cameron of Dillington, said earlier in Committee, a little pump-priming can do an enormous amount. Of course, the Government should not pour money into a failing sector, but not to add slaughtering to the list of this Bill would be to miss a real opportunity to support small farmers, innovation and a growing emerging market, to cut food miles, help diversification and, most importantly, to greatly improve animal welfare by cutting that last journey time. The case for the Government accepting this amendment is unanswerable.

Baroness McIntosh of Pickering (Con) [V]: My Lords, I lend my support to Amendment 87. I declare my interest as an honorary associate of the British Veterinary Association.

In the 1980s, we had an extensive network of small, family-run, easily accessible abattoirs, then along came an innocuous draft EU directive on slaughterhouses. As an MEP, I took soundings from many in rural communities. We worked very closely with what was then MAFF. Off his own bat, after years of waiting, and in a classic example of gold-plating, an official in MAFF took the opportunity to drive a coach and horses through the abattoir network and close many of the well-functioning, perfectly safe, smaller abattoirs serving the rural communities.

That brought devastating results in the early 1990s and again in the early 2000s, when we experienced BSE and foot and mouth disease. As the noble Lord, Lord Trees, said in moving this amendment, that led to longer journeys for livestock being taken to abattoirs, and potentially the spread of those diseases at that time. The noble Lord quite rightly identified this problem, and as the noble Baroness, Lady Mallalieu, has just said, there are now parts of Scotland, particularly the islands, without abattoirs and completely dependent on mobile abattoirs. That raises costs to the producer, which goes to the heart of the viability of livestock production in the rural areas of the Highlands and Islands and, as the noble Lord, Lord Trees, said, raises serious animal welfare concerns.

We must revert to a better and more extensive network, as we enjoyed before. This network of smaller, family-friendly, easily accessible slaughterhouses should be put in place and Amendment 87 provides the means to do so.

Lord Berkeley (Lab) [V]: My Lords, I congratulate the noble Lord, Lord Trees, on this amendment, so ably proposed by him and the two noble Baronesses who have just spoken.

I am no expert on agriculture, but I live in the Isles of Scilly, and I want to give a small example of the need for an abattoir there, which may be similar to the example of Scotland just given by the noble Baroness, Lady McIntosh. There are five inhabited islands in the Isles of Scilly. They all have livestock—cows and often pigs—and they provide some good conservation grazing, overlooked by the Isles of Scilly Wildlife Trust. All the farmers are very much in favour of having an abattoir on the islands and would probably increase the number of cows they have if this were the case.

One problem at the moment is that they go from the off-islands in their trailers in a small freight ship to St Mary's, and then on to another freight ship to Penzance, which takes about five hours on a good day—it does not travel on a bad day. They may then be trailed as far as Plymouth, which probably takes another five hours or so, and then, as we all know, the animals are rested before being slaughtered. Another problem is that there is an enormous cost to this. Some farmers say that the feedstuffs they have to buy cost three or four times as much as on the mainland.

There is an enormous interest in having a fixed abattoir on St Mary's. The Duchy of Cornwall, which is the landlord here, has told me that it would be keen to see one built here now that the problems of remote veterinary oversight, as mentioned by the noble Baroness, Lady McIntosh, have been overcome. All the farmers would use it but the problem, of course, is the capital cost.

It is expensive and would not be used all the time but, once it was operational, it would wash its face because there is a big demand for local meat here, grown locally. Even when it goes to the mainland and comes back in butchered portions it is very popular—I think it is really good.

My only comment on the amendment itself is that for us in Scilly, “slaughtering” would need to include a cutting room and butchery. They may need to be part of it. Again, I am no expert on this; some other noble Lords who have spoken, or the Minister, may be able to put me right. But if we are going to slaughter the animals here on this island—or, I suggest, in other remote areas in the Scottish islands or parts of the mainland—we need to butcher and prepare them, and then be able to sell them locally. That would be really beneficial to the local economy at this time, when many hill farmers and remote farmers are very concerned about what will happen after Brexit.

When the Minister comes to wind up, I hope that he will either agree to this amendment or invite us to a meeting or two and come up with his own suggestions on this small but very serious problem. It could enable the hill farmers and island farmers—and probably remote farmers in Cornwall as well—to survive and prosper, using local and rare breeds on occasions, along with many other benefits of local delivery. I fully support the amendment.

Lord Curry of Kirkharle (CB) [V]: My Lords, my interests are as on the register. In addition, I chair The Prince's Countryside Fund and this is an issue of deep concern to that fund, which has attempted to provide support to some of the threatened abattoirs, particularly on the Scottish islands referred to by the noble Baroness, Lady McIntosh. I also declare that I speak as a former chair of the Meat and Livestock Commission, which I was when much of the EU legislation to which she also referred was introduced, leading to the closure of a lot of small abattoirs.

I very much support Amendment 87, sponsored by my noble friend Lord Trees. The geographical network of abattoirs across the United Kingdom is essential to ensure that local livestock producers have slaughtering facilities. These UK livestock producers are becoming increasingly worried about their future at present and feeling threatened on a number of fronts. There is high-profile media support for plant-based protein, for example, as referred to in debate on the Bill earlier this week, and that land should be converted from meat production to plant-based food. A vast proportion of the landscape of Britain is incapable of producing plant-based food for direct human consumption. It delivers a huge range of environmental benefits by grazing livestock, including biodiversity and carbon capture. This was referred to comprehensively by the noble Earl, Lord Caithness, in debate on the previous group of amendments.

4.45 pm

Other threats include maligning the poor ruminant sector about its significance in producing methane emissions, along with the potential for a US trade deal—and other trade deals—to threaten, particularly, beef and lamb producers and undermine their market.

[LORD CURRY OF KIRKHARLE]

Many of these livestock producers farm in the most fragile areas of Britain, such as the pasturelands, uplands and hills. We hope that their management of these immensely valuable landscapes will be recognised in the ELM scheme but that is also highly uncertain for them at present, while we await the details of the pilots. The loss of direct support is perceived to be another fundamental threat to traditional livestock production.

These are deep concerns. Many local abattoirs have already closed, as has been mentioned, largely due to high compliance costs. The cost per unit of production in a small abattoir is significant; to lose even more will put at risk the future viability of the livestock sector. Their existence is essential and if we wish to expand local and regional food markets, involving organic, native breed or pasture-reared livestock, et cetera, I suggest that we should want to expand them rather than see a reduction in these local opportunities. Including “slaughtering” in the Bill is important. Adding value to local and regional food products will be even more important when we leave the European Union, and this will be impossible without access to local abattoirs. In line 38 on page 2, “processing” is open to interpretation and may not include abattoirs, so I support this amendment.

The Earl of Dundee (Con) [V]: My Lords, as has already been urged, there is a compelling case for paying attention to the plight of small abattoirs and for the Government to offer financial support to enable their survival. They are relied upon by farmers who market the meat from their own animals locally.

A small abattoir is one which slaughters fewer than 1,000 livestock units each year. However, as the noble Lord, Lord Trees, said, in spite of strong and growing local demand, they are being driven out of business by a combination of factors beyond their control. For example, in the last 12 months a further seven have had to close. The Government seek to protect local farming communities and their ancillary services, and to increase rural employment. In the conditional and qualified way that the noble Lord has outlined, it is therefore all the more consistent with the Bill that they should now assist small abattoirs.

I hope that my noble friend the Minister can give us reassurance about this today. Meanwhile, in supporting this amendment, I pay tribute to the Food Standards Agency for doing as much as it can in difficult circumstances, as I do to the noble Lord, Lord Trees, for the useful recent report he has written on small abattoirs, as chairman of the All-Party Parliamentary Group for Animal Welfare.

Lord Cameron of Dillington (CB) [V]: My Lords, in line with this amendment, I support the principle of slaughtering animals as close as possible to their place of growth and finishing. To me, there are three main reasons why this is a good idea, some of which have already been touched on.

First, it minimises the stress on the animals, which must be a golden rule or ambition underlying everything that our livestock industry stands for. I might add that this lack of stress has also been proven to improve the quality of the meat.

Secondly, local abattoirs allow specialist producers to generate premium prices from the sale of meat, based on branding due to genuine local provenance and high animal welfare. For some of our breeders, especially those in remote and special landscapes, this USP is crucial to the success of their enterprise.

Thirdly, local slaughter allows for the handling, cutting, processing and marketing of the meat to be done close to the point of production, thus enabling the economic and social benefits of the whole production process to be captured by the local rural economy.

All three of these reasons are important for remote rural communities, and particularly island-based communities, as mentioned by noble Lords. As the noble Lord, Lord Berkeley, said, the shenanigans and even cruelty involved in the process of getting animals bred on the Isles of Scilly to slaughter is a prime example of how to almost destroy a perfectly good-quality local organic food business. Clearly, small abattoirs result in an expensive system, but with the market emphasis focusing more and more on high-quality and specialist production, particularly local production, it is to be hoped that the Government will support such schemes wherever they can.

Baroness Hodgson of Abinger (Con) [V]: My Lords, I refer to my interests as declared previously. I too will speak to the amendment in the name of the noble Lord, Lord Trees, and the noble Baronesses, Lady Mallalieu, Lady Jones and Lady Bakewell. I had hoped to put my name down to it too, but was too late getting in.

Noble Lords have already eloquently laid out the case for this amendment and I do not propose to repeat all the arguments. However, I too emphasise the benefits that this amendment would bring. Clearly, reducing travel times has to be a priority. Slaughter should take place at the closest point possible to where animals are raised. Also, the more individual handling that takes place in a small abattoir is, I hope, less frightening than a big processing abattoir. Not only would that enable the provision of private kill, as described previously, thus helping farmers who wish to sell their meat themselves; farmers would also be able to ensure that animals are killed in the way they prefer and that they are pre-stunned.

Much as I respect the needs of our multicultural society in the UK—I emphasise that—I am also concerned about welfare standards. The RSPCA and Compassion in World Farming have highlighted that more animals are killed without stunning than are needed for UK halal and kosher consumption, and that they are more flexible for sale. A Food Standards Agency report last year highlighted that 90,000 of the 2.9 million non-stunned animals slaughtered for kosher-certified meat were rejected as unfit for religious consumption and went into the general market unlabelled. Enabling private kill for local small abattoirs will give farmers a choice if they do not wish their animals to be slaughtered in that way. I also ask the Minister for better labelling of all meat products regarding the method of slaughter, so that those who wish to eat meat that has been pre-stunned are able to do so.

The Earl of Shrewsbury (Con) [V]: My Lords, I declare an interest as a member of the National Farmers Union. My interest in this amendment relates to private

kill mainly in upland and less-favoured areas for specialist farm shops. I agree with everything that has been said. There have been many Second Reading speeches in Committee, which does nothing to speed up the passage of the Bill, so that we are able to pay farmers next year. Therefore, I see absolutely no need to prolong this process and to repeat the arguments that have been made so eloquently earlier this afternoon. I agree entirely with all that has been said and I support very strongly the amendment in the name of the noble Lord, Lord Trees.

Lord Naseby (Con) [V]: My Lords, for me, the impetus to take an interest in the Bill was going back to my constituency—an urban constituency in Northampton, although surrounded by some of the finest pasture in the United Kingdom and with a lot of sheep production. I was reminded by my farmer friends who took me round of the closure of our cattle market, which had been there for centuries, and of our abattoir, so that the animals had to be taken much further to be slaughtered. Having thought about it a bit further, I listened to the noble Lord, Lord Trees, and I say thank you, sir, to him. His was a fine presentation, and I am not surprised that the noble Baroness, Lady Mallalieu, is a leading legal person. They both put the case very strongly. As far as I can see, animal welfare today is ever more important, and it dictates that slaughtering should be as close to the means of production as possible. Secondly, I am in no doubt, having visited a couple of abattoirs, that the ease of handling in a small abattoir is much greater.

I am a little concerned about the high costs of the smaller abattoirs—maybe the Minister will shed some light on this. I do not know what the differential is, and I do not see any reason why a smaller abattoir should be excessively more expensive than a medium-sized or large one. I do not need to say any more on this amendment; it has my support and I wish it well.

Baroness Bakewell of Hardington Mandeville [V]: My Lords, I have put my name to Amendment 87. The noble Lord, Lord Trees, the noble Baroness, Lady Mallalieu, and the noble Lord, Lord Curry of Kirkharle, have made a compelling case for financial assistance for the slaughtering of animals closer to the farm, which also reduces food miles. On many occasions I have heard the Minister say that animal welfare is extremely important. Over the years, we have seen the closure of many small local and rural abattoirs, which has led to larger abattoirs further away from where stock is reared, as the noble Lord, Lord Trees, said.

The regulations on abattoirs are stricter than they used to be. The installation of CCTV ensures that animals are not distressed at the point of slaughter, vets are present, and paperwork is kept for future inspection. However, this does not assist with the passage of the animal from the farm to the abattoir. The shorter and less stressful this journey, the better for the animal—and for the quality of the meat, as the noble Lord, Lord Cameron, pointed out. I do not subscribe to the view that this does not matter: the animal is about to die, so why worry about its journey to the end? Animals deserve to be treated with compassion

at all times. A network of smaller abattoirs serving local communities is essential for the farming community, especially small farming families. It will help them to process their animals on to the food industry or, in some cases, back to the farm for sale in the farm shop, thereby supporting the local economy.

The noble Baroness, Lady McIntosh, and the noble Lord, Lord Berkeley, made a powerful case for abattoirs on both the islands of Scotland and the Scilly Isles. There will be a cost involved in increasing the number of abattoirs, but they are essential to preventing distressing long journeys for animals. Consumers are keen to support locally grown and fed produce, and wish to buy the meat from a reputable source where they know the animals have been well cared for and fed. Slaughtering has to be included in the list for financial assistance. Concentrating all slaughter in larger, remote venues is not a satisfactory answer to the issues of animal welfare and convenience for the local farmer, whose time is limited. I look forward to the Minister's response to the arguments raised in this debate.

Baroness Jones of Whitchurch: My Lords, I was pleased to add my name to this amendment, and I will speak briefly in support of it.

Many local farmers have trusted and long-standing relationships with their local abattoir, and it is therefore very distressing when they have to close. As we have heard, it means longer and more stressful journeys for the animals concerned and clearly has a negative impact on their welfare. It also means that the Government are failing in their stated objective to reduce travel times for slaughter.

For farmers wanting to sell their meat as a specified farm product, through so-called private kill arrangements, it also means a more complicated process for retrieving the carcass and ensuring that it is properly labelled. Yet we are all in favour of local food production with specified provenance, which is really appreciated by consumers and can help to add value and boost the rural economy.

Of course, it is important that local abattoirs meet our high slaughterhouse standards and are properly supervised and certified, and this amendment would do nothing to undermine that important principle. I therefore hope that the Minister will feel able to support this small but significant amendment. It is not the total answer to the fate of our small abattoirs, but it would represent a small step forward.

5 pm

Baroness Bloomfield of Hinton Waldrist: I thank the noble Lord, Lord Trees, for his amendment, which highlights the many activities associated with the production of food along the supply chain. In doing so, I acknowledge the fine work of the APPG for Animal Welfare, which he chairs so ably. The Government are committed to addressing the issues raised by its recent report on small abattoirs.

Given his detailed work as chair of that group, I am sure that the noble Lord will agree that the issues faced by small abattoirs are complex and unlikely to be resolved through intervention alone. I know at first hand the advantages of small local abattoirs from the

[BARONESS BLOOMFIELD OF HINTON WALDRIST] days when I used to deliver my Black Welsh Mountain sheep to the Witney abattoir on the school run—actually, it was on the return from the school run, as I was a little squeamish for the children.

I am delighted to say that we have had it confirmed that the definition of ancillary activities in Clause 1(5) covers slaughtering under either “preparing” or “processing”.

Noble Lords asked a number of questions, which I would like to address. The noble Baroness, Lady Mallalieu, asked why micro-abattoirs are not listed as a public good. They are an important part of the agricultural supply chain, but they operate on a commercial basis and therefore do not directly meet the principles of public good. Public goods that may be derived from small abattoirs, such as improved animal welfare or environmental impact, are obviously already covered by Clause 1.

The noble Baroness, Lady Hodgson of Abinger, ably asked many questions about religious slaughter. The Government encourage the highest standards of animal welfare. Although our policy is to prefer that animals are stunned prior to slaughter, we accept the rights of Jewish and Muslim communities to eat meat killed in accordance with their religious beliefs. No regulations require the labelling of halal or kosher meat, but where any information of this nature is provided voluntarily, it must be accurate and must not be misleading to the consumer. The Government expect the industry, whether food producer or outlet, to provide consumers with all the information they need to make informed choices. The Government have committed to a serious and rapid examination of the role of labelling in promoting high standards and high welfare across the UK market and will consult on this at the end of the transition period. I should also say that farm assurance schemes apply standards of production that include slaughter requirements; for example, Red Tractor and RSPCA-assured schemes require stunned slaughter.

I hope that I have given noble Lords sufficient assurance that this issue has already been dealt with. With that, I ask the noble Lord, Lord Trees, to withdraw his amendment.

Lord Trees [V]: I thank everybody who has spoken so eloquently in support of this amendment. I am very grateful. I thank the Minister for her response. She said something significant: that slaughtering is covered by “processing”. I would appreciate it if we could have that confirmed in writing or in a subsequent meeting; I am sure that the other noble Lords who put their names to this amendment would also appreciate that. We need to be assured that that is the case; otherwise, we would want to bring the amendment back on Report. Meanwhile, I am happy to withdraw the amendment.

Amendment 87 withdrawn.

Amendments 88 and 89 not moved.

The Deputy Chairman of Committees (Lord Alderdice) (LD): We come to the group beginning with Amendment 90. I remind noble Lords that anyone wishing to speak after the Minister should email the

clerk during the debate. Anyone wishing to press this or any other amendment in this group to a Division should make that clear in the debate.

Amendment 90

Moved by Baroness Bennett of Manor Castle

90: Clause 1, page 3, line 5, leave out “or plants” and insert “, plants or fungi”

Baroness Bennett of Manor Castle [V]: My Lords, in moving Amendment 90, I will also speak to Amendments 196 and 206 in the name of my noble friend Lady Jones of Moulsecocomb, which concern animal welfare and which I commend to the Committee, and Amendment 207, which concerns the role of the Groceries Code Adjudicator.

I shall speak to Amendments 90, 184, 188, 189, 286, 287, 288, 292, 293 and 294; I thank the noble Baroness, Lady Boycott, for her support on them. They are all about references to fungi. I have to credit the campaigning group Plantlife, which identified this issue for me and did all the fine-comb work to produce these amendments. I feel that I am contributing to successful answers to pub quizzes up and down the land in saying that there are three kingdoms in the living world—plants, animals and fungi—which together make up the eukaryotes: the organisms with complex cells with features such as mitochondria and nuclei. In fact, fungi are closer to animals than plants. They are not producers of energy but use external sources of it; indeed, the world would soon be covered in undigested waste if they did not.

On many occasions in your Lordships’ House, I say, tongue in cheek, “I am sure that the Government will agree with me,” but in this case I say it with absolute sincerity. I am sure that the Government want our legislation to be scientifically literate. As this legislation currently says, “plants’ includes fungi”, it is not. It is like saying, “For ‘apples’, read ‘pineapples’”. That is very easy to fix—and would, I believe, have the added virtue of legal clarity. I am sure that we all recall the arguments about the classification of Jaffa Cakes as cakes or biscuits with regard to VAT. We do not want to see similar arguments in relation to support under this Bill. This Committee must consider why we currently have such confusion. The importance of fungi is grossly understated and still little understood.

I outsourced this speech in part to social media, where mycologists leapt in to offer some suggestions. To start with the familiar, I point your Lordships to fly agaric, the red and white fairy tale favourite, but until mycologists started talking to me, I did not realise how crucial it is, to the growth of birch trees in particular. I also cannot resist noting *Phallus impudicus*—I leave noble Lords to look up its common name—which is thought to have a close ecological relationship with badger setts. Its scent attracts blow-flies that quickly clean up the bodies of badgers, which most typically die underground—unless there is a badger cull, of course. I note that up to a third of plants’ products of photosynthesis feed fungi and bacteria in the soil. For example, relationships between bacteria help mycorrhizal fungi to use their hyphae to seek out and scavenge particularly biologically valuable elements such as phosphorus from rocks or decaying organic matter.

These are immensely complex and little-understood natural systems. Other noble Lords have said that they imagine the countryside operating like a giant, human-directed machine, with robots buzzing around and everything controlled by chemical application and genetic modification. I would point to the complexities I just outlined to illustrate how faulty that vision is. We do not understand all that, but we do understand the basic biology and we can get it right in the Bill. I look forward to the Minister's response and beg to move.

The Earl of Caithness [V]: My Lords, I will speak to Amendments 177, 179, 180, 182, 186, 188, 190, 191, 192, 193 and 194, which are in my name. We are moving away from fungi, but I say this to my noble friend the Minister: it is not helpful to group such a mass of contradictory and different issues together. My amendments deal with the supply chain and the collection and processing of data, which are rather different to what the noble Baroness was just talking about.

The Bill has incorporated some safeguards around the collection and processing of data to ensure that it is clear how information will be used and how it could be used in accordance with data protection legislation. However, I still have concerns that not all the purposes for which information can be processed relate directly to improving supply chain transparency or supporting the development of risk management tools to help farmers to manage volatility. I therefore want to see these purposes drafted in a more focused way to ensure that they achieve the legitimate aims of improving transparency and managing volatility.

The purpose for which information can be processed under this clause should be linked directly to the overarching objective of improving fairness and transparency in the supply chain. The requirements to provide information will inevitably lead to an increased administrative burden for businesses, and it is therefore important that any information collected is focused on helping those in the agri-food supply chain to make improvements—hence the need for Amendment 177.

Turning to Amendment 190, the Bill as currently drafted provides for information to be processed for wider environmental and waste purposes which do not link specifically to assisting those in the agri-food supply chain. This amendment would focus the processing of environmental and waste information and avoid it being used to pursue wider environmental objectives more appropriately pursued under other legislation such as the Environment Bill. It would enable the Government to collect the kind of information they have stated they are interested in, but would curtail the use of the provisions for purposes which go beyond specific issues in the agri-food supply chain in future.

The Minister will know that the data collection provisions are welcomed by farmers. They should be used in a focused and proportionate way to ensure that the additional administrative burden placed on businesses directly improves the fairness and transparency of the agri-food supply chain. Most of us will be able to remember the days when MAFF was notorious for gold-plating regulations. Therefore, it is very important that these regulations and this part of the Bill are sensibly drafted so as not to impinge too much on farmers.

Lord Lucas (Con) [V]: My Lords, I shall speak to the amendments in my name in this group.

Amendments 178 and 181 suggest an additional scope for the power to get information. We should look at activities which affect the UK and not just at those that take place in the UK. A lot of these food supply chains are international and many of their activities and decisions take place outside the UK—indeed, all that may happen in the UK is that some goods turn up and are dropped off at someone's warehouse, with all the information about where they have come from, what they are and what the resilience of the food chain is being held outside the UK. So it seems to me that we should have the wording “activities affecting the UK” rather than “activities in the UK”.

These amendments also extend the power to get information to Clause 17, which is on food security. We say that we will do a lot of things with information there, but I cannot see that we have given ourselves the power to get the information we need, which again is likely to be held outside the UK in many cases.

Amendment 185 argues for a wider definition of persons “closely connected” with the food chain and lists a number of activities that are fundamental to a food chain but are not presently listed in the Bill.

Amendment 183 comes back to the plants and fungi of the noble Baroness, Lady Bennett. It is not clear to me that the present wording in Clause 22(2)(c), “any creature or other thing taken from the wild”, includes plants. Clearly there is a substantial trade in plants and fungi taken from the wild, which ought to be comprehended in this Bill. I entirely sympathise with the irritation of the noble Baroness at fungi being subsumed into “plants”—but in a House where male embraces the female, perhaps this is a fault that we are used to.

5.15 pm

Lord Empey (UUP): My Lords, I will speak to Amendment 195 in my name and that of the noble Earl, Lord Dundee. I note that there are a variety of amendments to this amendment, including one from the noble Lord, Lord Grantchester, about which we will hear shortly.

The explanatory statement for this amendment says that it

“requires the Government to provide regulations for fair dealing obligations of business purchasers of agricultural products.”

I am sure that we would like to see a day when farmers were not reliant on subsidies to maintain a sustainable income, but, on the other side of the coin, it would not be possible to encourage a rise in food prices when so many people in this country are suffering from food poverty as it is.

The fundamental point I wish to make with this amendment is that the distribution of income within the sector, from the production of food to the retail sector, is not balanced. It is fundamentally unfair. For many years, it has been the case that profit margins within the processing and retailing sectors can be substantially more while the primary producer—the farmer—can barely make a profit on the produce at all.

[LORD EMPEY]

As a Minister in Northern Ireland who dealt with the food processing sector for a number of years, I saw examples of producers driven down to maybe half a penny of margin on a product. In the days before the Groceries Code Adjudicator was appointed in 2013, there were examples where companies would just say to the producers and processors, “We’re going to extend our credit terms and we’ll not pay you now for 90 days instead of 30”, and apply continuous pressure to drive down the margins. Now business is business, but when you have to substantially subsidise the primary producer through the taxpayer, you need a proper structure to ensure that there is a fair balance at the end of the day.

The remit of the Groceries Code Adjudicator is too narrow. It does not cover indirect suppliers to supermarkets, meaning that many farmers and small food businesses are not protected by the adjudicator or the code. We need an expansion of powers to cover the widest possible extent of the food supply chains that serve our supermarkets. This is not a new idea; in 2008 the Competition Commission looked at grocery supply chains and proposed the establishment of the Groceries Code Adjudicator to tackle unfair trading practices. This report also anticipated that the GCA’s remit may be insufficient, noting that that, if these practices continued, the Government

“should consider the introduction of appropriate measures, including the extension of ... the role of the Ombudsman”—

namely, the Groceries Code Adjudicator.

During the past two decades, there has been significant consolidation within the retail and food processing sectors, adding to an imbalance in the market. Primary producers generally do not obtain fair prices and on many occasions do not cover the costs of production. This situation requires political intervention to protect what remains of our farming sector and to assist its rebuilding. We know about imports, weather and other factors, but the fact is that there is a persistent imbalance in the distribution of wealth within the sector from the primary producer to the retailer.

We are at a point of almost generational change with this Bill, and this is an opportunity to reset the clock on how we do this fairly and reasonably. We know that we want to see more food produced in the UK, and we want that food to be of an even higher quality than it is now. We want to see standards maintained. However, we also need investment by the primary producer, and a primary producer cannot invest properly in that business unless they are making money. Therefore, it is in all our long-term interests—not only for food security but for a whole lot of other reasons—to take this opportunity to take positive action to assist our farming community.

It is not simply to add costs to the sale of food in shops, it is to help with the equitable distribution of income and reflect a reasonable return on capital in the profits a farmer can make. That is nothing dramatic: all businesses need that, and I do not see why it should be any different with primary producers. I therefore support this amendment and others of a similar nature in this group.

Lord Grantchester (Lab): In speaking to this very extensive group of amendments, I will speak to Amendments 195A to 195F in my name, and to Amendments 197 to 200 in my name and that of my noble friend Lady Jones of Whitchurch, with implications for Amendment 207 in the name of the noble Baroness, Lady McIntosh of Pickering.

These amendments are primarily focused on Clause 27, which deals with the “fair dealing” of agricultural producers in the agri-food supply chain. They come from my experience—as shown by my interests declared on the register—representing mostly dairy producers and dairy processors, and my directorship of a farmers’ co-operative that processes members’ milk and markets produce in the supply chain, and, crucially, from my understanding and experience of the disruption of the food chain following the difficulties of the Covid-19 pandemic.

I very much welcome the “fair dealing obligations” introduced into the Bill in the provisions of Clause 27 and others. The relative imbalance in market power between primary producers at the foot of the supply chain and those at the top of the chain, selling the finished product or meal to the consumer, has long been understood. What happens in between can be a murky business of relationships, given the many channels to the market and the perishable, short-shelf-life product with its various, highly regulated processes.

This imbalance in bargaining power was recognised again as recently as February 2018, in the Government’s response to the call for evidence in the case of extending the Groceries Code Adjudicator’s remit in the groceries supply chain. The Government recognised examples of unfair terms and unclear contracts that led to a general lack of trust and transparency, discouraging good relationships across the supply chain. That the Government recognise that the problem is ongoing, and are now addressing it in the Bill, is to be welcomed.

Clause 27 gives the Secretary of State powers to make regulations “in relation to contracts”. My first amendment, Amendment 195A, is an amendment to the amendment of the noble Lord, Lord Empey—I thank him for his opening remarks—and the noble Earl, Lord Dundee, which seeks to replace “may” with “must” and to establish a timeframe of 12 months in which regulations must be introduced. Progress must be made swiftly; the problems are well known. The impacts of Covid-19 on the supply chain have also become well known and have been answered in the competitive legal structure in emergency regulations, but their effects have yet to be assimilated.

Amendments 195B, 195C, 195D and 195E are designed to be all-inclusive: first, across all business purchases; secondly, across all farming sectors listed in Schedule 1, and, thirdly, across all dealings between purchasers and sellers. Lastly, the Secretary of State must promote fair dealing outside of a contract, as well as within the terms of a contract.

A contract is often drawn up by the purchaser rather than the seller and may contain only necessary provisions around the supply and payment for an agricultural product. It is important that Clause 27 must not be interpreted only with regards to the dealings in a specific contract but encompass all dealings. It

would be important for the regulations to address, as a baseline, good basic business practice of fair dealings, and then to address fair dealings in contracts. The regulations must go to the heart of the matter: an enforceable fair dealing code of practice.

Amendment 195 reflects on the disruption to supply relationships caused by the pandemic. The immediate closure of all food service sector outlets—canteens, restaurants, cafes, coffee shops and snack bars, which make up 50% of all food purchases made out of the home—cut off at a stroke all the supply lines. There was suddenly nowhere for food products in the food service sector to go. There was a relative rebalance to retailers and local outlets following this. The effect was for purchasers of primary products to push enterprise risk down to the producers and sellers of products—the farmer—citing force majeure as a reason to refuse contract fulfilment. I am pleased to say that retailers largely stood by their responsibilities to the supply chain.

This experience has severely affected the faith of sellers in fair dealings. Will provisions on fair dealings in Clause 27 be sufficient to deal with these experiences in the future? How will they deal with a similar possible disruption, whether in the extreme—as in the pandemic—or in many other examples which may be more localised and more specific to the food sector, as in Schedule 1, where purchasers may have difficulties making payments for produce? How will the balance of risk be assessed in these regulations? Will the provisions of the Bill cover the situation?

I think the Minister will agree that this is entirely different from circumstances covered under “Exceptional market conditions” in Clauses 18 to 20, in Chapter 2 of Part 2 of the Bill. These clauses give powers to the Secretary of State similar to those pertaining to the EU Commission: to step into the market to stabilise it where there are disruptions from extreme weather circumstances.

I turn now to Amendments 197 to 200, and my comments are also made in relation to Amendment 207, on the same issue, in the name of the noble Baroness, Lady McIntosh of Pickering. These amendments are made to probe the Minister on how these regulations will operate in the marketplace, how they will be governed and by what authority or office. Subsection 9 of Clause 27 states that powers under subsection 1(b), to make regulations for the enforcement of obligations imposed by fair dealings, can be conferred on “any person” who will have

“discretion in dealing with any matter.”

I ask the Minister to explain who any such person may be, and how this discretion will be made effective. My noble friend Lady Jones and I have suggested the Groceries Code Adjudicator, to stimulate comment and debate.

The amendment of the noble Baroness, Lady McIntosh of Pickering, also suggests extension to the provisions of the Groceries Code Adjudicator Act 2013. I will not take up all the space on this subject, except merely to say that the exercise in the retail trade of fair dealing functions in relation to the 13 main retailers will be very different from what will be necessary across all sections and all sectors of the agri-food supply chain.

The remit of the Groceries Code Adjudicator came out of two Competition Commission inquiries and considerable debate over the course of at least a decade. I pay great tribute to Christine Tacon, the adjudicator. She has operated with a very small office and has brought, over the seven years since enactment, a large understanding of responsible dealing in the retail supply chain, which, to some extent, has been embedded further down the supply chain by large retailers with exposure to the stock market and a recognition of reputational damage through strong audit and risk committees. It would be a very different experience across the whole agri-food supply chain, with thousands of sellers in business relationships with possibly up to 10,000 purchasers.

5.30 pm

The groceries code is financed by contributions from the retailers. How will this be financed? The experiences are unlikely to be the same in all food service and ingredients markets. The issues of price and relative percentage of market returns and fair shares do not feature in the operation of the groceries code. The monitoring of this legislation in GSCOP provisions is undertaken in a different department—BEIS, not Defra.

The focus of the adjudicator’s office will invariably change in addressing the scope of these regulations. Could the operation of the Rural Payments Agency be an alternative organisation? I will not debate the relative merits of this but will mention it to the Minister, who is very familiar with that organisation, so that he can give a full account regarding how these provisions will become operable.

Who operates these functions may be more important than the specific office. I am sure Christine Tacon would be able to give valuable advice to the RPA if it has powers to undertake these functions. If the UK had remained within the EU, we would have had to implement the provisions of the unfair trading practices directive. If any modelling of these provisions has been undertaken by the Minister’s department, I would welcome the Minister’s reply on his department’s views reflecting on that possible experience.

If the Bill is to be effective in rebalancing the relationships, as is required in the supply chain, the whole industry will be keen to understand how this will be made to work. If the Government have a new operation in mind, this would require setting up in primary legislation and, therefore, should have been included in the Bill. Many thanks.

Baroness Jones of Moulsecoomb [V]: My Lords, this is quite a mixed bag of amendments, but I accept that if we separated them out, we might never see the end of the Bill before we all experience collapse. I of course support the amendments of my noble friend Lady Bennett of Manor Castle on ensuring scientific accuracy in the drafting of the Bill. I stand—or sit—in awe of her erudition when explaining this subject.

I speak to my Amendments 196, 201 and 206 on animal welfare, and I support Amendment 207 on the role of the Groceries Code Adjudicator. My amendments would require improvements in animal welfare to be made

[**BARONESS JONES OF MOULSECOOMB**] via the mechanisms established in Clauses 27, 28 and 30. Amendment 196 requires contractual rules that raise standards above the statutory minimums. Amendment 201 requires trade groups relating to animal products to appoint a person responsible for monitoring and improving animal welfare. Amendment 206 requires the Secretary of State to consult representatives of the animal welfare sector.

These are all opportunities to improve animal welfare in our farming system, and to use the Bill as a force for good. I hope the Minister will commit to integrating more animal welfare measures into the Bill on Report. This is one of the issues very close to my heart; I am therefore more than happy to talk this through with the Minister to see if we can, perhaps, do it my way.

Lord Carrington (CB): My Lords, I declare my interest as a farmer and landowner, as set out in the register. I shall speak to Amendments 202, 203, 204 and 205 in my name. The basic purpose of these amendments is to set the conditions in which future delegated legislation under the auspices of this Bill is fair, transparent, responsive, proportionate and equitable.

Amendment 202, on publishing information related to producer organisation grants, seeks to delete the requirement to publish grant application decisions online. Such a requirement is disproportionate, and the publication could contain commercially sensitive information that buyers could seek to use against the producer organisation.

Amendments 203, 204 and 205 relate to competition law. I fear there are no baubles here; we begin to get technical. The Competition Act 1998 contains the following exemption in relation to agricultural products:

“The Chapter I prohibition does not apply to an agreement to the extent to which it relates to production of or trade in an agricultural product and—

- (a) forms an integral part of a national market organisation;
- (b) is necessary for the attainment of the objectives set out in Article 39 of the Treaty on the Functioning of the European Union; or
- (c) is an agreement of farmers or farmers’ associations (or associations of such associations) belonging to a single member State which concerns—
 - (i) the production or sale of agricultural products, or
 - (ii) the use of joint facilities for the storage, treatment or processing of agricultural products, and under which there is no obligation to charge identical prices.”

I did not write that.

As currently drafted, the Agriculture Bill removes this exemption and replaces it with exemptions relating specifically to producer organisations, associations of producer organisations and recognised interbranch organisations. In doing this, the current exemption for agreements, which is necessary for the attainment of the objectives set out in Article 39 of the Treaty on the Functioning of the European Union—in other words, the common agricultural policy objectives—is removed. There does not appear to be any justification for the removal of this exemption, particularly during the period when the UK’s domestic agricultural policy is being developed. If an agreement between farmers is necessary to achieve the current CAP objectives, it should remain exempt from the prohibition of agreements contained in Chapter 1 of the Competition Act 1998. The removal

of block exemptions from specific aspects of competition law, with no clear justification, is concerning. It is necessary to understand whether there is any objective and sensible justification for removing the existing agricultural exemption. I would be most grateful for the Minister’s comments.

Baroness Boycott [V]: My Lords, I would first like to add my voice to the praise of the noble Lord, Lord Grantchester, for Christine Tacon while she was in the role of Groceries Code Adjudicator. It is a very important role, and I would like to hear whether the Minister plans to beef it up and give her more powers.

Following what the noble Baroness, Lady Jones of Moulsecoomb, said about animal welfare and the need for someone to look over it, it occurs to me that someone in a similar position to the Groceries Code Adjudicator, overlooking the welfare of animals with the power to fine and bring people to book, might be worth looking at.

I am here to make a brief intervention to support the noble Baroness, Lady Bennett of Manor Castle, because I am a bit obsessive about fungi and feel that they are overlooked. They were once classified as plants because they come out of the soil and have rigid cell walls, but are now placed independently in their own kingdom with equal rank to animals and plants. In fact, they are nearer animals than plants.

An astonishing though not well-known fact, which I thought your Lordships might like to know, is that the world’s largest living organism is thought to be a honey fungus measuring 3.4 miles. It is across the Blue Mountains of Oregon and estimated to be 8,650 years old. Obviously, what we know better are varieties such as mushrooms, which are important to our diet and packed with vitamins and minerals. But they are also incredibly important to research. Penicillin, the foundation of all our modern medicine, comes from the fungus *Penicillium*. The everyday product yeast is also a fungus. While some can make you ill, they are essential in chemicals and drug manufacture. I know, as I travel to South America quite a lot, that scientists know that there is much more to discover about this amazing microscopic world.

From the point of view of the Agriculture Bill, fungi have the most enormous environmental benefit. They feed on dead organic matter, including leaf litter, soil and, of course, dead animals. They recycle 85% of the carbon from dead organic matter and release locked-up nutrients to be used by other organisms. This makes fungi completely essential to the ongoing health of our ecosystems. Sustainable life would not have a prayer without this magical, often microscopic, and too often ignored living group. This speech was to bring this to the Committee’s attention, and to say that I hope it maintains a proper place somewhere in the Bill.

Baroness McIntosh of Pickering [V]: My Lords, I shall speak to Amendment 197 in the name of the noble Lord, Lord Grantchester, and the noble Baroness, Lady Jones of Whitchurch, and Amendment 207 in my name and those of the noble Baronesses, Lady Jones of Moulsecoomb, Lady Ritchie of Downpatrick and Lady Bakewell of Hardington Mandeville, and I thank them for their support.

Amendments 197 and 207 seek to achieve the same aim, which is to ensure proper scrutiny of the new supply chain measures being introduced under the Bill, which are to be greatly welcomed. I too congratulate and pay tribute to the Groceries Code Adjudicator, Christine Tacon, and her team for all that they have achieved under the code. The adjudicator has done a very good job in regulating the relationships between the major retailers and their direct suppliers.

However, I believe there has been a major regulatory gap in respect of relationships further upstream in the supply chain involving primary producers, the first purchasers and processors—what I refer to as the indirect supply chain. While it is good news that the Bill attempts to plug that gap, it is disappointing that seemingly little thought has been given to how the new arrangements contained in the Bill are to be governed. I understand that there have been discussions between officials and interested parties, and within those it has been suggested that for some reason the Rural Payments Agency could provide the oversight for these aspects of the Bill. I beg to differ. The RPA is not the appropriate body. It lacks the necessary skills, capacity and gravitas to be able to adequately deal with these aspects of the Bill, and is in any event sufficiently employed with its daily work.

Although the Bill is sponsored by Defra, it would be good to see a little joined-up thinking within the Government so that Defra and BEIS were on the same page in their approach to this. BEIS would like to expand the remit of the Groceries Code Adjudicator to cover these new and important provisions, thus creating one single regulator from farm to fork. I hope that Defra will hold the upper hand and ensure that supply chains are functioning well for the long-term benefit of UK citizens, and the Groceries Code Adjudicator is the right body and team to do that.

These matters were considered in a recent review of the role and remit of the Groceries Code Adjudicator, and it is disappointing that at that stage BEIS decided against an expansion of the adjudicator's remit. However, now that Defra has identified the need in the Bill for further supply chain provisions, with which I wholeheartedly agree, it seems perfectly sensible to give responsibility for the oversight of those arrangements to a body that is tried and tested and already has skills and expertise in this area. Without an adequate regulator identified in the Bill, we run the risk that the provisions on supply chains will simply not be adequately administered or enforced. As the noble Lord, Lord Grantchester, the noble Baroness, Lady Jones of Whitchurch, those who have co-signed Amendment 207 and I have identified, the Groceries Code Adjudicator is the right place for this work to be conducted.

With regard to the wider remit, there are many reasons to include the indirect supply chain. More often than not, they are small growers or producers. It is very difficult for them to bring a complaint. I would like to see an own-initiative investigation started by the Groceries Code Adjudicator because it is difficult to rely completely on complaints from small producers and growers, which can so easily be identified with those with whom they have the contract and so fear losing the contract. With those few words, I commend Amendment 207 and support Amendment 197.

5.45 pm

The Earl of Dundee [V]: My Lords, I support Amendment 90, moved by the noble Baroness, Lady Bennett of Manor Castle, which includes fungi as subject to conservation, and Amendment 183 from my noble friend Lucas, which also covers wild plants within an agri-food supply chain. Through Amendments 178 and 185 respectively, my noble friend Lord Lucas also points to the need for a proper analysis of agri-food supply chains, not least to that for relevant data collection in the first place.

With Amendments 187, 190 to 192 and 194, on how information itself should be best gathered through tactful and fair-minded approaches to people asked to give it, my noble friend Lord Caithness offers excellent guidance, as does my noble friend Lord Carrington with a number of proposals, including Amendment 203, which would retain the current common agricultural policy objectives exemption from competition law for relevant agreements.

Therefore, I hope that my noble friend the Minister may agree that, taken together, and if incorporated within the Bill, all these proposed adjustments, mainly concerning information and analysis, would provide useful and necessary checks and balances, and equally that he might feel able to support Amendment 195, tabled by my noble friend Lord Empey and myself, which would ensure the provision of regulations for fair-dealing obligations of business purchasers of agricultural products.

Baroness Ritchie of Downpatrick [V]: My Lords, I support Amendment 195 in the name of the noble Lord, Lord Empey, and the noble Earl, Lord Dundee; Amendment 197 in the name of the noble Lord, Lord Grantchester, and the noble Baroness, Lady Jones of Whitchurch; and Amendment 207 in the name of the noble Baroness, Lady McIntosh of Pickering, to which I and others are signatories.

Clause 27 is about fair dealing with agricultural producers and others in the supply chain. For a considerable time I have felt that there has been an imbalance in the supply chain that has been disproportionate and has had a diminishing impact on producers. If we believe in public money for public goods, we should be trying to cherish and protect our farm producers.

The Groceries Code Adjudicator is perhaps a very good place for the regulations specified in Clause 27 to be enforced. I would like the Minister to indicate how the regulations will be governed; in the absence of that, I can see a need for proper scrutiny and oversight of the supply chain. That is a missing area. Surely the oversight could be provided by the Groceries Code Adjudicator.

I pay tribute to Christine Tacon. I recall that when the noble Baroness, Lady McIntosh of Pickering, was chair of the Environment, Food and Rural Affairs Committee in the other place, of which I was also a member, we took evidence from Ms Tacon and examined the relationships within the supply chain.

I also believe—and this is a singular view—that smaller retailers should be subject to scrutiny as well, because they have caused many major problems for producers in our supply chain.

[BARONESS RITCHIE OF DOWNPATRICK]

We need greater joined-up working between Defra and BEIS, but to provide that oversight, we also need the Groceries Code Adjudicator. Like the noble Baroness, Lady McIntosh of Pickering, I see a direct link between Amendments 197 and 207. This would ensure that the role of regulating agricultural contracts was given to the Groceries Code Adjudicator. As well as telling us how the regulations will be governed, perhaps the Minister will advise us about ongoing discussions between Defra and BEIS about a possible role for the GCA in this respect. Or perhaps there would be another body. But surely the body that has been tried and tested, and has proved its worth, should be the one.

Lord Curry of Kirkharle [V]: My Lords, I shall speak to Amendment 197, in the names of the noble Lord, Lord Grantchester, and the noble Baroness, Lady Jones of Whitchurch, and to Amendment 207, in the names of the noble Baroness, Lady McIntosh of Pickering, and others. I very much welcome Clause 27. The Government's commitment to include fair dealing within supply chains in the Bill is important and much needed.

I speak as someone who established a reasonably successful agricultural co-operative to market livestock, finished beef cattle and lambs, during the 1990s, so I am only too well aware of pressures in food supply chains. I still have the scars. Clause 27 goes into a huge amount of detail on how fair dealing obligations will be applied. That is welcome. For far too long, insufficient information has been available on input costs and benchmarks on which to base sensible modern contractual arrangements.

As has already been said, when pressure is applied to supply chains, the primary producer is, ultimately, the fall guy and the weak link in the chain. The buck stops there. So, however welcome the provision is, I am concerned because, in this part of the Bill, the Government are particularly vague about the location of the administration of the function. Like others who have spoken, I think I understand why. I am aware that the Department for Business, Energy and Industrial Strategy is reluctant to expand the scope of the Groceries Code Adjudicator.

As the noble Lord, Lord Grantchester, and the noble Baronesses, Lady Boycott and Lady McIntosh, have said, under the current chair, Christine Tacon, the office of the adjudicator has been established with huge credibility and influence. It is the logical home for this function, and I would encourage the Minister, in negotiations with his colleagues in BEIS, to persist in trying to achieve that outcome. There is no other logical place, even if we consider the RPA, with the experience for the function to be sited there. A new chair of the Groceries Code Adjudicator will be appointed later this year, when the current chair steps down, and that will present an opportunity to review and expand its remit. I support the amendments.

Baroness Humphreys (LD) [V]: My Lords, I support Amendment 197, in the name of the noble Lord, Lord Grantchester, and I thank him for his detailed approach in introducing the amendments. This amendment to Clause 27 provides the opportunity to look again at the remit of the Groceries Code Adjudicator, and to examine whether it could be extended to include

responsibility for overseeing fair dealing obligations in relation to farmers and producers. More importantly, perhaps, the amendment also provides an opportunity for the Government to explain and expound on their position.

Since the adjudicator's role was established in 2013, there have been calls from farming unions in Wales and the rest of the UK to address fairness in this part of the supply chain by bringing the sector into her remit. Clause 27 allows the Secretary of State to impose new fair dealing regulations and to provide for enforcing those regulations, and allows

"complaints relating to ... non-compliance to be referred to a specified person"—

in effect, creating a new body under a new leader.

The Environment, Food and Rural Affairs Committee in the other place recommended that the adjudicator is "a more logical entity to oversee fair dealing obligations", and it could

"see no reason why fairness in the food supply chain should be governed by two separate processes and enforcement bodies."

In Wales, the Senedd's Climate Change, Environment and Rural Affairs Committee agreed with the sentiments of the Farmers Union of Wales and the Tenant Farmers Association Cymru, which expressed concern that the Government were not seeking to achieve the desired outcomes of Clause 27 by expanding the role of the adjudicator.

In their response to the EFRA Committee's report, the Government said that

"no final decisions have been taken about the body that would oversee and enforce the new codes of practice",

although their positive comments about the potential role of the Rural Payments Agency seemed to point in its direction. The Government do, however, rule out a role for the adjudicator, referring to the call for evidence in 2016-17, when they concluded that they would not extend the adjudicator's remit to indirect suppliers, because

"there was insufficient evidence of a market failure across the supply chain to justify a major government intervention".

It appears, however, that circumstances have changed somewhat in the intervening three or four years, and the Government themselves have now recognised that there is now a need for further regulations—hence Clause 27. It seems illogical that the new regulations should lead to the creation of a new body when a person and a body that operate in that field, and have the necessary expertise, already exist.

If, as they say, the Government have not made a final decision, my hope is that in the promised industry consultation they will be open-minded, and that the option of the new role being incorporated into the functions of the adjudicator will be included in that consultation. In the meantime, I would be grateful if the Minister could provide some clarity about the Government's thinking and tell us, in particular, whether they consider a completely new body to be desirable, and how they view the relative merits of the Rural Payments Agency and the Groceries Code Adjudicator in relation to the new regulations. I support the amendment, and look forward to hearing the Minister's response.

Lord Bruce of Bennachie (LD) [V]: My Lords, I also wish to support Amendments 197, 198, 199 and 207. The Minister will now be aware that there is strong support right across the Chamber for the role of the Groceries Code Adjudicator to be sustained and strengthened. Indeed, the evidence has shown how effective the adjudicator has been since it was established.

I make no apology for recording the fact that that Act was passed by the coalition Government and was very strongly championed by the Liberal Democrats Colin Breed, Andrew George, Ed Davey and Norman Lamb. They have been vindicated in the effectiveness that the adjudicator has demonstrated. Her latest annual report shows a refreshing drop in the proportion of suppliers who have issues with retailers, from 79% in 2014 to 41% in 2019, and 36% so far in 2020—although that suggests that there may have been an upturn, given that it is a part year, and I predict that that will intensify with Brexit and the consequences of Covid-19. It is still high, and I suspect that there is still a need for indirect representation as well.

All of us want to thank the outgoing Groceries Code Adjudicator, Christine Tacon, for what she has achieved and her vindication of the role. We appreciate that she has stayed on in the current crisis, and trust that her successor will be given the opportunity to continue and develop the good work. I suggest that, at this time, the office may be needed more than ever. The disruption we are currently facing, which will be compounded by Brexit, will put pressure on the margins of suppliers and retailers—inevitably.

6 pm

If there is a spike in the price of any home-grown food products, retailers will want a piece of it. Of course, that is normal market behaviour, but it makes the case for there to be an independent adjudicator with real strength and teeth that are stronger than ever. For example, if there is a price rise because of increases in import costs or wastage as a result of delays in transit, retailers may pressurise suppliers who could fill the gap. This is all the more reason why UK growers and suppliers should not be squeezed out of a market by an internal excessive squeeze on their margins. Over the next six months, we face unprecedented pressures on the supply chain, which mean unprecedented pressures on our home growing capacity and on the retailers, whose margins could be under pressure from consumers who are resisting price rises.

I urge the Minister to recognise the strength of feeling across the Chamber and to recognise that the adjudicator has proved to be very effective and is absolutely the right body, and more important than ever, to be given the role of defending suppliers in this very fraught forthcoming situation. I am very pleased to support the amendments.

The Deputy Chairman of Committees (Baroness Garden of Frognal) (LD): The noble Lord, Lord McNicol of West Kilbride, has withdrawn, so I call the noble Viscount, Lord Trenchard.

Viscount Trenchard (Con): My Lords, the noble Baroness, Lady Bennett, is very keen that we should allow fungi to be recognised as a separate group within the

kingdom of living things on earth. We have obviously moved on from “animal, vegetable or mineral?”, a game which I think many noble Lords will have played as children on long car journeys. I am not sure that we cannot still include fungi within a definition of plants, because it would keep the drafting simpler, and I am not sure that there is any clause of the Bill where fungi will need separate and different references from plants.

My noble friend Lord Caithness is right in his Amendments 177, 179, 180 and 182, which would restrict the powers with regard to data collection to the purposes contained in Clause 23. I also sympathise with his Amendments 186 and 187, which would restrict the definition of “a closely connected person” and the extent of the data which may be collected, and I ask the Minister to give a clear response on these points.

My noble friend Lord Lucas, in Amendments 178 and 181, seeks to provide that the data collection’s purposes should be widened to include the duty to report to Parliament under Clause 17. I ask my noble friend the Minister whether he thinks there could be confidentiality issues here to protect members of supply chains, which are important. Amendment 183 seeks to include “plants”, but surely they are included in “or other thing taken from the wild.”

I support Amendment 191 from my noble friend Lord Caithness, which seeks to release participants in supply chains both from the provision of unduly burdensome information and from a perceived requirement to disclose confidential information, which is very necessary. Amendment 192 seeks to include intellectual property rights, but surely they are already included.

I am not sure how many of the amendments in this group from the noble Lord, Lord Grantchester, are necessary. With regard to Amendment 195D, I thought there was always an implied contract if there is a deal, but I would appreciate my noble friend the Minister’s confirmation of that. If I am right, the word “contractual” is otiose in Clause 27(2), which would make Amendment 195E unnecessary.

I cannot support Amendments 196 and 201 in the name of the noble Baroness, Lady Jones of Moulsecoomb, because product quality is not necessarily affected by animal welfare standards. Also, producer organisations are of course required to observe the high animal welfare standards that the law rightly requires.

I am interested in the suggestion made by the noble Lord, Lord Grantchester, in Amendments 197 to 200, which seek to widen the responsibilities of the Groceries Code Adjudicator to ensure fair dealing. My noble friend Lady McIntosh makes the same suggestion in her Amendment 207. I would have thought that the skills required are comparable and that it should not be too difficult to recruit some agricultural specialists to the adjudicator’s office. Indeed, would that not be better than setting up yet another quango to deal with this matter?

6.06 pm

Sitting suspended.

6.35 pm

Baroness Bakewell of Hardington Mandeville [V]: My Lords, this group of 44 amendments covers a wide range of topics. The noble Baroness, Lady Jones of Moulsecoomb, has said that it is a mixed bag. Amendments 90, 188 and 189 and others deal with adding “fungi” to the financial assistance list. The noble Baronesses, Lady Bennett of Manor Castle and Lady Boycott, have spoken to these amendments and given us a list of the benefits of fungi.

Amendments 177 to 187 relate to data sharing. Amendment 190 would increase the purposes for which information may be processed to include to assist transparency and to prevent waste in the agri supply chain. Amendments 191 to 194 seek to reduce the burden on those who have to provide the information, and set out intellectual property rights and require that penalties should be proportionate. The noble Lord, Lord Grantchester, has Amendments 195A to 195F, which would add safeguards for all sectors to be consulted. Fair contractual dealing is specified and liability for unforeseen events would be limited.

Amendments 197 to 200 would make provision for the Groceries Code Adjudicator’s office to regulate contracts, and Amendment 207, to which I have added my name, seeks to make provision for the Groceries Code Adjudicator to be responsible for compliance with Part 3. The noble Lord, Lord Empey, spoke eloquently about the importance of fairness and transparency for those at the bottom of the food supply chain. The Bill includes provisions for fair dealing to be implemented. However, it is vague about where that is to be monitored. I fully support the noble Lord, Lord Grantchester, and all those who have spoken in their attempt to provide fair dealing across buyers and sellers in contracts and to provide clarity about how that will be achieved.

The noble Baroness, Lady McIntosh of Pickering, spoke passionately about the importance of the Groceries Code Adjudicator in advising and enforcing the provisions of the Bill. The adjudicator has the expertise, knowledge and experience to bring reassurance to small producers. The noble Baroness, Lady Ritchie of Downpatrick, gave examples of how the adjudicator can provide the best possible role in monitoring parts of the Bill. That view is supported by the noble Lord, Lord Curry of Kirkharle. My noble friend Lady Humphreys asked that the Groceries Code Adjudicator be expanded to include farmers and growers and for clarity on whether a new body is needed. My noble friend Lord Bruce of Bannachie also supported the involvement of the Groceries Code Adjudicator and gave statistics on how effective it has been in the supply chain.

The noble Baroness, Lady Jones of Moulsecoomb, spoke to Amendments 201 to 206 on animal welfare, and the noble Lord, Lord Carrington, spoke to Amendments 202 to 205 relating to retaining EU competition law.

The Minister is always very assiduous in his responses to our debates, and even given a list of 44 amendments I am sure he will give us something to think about. I look forward to hearing his answers to the many points raised.

Lord Grantchester: I thank all noble Lords who have come forward with amendments and support; this is a daunting group of 44 amendments covering Part 3 of the Bill, Chapters 1 to 3, plus parts of Schedules 2, 5 and 6. It covers provisions on aspects of the agri-food supply chain; that is, the requirement to provide data and purposes for which data is provided, as well as enforcement of data requirements in Chapter 1. I have mentioned facets of fair dealing in Chapter 2, and Chapter 3 covers producer organisations and competition provisions.

Many amendments appear quite technical in effect; I applaud the assiduousness with which noble Lords have scrutinised these clauses. I welcome the provisions to make producer organisations more effective in legislation under the fair dealing provisions following their recognition under Clause 28. Regarding “competition exemptions” in Clause 29, can the Minister tell us whether the experiences of the Covid-19 pandemic caused any rethinking of the clause in the application of the Competition Act 1998? Given the opportunity to bring forward regulations in due course, with the consultations normally undertaken in that process, he may be able to confirm that the flexibilities around the framework are sufficient.

The importance of information and the collection of data in the supply chain has long been recognised. I thank the noble Lords who have pursued this in relation to how it is used with recognition of data protection legislation, to improve supply chain transparency and manage volatility. They have asked the Minister to clarify that the drafting of these powers will achieve this. I shall listen carefully to all the Minister’s responses to these amendments.

Lord Gardiner of Kimble: My Lords, this has been an interesting debate taking us through a range of issues. I thank the noble Baroness, Lady Bennett of Manor Castle, for tabling amendments relating to fungi. I listened to what the noble Baronesses, Lady Jones of Moulsecoomb and Lady Boycott, said on the matter. I declare my farming interests as set out in the register.

Clause 1(5)(b) already includes the conservation of fungi as conserving can relate to the restoring or enhancement of a habitat. In instances where it may be desirable to conserve wild fungi, or a rare species of fungi, this is possible through the power to conserve the habitat in which they exist. In Clause 22(6) and under Schedules 5 and 6, the definition of “agriculture” already includes fungi. In relation to Amendment 183, I assure my noble friend Lord Lucas that the current drafting includes wild plants, as well as wider aspects of farm-to-fork activity to be collected.

I turn to Amendments 177, 179, 180, 187, 191 and 192 on data collection. Some of the issues have been quite technical in this part of the Bill. I will endeavour to answer as many questions as possible but some might, perhaps, involve a more detailed response; I shall reply in writing on any outstanding points. The Government have taken deliberate steps to ensure that only information which fulfils a clear purpose can be collected. I agree with my noble friend Lord Caithness that this needs to be focused and proportionate—a point also made by my noble friend Lord Trenchard.

An exhaustive list of purposes is contained under Clause 23; the requirements for information must fulfil one of those defined purposes. Clause 24 sets out that, before an information requirement can be issued, the Secretary of State must publish a draft requirement and invite views over a four-week period from anybody who will be affected by it. Any views, including those about difficulties in meeting the requirements, will be considered by the Government before final publication. Clause 25(9) already ensures that, in circumstances where a proposal is made to disclose information in an anonymised form, consideration must be taken of how such a disclosure would affect commercial interests, including intellectual property rights. As regards information provided under a duty of confidence, a blanket provision would be inappropriate given that a duty of confidence could easily be established via a discretionary agreement between any two parties simply for the purpose of avoiding information requirements.

At Clause 21(5), the Bill includes safeguards to protect information subject to legal privilege. Clause 46(2) sets out that these powers cannot be used in ways that would contravene existing data protection legislation. The Government therefore believe that these safeguards are sufficient.

6.45 pm

Amendment 193 seeks to extend enforcement provisions to cover the individuals handling any data collected. Clause 26 exists specifically to create a means of investigating and dealing with a refusal to provide information. Once information has been collected, it is already protected by existing data protection legislation, and therefore the Government do not believe that further enforcement powers are required.

I should also say to my noble friend Lord Caithness that the Government held a series of discussions with industry stakeholders, including the NFU and the AHDB, to establish the current datasets available for agricultural markets and to identify where further information could improve supply chain transparency.

On Amendments 178, 181 and 182, the data required for the food security report is already available and will be drawn from a blend of national and international sources, such as the Office for National Statistics and the Food and Agriculture Organization of the United Nations. Clause 25(5) allows a requirement to specify that information is provided to a person other than the Secretary of State. This may include non-departmental public bodies and arm's-length bodies, among others. However, it is important that the Secretary of State retains control over, and responsibility for, how these powers are used.

Amendments 185 and 186 seek to expand the definition of those related to the agri-food chain. The power already allows for information to be collected from anyone capable of affecting the agri-food supply chain. This drafting language was selected specifically with businesses such as hauliers and farm business suppliers in mind, as well as other relevant operators in the supply chain. In order to assess animal disease and wider risk-management tools effectively, the Secretary of State must have access to a broad range of data. It would hinder that aim if the definition of those closely

connected to the agri-food chain applied only to those negatively affecting certain aspects. In addition, the Food Standards Agency has robust and relevant powers in this area, and Defra and the FSA will continue to work together when needed.

Amendment 190 concerns the purposes for which data can be collected. The list of purposes contained in Clause 23 was drawn up after careful and detailed consideration with industry stakeholders. The purposes are drafted so that they can serve both current and future policy ambitions. We believe that narrowing the powers in the manner suggested would mean that auxiliary supply chain operators who hold crucial information, such as vets, contractors, fertiliser merchants and others, would be exempt from information requirements.

Amendment 194 concerns monetary penalties. Clause 26(5) specifies that financial penalties are to be calculated in a "specified manner" and clarifies that this means

"framed by reference to ... profits, income or turnover."

Issuing the same penalty to a farmer and a supermarket would clearly be inappropriate.

Amendments 195 and 195A concern the fair-dealing provisions in Clause 27. The introduction of contractual obligations across the whole of UK agriculture would, we believe, lead to provisions that fail to address the specific—I underline "specific"—problems of some sectors and introduce unnecessary bureaucracy in others.

The Government believe that each agricultural sector is different, that a targeted approach for each sector is most appropriate and that industry should be invited to provide its views. As such, an obligation to make regulations within 12 months of the Bill receiving Royal Assent may undermine the ability to undertake this necessary engagement. Indeed, on 24 June, a UK-wide consultation to explore contractual issues in the dairy sector was published. This consultation invites a broad range of views about future regulations and the most effective form of dispute resolution enforcement. The Government encourage all relevant farmers and processors to submit their response to this consultation and will actively listen to their views on appropriate enforcement mechanisms. The Government intend to repeat this approach for any future exercise of the powers within Clause 27, allowing feedback from industry to inform the final decisions made.

Amendments 195B to 195F and Amendment 196 seek to make changes to the approach adopted in Clause 27. The Government have designed this clause to be as flexible as possible, so that any obligations introduced under it can deliver appropriate protection. Following feedback from stakeholders on the Agriculture Bill 2018, for instance, the Government removed the link to the list of sectors in Schedule 1. The ability to account for the differences found between sectors is, we believe, important. For instance, while the dairy sector typically operates using formal written contracts, in the livestock sector and parts of the arable world, informal, word-of-mouth arrangements are more common. The Bill has the flexibility to regulate both kinds of relationships. With particular reference to Amendments 195F and 196, Clause 27(7) is a non-exhaustive list of obligations which may be introduced

[LORD GARDINER OF KIMBLE]

under this clause. Where obligations are required which create a more balanced risk profile, or which deal with matters of animal welfare, the current drafting allows for this.

On Amendments 197, 198, 199, 200 and 207, I endorse all the points that noble Lords made about the work of the Groceries Code Adjudicator and all those who have been involved. This was created for the specific task of monitoring relationships between the UK's largest supermarkets and their direct suppliers. This targeted focus and a good understanding of how the retail market works have proved critical in delivering effective change—a point made by the noble Lord, Lord Empey.

I say to the noble Baroness, Lady Ritchie of Downpatrick, that Defra and BEIS officials work very closely together on matters that affect the supply chain. BEIS and Defra together issued the call for evidence on extending the Groceries Code Adjudicator's remit in 2016. A government call for evidence in 2016 on the GCA's remit found insufficient evidence to justify extending it to indirect suppliers. I say in particular to the noble Baroness, Lady Humphreys, that the issues identified by the review were sector-specific, were predominantly concerned with the first stage of the supply chain and are best addressed with the targeted interventions in the Bill.

In response to my noble friend Lady McIntosh, I think, and the Government think, that the views of the farming industry will be critical in shaping these interventions. The Government's current consultation invites responses about an appropriate enforcement regime. Having heard from many noble Lords around the House, I will make sure that the remarks that have been made across the House will also be fed into the department, and these will, of course, be considered before decisions are made.

In relation to statutory codes, I say to the noble Lord, Lord Empey, that the specific detail of each statutory code will be developed in consultation with industry and set out in secondary legislation. The codes will introduce obligations that businesses need to abide by when entering into a contract to buy agricultural products directly from qualifying sellers. I have more on that, and again my letter will set out more detail.

The noble Lord, Lord Grantchester, asked about the government department responsible for future codes of conduct and their enforcement. Codes of conduct introduced under the Bill are designed to protect farmers and growers. It is therefore envisaged that Defra will be the lead department responsible for managing the relationship with any future enforcement body regarding the codes introduced under Clause 27.

The noble Lord, Lord Grantchester, also asked about powers being used in a crisis. The problems experienced by sectors such as dairy during the recent Covid-19 pandemic were wider than just contractual practice. We will carry out sector-specific consultations, gathering views on which contractual measures would improve the resilience of the industry should similar situations arise in future. This will be undertaken through regulations. It could come under matters specified in Clause 27(7), for instance.

Amendment 201 relates to the recognition of producer organisations. Introducing into primary legislation extra conditions such as the one proposed risks placing further burdens on businesses interested in greater collaboration. We believe that in the livestock sector, where collaborative business models are likely to be comparatively small, a mandatory requirement to appoint a responsible officer for animal welfare would be disproportionately bureaucratic. But before the noble Baroness, Lady Jones of Moulsecoomb, becomes too disappointed, the kinds of specific conditions she is concerned with in Amendment 206 are most appropriately dealt with in regulations, in our view, rather than in the Bill. This will allow for consultation, during which animal welfare groups will be invited to express their views.

Amendment 202 seeks to remove the obligation to publish online a decision to recognise a producer organisation. I would like to reassure the noble Lord, Lord Carrington, that this is simply the continuation of an existing practice. No sensitive information pertaining to the producer organisation is published. A list of the names of active UK producer organisations is already available on the government website, and this will continue.

I found Amendment 203 quite technical. I looked at the amendment and the Bill and am happy to say that I will study any further follow-ups with even greater intensity. This amendment would preserve some elements of existing European Union law. The Government do not think it appropriate. The UK is leaving the CAP and should pursue its own objectives via domestic agriculture. Furthermore, we believe that preserving an element of EU law that is being replaced by a domestic equivalent, a new system of producer organisation recognition, could create confusion about how recognition is secured. As I said, if there is a more technical discussion to be had, I am happy to have it.

There was a question about why we had removed the agricultural exemption. We are not removing the agricultural exemption but amending it so that, in order to benefit from the exemption, the provisions of our domestic producer organisation regime must be complied with, instead of the objectives of the CAP, which I think responds to that point but in a slightly different phraseology.

Amendments 204 and 205 seek to remove the oversight role of the Competition and Markets Authority. I entirely appreciate the sentiment behind these amendments. The Government are committed to creating a simpler and less bureaucratic regime than the current EU one. However, the CMA is the expert authority on competition law in this country and it is right and proper that, where derogations from competition law are concerned, it retains the ability to provide its expertise.

Because of the range of issues discussed in this group, I will certainly look at *Hansard*, as I said, and see if there are any more technical points. I know the noble Lord, Lord Grantchester, has asked some technical questions and it might be helpful if I set out in my more detailed letter how we perceive the workings of Clause 27.

7 pm

As I said, work is in hand. I know that that is frustrating for noble Lords who want certainty, but the consultation will be first with dairy and then the other sectors. We are doing this because we recognise that we need to find the right way forward to ensure that the fair dealing provisions actually work for the farmer and the producer. If we fly into something and find that we are not working with the farming sector to achieve what is best, we will have missed a great opportunity.

I understand the point—the Groceries Code Adjudicator has worked very well, but my understanding is that the farming industry itself was not keen to have the adjudicator come in to deal with those situations. There is a feeling that the sector-specific arrangements will, in the end, suit the farmer and the producer better, and probably make it more accessible and nearer to the farm, as it were.

If there are any outstanding points, which I fear there may be, I will respond in writing, but I want to point out that fungi are an aspect of our ecosystem that is clearly important to our wildlife habitats and to the production of food. Given the reassurances about Clause 1 and Clause 22, I hope that the noble Baroness, Lady Bennett of Manor Castle, will feel able to withdraw her amendment.

Baroness Scott of Needham Market (LD) [V]: My Lords, in 2016, I chaired an EU sub-committee inquiry into building a more resilient agricultural sector. We took evidence on the financial impact on farmers of a number of supermarket contractual practices. One was overzealous specification, which could result in the destruction of up to 20% of some crops. The other was that because of such swingeing penalties for under-provision, farmers had to grow far more than they needed. Noble Lords may come on to this issue when we debate food waste in later groups of amendments, but I wanted to raise it this evening with regard to the role of the Groceries Code Adjudicator, because no one else has. I hope the Minister will consider it in the list of items relating to fair dealing, to which I know he will be giving a lot of thought.

Lord Gardiner of Kimble: I am grateful to the noble Baroness. We are bringing forward these provisions in the Bill because we recognise that the current situation is far from satisfactory. We need to consult the sector on fair dealing provisions. We started with the dairy sector, but that is the beginning; we need to consult each and every sector so that we get the right response and find out how they are most directly affected by what I would call unfair arrangements. When we have reached a view with them, we can rectify any problems and find a way of enforcing the provisions. Regarding the consultation, it is a question of making this work for the farmer. Like everything else in this Bill, if this does not command the consent and support of the farmer, we will not have done a good job.

Lord Hope of Craighead (CB) [V]: My Lords, I want to take the Minister back to Amendment 90 in the name of the noble Baroness, Lady Bennett of Manor Castle, and the important issue of fungi and

the meaning of the word “plants”. I absolutely understand the noble Baroness’s wish for scientific accuracy, and I understand the points forcefully made in support of the amendment of the noble Baroness, Lady Boycott. But I wonder if the Minister agrees that, at the end of the day, it comes down to the ordinary meaning of words, as indeed it did in the case of Amendment 87 in the name of the noble Lord, Lord Trees, on the question of whether the word “processing” included slaughtering. The Minister said that it did, and I agree.

Perhaps the Minister will take comfort from the meaning of “fungus” in the *Concise Oxford English Dictionary*. As a lawyer, when it comes to the ordinary meaning of words, I tend to look in the dictionary. It defines “fungus” as a

“mushroom, toadstool or allied plant, including moulds.”

It goes on to give a botanical definition: a

“cryptogamous plant without chlorophyll feeding on organic matter.”

So far as the dictionary is concerned, plants include fungi. With the benefit of that definition, I wonder whether the Minister would be prepared to say that wherever the word “plants” is used in the Bill, it includes fungi.

Lord Gardiner of Kimble: My Lords, I wish that the noble and learned Lord had given me those definitions before I replied, because it would have helped the noble Baroness even further.

On our definition, I specifically mentioned Clause 22(6) and the schedules that contain “fungi”. As I said, I can confirm that in Clause 1, which is about wild fungi and habitat, “fungi” covers plants and fungi, as it does throughout the Bill. My lawyers’ interpretation is that fungi are included.

Baroness Bennett of Manor Castle [V]: I thank the Minister for his usual comprehensive and precise response to what is, as noble Lords have reflected, a hugely diverse range of amendments.

I do not intend to attempt to sum them all up, but I want to respond specifically to the noble and learned Lord who just intervened. My academic background is as a scientist. If the law can be scientifically accurate, reflecting modern understanding, many people might think that that is a good thing. I hope that the Minister will go away and talk to his officials and perhaps reflect on how many scientists there are in the Bill drafting team.

As the noble Lord, Lord Lucas, said in his interesting intervention, this is an issue of accurate language. As a feminist, I might come back to the other issues he raised with regard to the House another time, but not today.

I thank the noble Baroness, Lady Boycott, and the noble Earl, Lord Dundee, for their support. Reflecting briefly on the animal welfare provisions, some of which were supported by my noble friend Lady Jones of Moulsecoomb, the noble Baroness, Lady Boycott, came up with an interesting proposal in suggesting that there could be an animal welfare oversight body—something like the Groceries Code Adjudicator. Perhaps we can take that away and look at it in future.

[BARONESS BENNETT OF MANOR CASTLE]

I welcome the Minister's commitment to close consultation with groups concerned with animal welfare in the regulations. I am sure that we look forward to seeing that, but most of the amendments in this group relate in some way or another to fair dealing and the problem of our current distribution system. The noble Lord, Lord Grantchester, was hugely powerful when he talked about how the supermarkets making massive profits from the current tragic situation bore down on smaller suppliers and producers. The noble Baroness, Lady McIntosh of Pickering, stressed how we need joined-up thinking in ensuring fair dealing. I welcome what the Minister said about consulting the farming and growing sector in this area.

That sums up where we are. We have all done a great deal of work. Perhaps we will come back to some of this but, in the meantime, I beg leave to withdraw the amendment.

Amendment 90 withdrawn.

Amendments 91 to 102 not moved.

Clause 1 agreed.

Amendments 103 and 104 not moved.

The Deputy Chairman of Committees (Lord McNicol of West Kilbride): We now come to the group beginning with Amendment 105. I remind noble Lords that anyone wishing to speak after the Minister should email the clerk during the debate. Anyone wishing to press this, or any other, amendment in this group to a Division should make that clear in the debate.

Amendment 105

Moved by Lord Grantchester

105: After Clause 1, insert the following new Clause—
“Minimum level of financial assistance

Before exercising the powers under section 1 for the first time, the Secretary of State must lay before Parliament a statement confirming—

- (a) the total amount of financial assistance available in the first year in which the Secretary of State intends to exercise the power under section 1,
- (b) that this is no less than the total amount provided in the preceding financial year, adjusted for inflation,
- (c) provisional total amounts for the subsequent three financial years, and
- (d) the reasons for the amounts specified under paragraph (c).”

Member's explanatory statement

This amendment seeks to ensure that the transition to a new funding system does not result in a reduction in the overall financial assistance provided for agriculture and associated purposes.

Lord Grantchester: Amendment 105 is in my name and I thank the noble Lord, Lord Greaves, for adding his name to it. I will also speak to Amendments 107, 112 and 123 in my name, as well as Amendment 129 in the name of my noble friend Lady Jones of Whitchurch and Amendment 139 in the name of the noble Lord, Lord Krebs, to which my noble friend Lady Jones has added her name.

Amendment 105 is very important as it lays out the “Minimum level of financial assistance” that must be provided by the Bill to the new system of support. Under this proposed new clause, the level of support must be maintained from year to year at the level made available in the first year, adjusted for inflation, at least for the subsequent financial years. There has always been anxiety that the Conservative Government, in keeping with their austere inclinations, would not maintain support systems at the level of payments previously made under the CAP as a member state. Under the May Administration, the Government stated that they would maintain the level of support in any future scheme for one Parliament—at that time, at least until 2024. This suggested that reductions would be made thereafter.

This new Administration, resulting from the December election, have not made emphatic statements beyond the provision of the direct payments to farmers Act 2020, which operates for one year only as an interim continuity provision while the Bill, when it becomes the Agriculture Act, is implemented. Indeed, it has been decided to make cutbacks in financial support as soon as the next year—that is, in this first transition phase—even before any new measures could be set up, as trials, to make up that shortfall. The first experience that farmers and land managers will have under this new scheme will be a cut to funding—hardly a measure to build confidence and trust.

This proposed new clause gives the Minister the opportunity to be clear and put the Government's intention forward, giving a measure of certainty to all agricultural businesses regarding the funding levels envisaged not only for the next three years but into the future, when the ELM schemes and their benefits can be brought forward. As was said at Second Reading, this is a framework Bill where many of the mechanisms and provisions are not transparent, or even finalised, from the discussions published to date by the department. If the Government want ELMS to be a success, as we all do, the maintenance of at least total farm support transposed into ELMS must be looked at to provide rewards well beyond those at present experienced under stewardship schemes.

I will quickly speak to my other amendments in this group. Under Amendment 112, I propose that any funding not taken up in one year is

“carried over to a future year”.

I thank the noble Baroness, Lady Bennett of Manor Castle, for adding her name to this amendment. It is important in the early years that farmers and land managers, as they assess and make plans for their businesses, have time to come forward with applications. It would be unfortunate if any delay in applications resulted in the budget being cut in a future year in response by this Government.

Under Amendments 107 and 123, I propose that the Government are mindful of the purposes of the Bill and that the costs of administration and advice do not become seen as overly bureaucratic and consume an expanding proportion of the overall budget. They would also ensure that the important advice to the industry from consultants, which we would also wish to see taken up, does not consume a large slice of any

application, especially in relation to the larger catchment area schemes that will come forward under the higher proposed tiers 2 and 3. We would want to see farmers and land managers given the tools to perform their activities, putting a scheme's cash for projects on to the ground.

7.15 pm

I turn now to Amendment 129 and I am grateful for the support of the noble Lord, Lord Krebs. I know that he was keen to speak to this amendment and to Amendment 139 in his name. However, he has had some technical problems, so perhaps I may speak also to his amendment, given that we are largely agreed on them both. Amendment 129 would set up a specific link from this Bill to one of the key provisions of the Environment Bill through its delivery mechanisms in support of ELM schemes. The environmental improvement plan will set up a long-term strategy to improve the natural environment in accordance with the Government's 25-year environment plan. In setting the strategic priorities for the multiannual financial plans under Clause 4, the Secretary of State would be required to have regard to the current EIP. In discussions on their ELM paper, the Government have said already that the outcomes of the 25-year environment plan will inform the key strategic priorities for financial assistance.

My noble friend Lady Jones of Whitchurch has her name to Amendment 129, and I agree with and endorse the comments of the noble Lord, Lord Krebs, which he has shared with me. It is an important amendment and we seek the Minister's reassurances here. The provisions of Clause 6 include requirements to monitor the impact of financial assistance. This amendment would require the Government to assess the impact of the provisions of the Bill in its entirety on the public goods stipulation in Clause 1. Monitoring should determine whether, and to what extent, financial assistance has had a positive impact on public goods. Other relevant provisions beyond financial assistance are also included in this monitoring. These other relevant provisions would include adherence to environmental standards regulations as a strong regulatory baseline for underpinning public support of key strategic imperatives such as water, clean air and climate change mitigation. This would also take on board the requirements referred to in our Amendment 57, where we agreed with the Minister who responded to that grouping that productivity improvements must complement environmental benefits.

With those comments, I return to the opening amendment of this group, Amendment 105. I beg to move.

Lord Addington (LD): My Lords, I thank the noble Lord for introducing so clearly his amendment and for speaking to other amendments in the group. The issues raised in my amendments refer back to Clause 1. I feel rather mean about doing that, having seen the fairly rapturous smiles on the faces of those on the Government Front Bench when it was agreed that the clause should stand part of the Bill, but I am afraid that that is where the radical stuff is; it is that simple. Clause 1 is where we have the statement that there will be quite a fundamental change to the way that some aspects

of the countryside and agriculture are financed. The two amendments in my name refer to Clauses 4 and 5, covering planning and monitoring.

Let us talk about access again because that is what I have been talking about, although the environment and agriculture are equally important—for others they are probably more so. If we are to have a plan that seeks to improve access, we need to monitor that and go back to review it. If the Minister can tell us how that is to be done, we will know about it and it will become more real—firmer, if you like. Is a new footpath to be just another line drawn somewhere, with money claimed for doing that, but then it is ploughed up and cannot be used for six months of the year? If a hard surface to stop people trampling over the rest of the field and ensuring a higher level of disabled accessibility is the plan, how will that be reported on?

Amendment 138 may be the more important of the two amendments because it covers reporting back on how things are working. We are going into new territory here. It is almost inevitable that some of the schemes will not work and that some will not be as successful as others. How do we find out how the plans are supposed to be implemented and how do we report back on them? That is very important.

It may be that the Minister has a wonderful answer waiting for me that will mean that I and people outside can totally relax about this, but we should be able to hear about it. With these schemes, with their cultural heritage and so on, you have to know that when you pump money in you will get something back for it—public money for public goods—and in order to know that, we need a better guide through this reporting process.

The farmer—the person who has to change their practices—needs to know as well. They are the implementation system, unless there is going to be a new clause containing a new agency to do it for us. Pigs flying would happen more frequently than that in the current environment, so it is the farmer who is going to have to do the work, or at least the vast majority of it. Knowing how this will be implemented is what we are trying to get at here, or at least what I am trying to get at. Other colleagues have their names to these amendments and they may well have their own takes.

The Deputy Chairman of Committees: After the noble Lord, Lord Northbrook, I will be calling the noble Baronesses, Lady Scott of Needham Market and Lady McIntosh of Pickering, who were omitted from the original speakers' list.

Lord Northbrook (Con) [V]: My Lords, I shall speak to my Amendment 126 in this group. I declare my interest as a landowner and arable farmer. Echoing what would be achieved by my Amendments 56, 60 and 69, this amendment would ensure that the requirement for the Secretary of State to have regard to the need to encourage the production of food by producers in England, and its production in an environmentally sustainable way, when framing any financial assistance schemes was explicitly taken into account in the development of the multiannual financial assistance plans required under Clause 4.

[LORD NORTHBROOK]

In earlier remarks on domestic food production support, the Minister said, if I understood correctly, that food production did not need financial support because this came to the farmer, who had a profit from the sale of his produce. However, in my view, this argument does not cover the situation where, for instance, dairy farmers sell their milk at a loss, or where farmers would like financial support to invest in new buildings, machinery, processes, new crops or different species of livestock, particularly when these take some years to develop. I believe that the scope of multiannual assistance plans set out in Clause 4 should be expanded to include the above. I ask the Minister for her views on this.

Baroness Scott of Needham Market [V]: My Lords, I shall speak to Amendments 124 and 138, which I have signed. While my thinking is very much informed by questions of public access in the way that my noble friend Lord Addington's is, there is a wider point here about the operation of this new system that is echoed in one way or another by a number of amendments in this group. While I recognise that it is positive that multiannual assistance plans will provide a level of certainty both for farmers and for the public, who are interested in these things, this ought to be strengthened by a greater understanding of how the objectives align with the public goods in Clause 1.

As drafted, the Bill refers to the Government's strategic priorities, but it is not really very clear how one would determine what those priorities are. I shall give the Committee an example: there is a national policy on flooding, for example, and we know that there are policies around climate change and the environment. That is probably clear. However, there are no strategic priorities established for the question of public access. It is quite difficult to see how assistance under the Bill will link to a government strategic priority that does not actually exist. It would be helpful if the Minister could say a word or two about this because it would really aid clarity about what the funding is to deliver and ensure that there is a coherence in approach and predictability.

That then feeds into Amendment 138 regarding clarity in the financial assistance scheme, which I think most of us would agree is an essential part of transparency. We want to see not just what is being given to whom but how these strategic priorities—these public goods—are reflected in the spending once it has happened.

Baroness McIntosh of Pickering [V]: My Lords, I will speak to Amendments 127, 134 and 137, relating to Clause 4, which deals with multiannual financial assistance plans.

Amendment 127, which I am delighted is co-signed by the noble Baronesses, Lady Jones of Moulsecoomb, Lady Ritchie of Downpatrick, and Lady Bakewell of Hardington Mandeville, seeks to enhance the usefulness of the Government's multiannual financial plans. I warmly welcome the Government's commitment to produce these plans, as they will provide a degree of assurance to farmers and other land managers regarding the Government's commitment to schemes and programmes.

I also welcome the Government's commitment to come forward early in the policy transition period with their first such multiannual plan.

However, I fear that the current provisions of the Bill lack any requirements on the Government to specify levels of expected expenditure and how those levels relate to the achievement of each of the strategic priorities set out in the Bill. Without seeking to bind the Government too tightly, it is sensible to have a framework that requires the Government to be clear about what it is planning to spend, and on what. Circumstances can and do change over time, but we must see a clear direction of travel from the Government now, so that we and farmers can judge how well the Government are doing in achieving their objectives and in the targeting of public resources.

Farmers and land managers too will need assurance about the certainty of funding if they are going to enter long-term relationships to deliver outcomes for the public benefit and for the improvement of productivity. Identifying specific levels of budgetary expenditure will also enhance the ability of Parliament to scrutinise government plans and policies, both in advance of them being implemented and by way of evaluating performance afterwards; both are important parts of good governance.

Turning to Amendment 134—which I think the noble Baroness, Lady Jones of Moulsecoomb, and the noble Lord, Lord Wigley, for co-signing—in framing the financial assistance scheme, it is absolutely right that the department and the Government should have regard to advice from time to time on the funding required to achieve the strategic priorities of financial assistance for the duration of the plan, whether that advice is from the Office for Environmental Protection, or any other public body with a national remit and responsibilities for the natural or historic heritage. In Amendment 137—which I am grateful to the noble Baroness, Lady Jones of Moulsecoomb, for supporting—I go on to say that we need to know that, under the Bill, any advice received from the Office for Environmental Protection and any other public body with this national remit is sufficient to prove that the financial assistance provided is sufficient to meet the strategic priorities of the financial assistance.

It is very difficult for us to take a view on what the role of the OEP and its relationship with these other advisory bodies should be when we have not had sight of the Environment Bill in its current form, or the chance to adopt it. I make a plea to the Minister and her department that the Environment Bill and the Agriculture Bill are mirror images of each other, and their provisions reflect and fully complement each other.

Baroness Rock (Con) [V]: My Lords, I speak to Amendment 128 in my name, and declare my interests as set out in the register.

Time is running out to have all necessary legislation and implementation decisions and processes in place in the timescale set. There are still many aspects of transition and the success of future farming support policy that remain unclear, and the concern is that there will be a gap between alternative and effective schemes being in place and the start of the phasing out.

Amendment 128 allows the Government to return unspent funds to farmers as direct payments if they are not being used for other purposes. This enables Ministers to carry over any money left unspent at the end of a particular budget year for spending in subsequent years. Given the extremely welcome commitment of the Conservative Government to maintain current levels of funding, we must ensure that the precious resource of public money is used for its intended purpose of supporting agricultural businesses.

7.30 pm

The Earl of Devon [V]: My Lords, I echo the words of the noble Baroness, Lady Rock. I will speak to Amendments 131 and 133 in my name. I am grateful for the support of the noble Lord, Lord Cameron, on Amendment 131.

This turns again to the transition period—or transition chasm, as I described it earlier. Farmers are used to dealing with bad weather, but the thick fog that lies over the chasm is very foreboding. As I suggested earlier, the uncertainty is a major drag on investment and productivity in farming. Certainty and clarity are needed. My amendments seek merely to improve the clarity and certainty under the very welcome multiannual financial assistance plans.

Amendment 131 seeks more certainty by requiring plans to last seven years instead of five, permitting a greater length of commitment and avoiding the unfortunate coincidence with the election cycle. Agriculture and politics do not mix. To use a term popular in this Bill, we need to de-link them. I also note that seven years seems to be okay for the first multiannual financial assistance plan. Can the Minister state why it is not okay for the rest?

Amendment 133 merely seeks some clarity. At present a multiannual financial assistance plan is due to be laid before Parliament by 31 December of this year and will come into force the following day. That makes no sense—I do not wish to spend New Year’s Eve poring over a multiannual financial assistance plan. Parliament should have at least two months in which to review it. I suspect that farmers may want a bit more advance notice as well.

Lord Lucas [V]: My Lords, I will speak to Amendment 132 in my name. These plans are the fundamental basis for planning farming in this country. It is really not acceptable that the Government should be allowed to let a plan almost expire and then introduce a new one. How does that allow farmers to plan properly? I know that they will not get it under these circumstances, in the first iteration, but thereafter they deserve two years’ notice of changes that will be made between one plan and the next.

Baroness Bennett of Manor Castle [V]: My Lords, I associate the Green group with the very useful amendments of the noble Lord, Lord Addington, about transparency and accountability, and Amendments 131 and 133 from the noble Earl, Lord Devon. He displayed a touching faith in the regularity of the electoral cycle in his comments, but none the less a seven-year timeframe is much more realistic.

I will speak primarily to Amendment 112 in the name of the noble Lord, Lord Grantchester, to which I was pleased to add my name. This is a simple and practical amendment which says that financial assistance should be rolled over if it is not spent in one year. The noble Lord referred to the risk of funding going down if it is not spent. There is the other risk—as I am sure Members of your Lordships’ House will know, having spent much time over their lives on committees—of the rush that often happens at the end of the year to spend money before it runs out or disappears. That is something we do not want to see happening and do not want to encourage. Thinking particularly about farming and growing, dependence on the weather will mean that sometimes things simply cannot be done in a particular year.

I was also pleased to add my name to Amendment 227, tabled by the noble Baroness, Lady Young of Old Scone. She has not yet had an opportunity to speak to that amendment, which is also backed by the noble Earl, Lord Caithness. I briefly reflect that this calls for a land use strategy for England and focuses on the two key issues of carbon storage and biodiversity. I am sure that most Members of your Lordships’ House would agree, for example, with the phrase “the right tree in the right place”. To get towards that goal we need a strategy to head in that direction.

I also suggest to your Lordships that any land use strategy would have to consider whether there are some existing land uses in England that cannot be allowed to continue because of the environmental damage they are doing all round. I refer particularly to driven grouse shooting, which has real issues as regards carbon storage and flooding, and which is spatially very closely associated with illegal persecution of raptors, which we saw this morning with the police releasing horrific information about the killing of a goshawk.

I was pleased to add my name to Amendment 228, tabled by the noble Earl, Lord Dundee. This refers to supporting landowners to make land available particularly to new growers, new farmers—new entrants into the industry. We are seeing some exciting developments. I know that in Suffolk there is discussion of the concept of jigsaw farming, whereby a farmer or landowner might be able to welcome on to their land a large number of different growers occupying small parcels and developing their businesses. We have seen how organisations such as the Biodynamic Land Trust and the Kindling Trust have had to work very hard to find land to make it available to people who want to enter the industry, and we have had reference to county farms.

Of course, we have a huge problem in England with the massive concentration of land ownership. Your Lordships have heard me refer before, and will again, to land reform. We need to come back to that, but for landowners who wish to make their land available to others, it is important that the Bill includes provision to make sure that that happens, and financial assistance where that would be useful.

Briefly, I support Amendments 127 and 134, which are backed by my noble friend. Again, they look at strategic priorities and multiannual plans, creating certainty for farmers.

Baroness Grey-Thompson (CB) [V]: My Lords, I will speak to Amendments 124 and 138, which have my name attached, and which have already been ably covered by the noble Lord, Lord Addington, and the noble Baroness, Lady Scott of Needham Market.

I have a couple of points to raise on Amendment 124. A strategic approach to financial assistance is required and should be necessary. Such an approach would specifically align the contents of the multiannual financial assistance plans with each of the purposes listed in Clause 1. The noble Baroness, Lady Scott, was absolutely right when she talked about the need to have a coherent long-term national plan for each of the public goods to be delivered through financial assistance to farmers.

Amendment 138 was tabled because it would allow for greater clarity on the different public goods delivered through the financial assistance scheme, including public access to the countryside, farmland, water—which I would like to see greater clarity on—and, of course, woodland. I look forward to hearing the Minister's response.

Baroness Ritchie of Downpatrick [V]: My Lords, I am delighted to support Amendments 105 and 112, in the name of the noble Lord, Lord Grantchester, and Amendment 127, in the name of the noble Baroness, Lady McIntosh of Pickering, to which I am a co-signatory. On the funding issue, it is important that there is rollover of funding, as Amendment 112 indicates, because that provides that level of certainty to the farming community.

It is also important to seek assurances from the Minister that there will be no diminution of funding for farming, agricultural and connected purposes in the new dispensation. For many communities, irrespective of farm type, whether in the lowlands or uplands, farming is the base of their economic activity. I would like the Minister to give us assurances on this matter, and an indication of whether resources or funding for the ongoing issues have been discussed at official and perhaps at ministerial level with the devolved regions.

On the amendments in the name of the noble Baroness, Lady McIntosh of Pickering, I agree that a framework for expenditure and a clear direction of travel have to be written into the Bill, and the budgeted annual expenditure available to achieve each of the strategic priorities, which underpin food production, farming and the principle of public money for public goods, has to be set out. I say to the Minister that if we are to provide security to the farming community and prove that the Bill works, it has to benefit farmers and those directly involved in food production in the supply chain.

Lord Greaves (LD): My Lords, whenever I talk to farmers, read the farming press or otherwise see them in the media, they are worried that they do not know how this will work, and that it will simply result in a cut in their income and will be a danger to the future of their business. I have listened to what has so far been an extraordinary seminar on all this business—it will go on rather longer; I did warn people about that—but we still do not get answers from the Government. Those of us who will again be asked by farmers, “What will happen?”, will have to say that we do not know, but we can tell them what might. It is not satisfactory.

The CAP changed several times. Fifteen years ago, it changed very substantially. It was decoupled—that is always the word used on these occasions—from a production-based subsidy system to the area-based schemes: the single farm payment with cross-compliance, which morphed into the basic payment plus greening, which was a bit different but not a lot. It was a major change that inevitably had a seven-year transition period in this country, which resulted in complete chaos with the payments.

I remember that when I was responsible for Defra issues for our party I asked questions time and again in this Chamber about the fact that the Rural Payments Agency was not able to perform its functions properly. People were not being paid on time and some were not being paid at all. The Government will say that it has settled down substantially now. That is true, but that is because the transition has finished, the changes have taken place and people now know what they are doing.

What will happen now? The answer is that everyone will be plunged into a new transition period and another fundamental change where, the Government say, direct subsidies to farms and farmers will be abolished and people will be paid under the new environmental land management scheme. The Minister, the noble Baroness, Lady Bloomfield, said that it will definitely start in 2024. Without wanting to be too cynical, my answer to that is, “Pull the other one.” It might start, but it will not be completed at all. I wonder whether it will even start then.

7.45 pm

We are going to have a new transition scheme. During that scheme there are going to be temporary environmental schemes which people will be able to sign up to until 2024, so there will be people on the old scheme, people on the temporary scheme, people planning for the new scheme and people on the new scheme if they are in the pilots and the national pilot. It is going to be very complicated and risks being a shambles. None of us wants it to be a shambles—we wish the Government well—but.

There are going to be three tiers. The first tier, effectively, as I understand it and the Minister can tell me if I am wrong, is going to be a bespoke plan for each farm. Each farm that wants to take part—it will be voluntary—has to have a bespoke plan, far more bespoke than the cross-compliance which has taken place so far and has been relatively simple. I do not know who is going to put forward the bespoke plan or work it out for each farm but, unlike the old system, where farmers simply had to measure the size of the farm and send it in—think of all the chaos and difficulty that caused—it is going to be in the hands of consultants. There is no doubt about that. I am worried that the profit, in the early years at least, will be going to consultants not to farmers.

Thinking about the practicalities, I can see that you can have a standard price for a wooden stile, 100 metres of a path suitable for wheelchairs or tree planting. But for a lot of the things laid out in Clause 1(1) and (2), such as soil improvement projects, livestock welfare projects and productivity improvement schemes—who decides what new machinery people want and so on—it is going to be very complicated. Who is going to be there to say that this is okay and that is not, and that

more negotiation is needed? Quite frankly, if it is not done really well, it is going to be a complete nightmare. This is direct payment for specific things. It is not like the basic single farm payment, whereby people got the payment and had to take some environmental steps as a result. It is direct payment for environmental measures, or whatever. Let us be clear: farms are businesses. The profit to the farmer will have to be written into the contract for building a new stile, for example. Can the Minister tell us how that is going to work? What will be their mark-up, as it were?

On tier 2 and tier 3, a farm is going to be asked to take part in a wider scheme with local farms under tier 2, or one of the tier 3 schemes—whatever it turns out to be. I am still not getting very sensible answers from the Minister; he is not telling me what I want to know. I want to know what tier 3 schemes are going to be beyond peat, moors and forestry; the last time, I think he also mentioned catchment area schemes. Let us have some more information about tier 3. If a farm takes part in a tier 3 scheme, who carries it out? Who makes the money out of it? What is in it for the farmer? Will farmers just be paid a rent, for example, for allowing their farm to be part of it? How will that work? It is not very clear. It is complicated, and I can see that it is going to be an absolute disaster unless it is organised very well indeed.

Lord Cameron of Dillington [V]: My Lords, I have added my name to Amendment 131 because of the worry that political short-termism could interfere with what is a very long-term and often unstable industry. In farming, when you buy a bull, you are not likely to sell the progeny of that animal for at least three years. If you buy a dairy calf, it is two years before it produces its first litre of milk. If you invest in projects such as a new grain building or new milking equipment, you are likely to be taking out a 15-year mortgage, so that enterprise has to last for 15 years before you start to get any real return.

All this means that it would be incredibly helpful if you had a long-term perspective from whatever Government are in power or will be in power; you need a degree of certainty that the rug will not be pulled from under your feet after only five years. Of course, no business expects to operate in a world of total certainty, but farmers have enough uncertainty as it is without Governments removing key building blocks at short notice. Not only do we farmers get floods, droughts, pests and diseases, but our farm product prices sometimes literally halve overnight, dropping some 20% to 30% below the cost of production. It is difficult to make a decent living from a small farm.

All I am saying is that I think we owe it to our farmers to take government backing for agriculture, in whatever form that currently happens to be, out of the five-year political cycle and allow farmers the comfort of a seven-year, multiannual financial plan. I realise that no Parliament or Government can bind their successor, but it would be politically much more difficult for them to change the rules if a seven-year term for a financial plan were in this Bill.

Lord Wigley (PC) [V]: My Lords, I very much agree with the noble Lord, Lord Cameron, when he spoke a moment ago about the dangers of short-termism.

That issue is vital when we are talking about long-term investment. I draw attention to my registered interests.

I have put my name to Amendment 134, tabled by the noble Baroness, Lady McIntosh. It requires financial provisions to be linked to strategic priorities, addressing the same issue as that referred to by the noble Lord, Lord Cameron, and the noble Baroness, Lady Ritchie. The central message of this and other amendments in this group is to ensure that the good purposes in the Bill and as committed to by Ministers at the Dispatch Box are tied to the financial mechanisms—that one links to the other, and there is certainty.

The lead amendment in this group, Amendment 105, moved by the noble Lord, Lord Grantchester, focuses on the need to ensure adequate finance—specifically, no less than has been provided in the recent past. Given our present economic plight, it is clear that assurances along these lines are very much needed.

Amendment 112 deals with carry-over, as does Amendment 128, in the name of the noble Baroness, Lady Rock. This question is one that we really need to give some attention to. We had difficulties in the National Assembly, as it then was, in Cardiff a few years ago when the Welsh Government very sensibly arranged not to spend money at year-end for the sake of it, but to carry it over into a consolidated fund for strategic purposes. That money was immediately taken back by the Treasury. If ever there was an example of short-term thinking and punishing people for sensible approaches to financial planning, that was it.

Maintaining the level of cash support for agriculture is clearly regarded by the farming fraternity as a key issue. A plethora of general commitments may well have been given to assuage their fears, but we need a specific commitment in the Bill, if possible. That is why I believe these amendments are important for the House.

Baroness Jones of Moulsecoomb [V]: My Lords, it is a pleasure to follow the noble Lord, Lord Wigley. He feels passionately about these issues and I enjoyed his speech very much.

I agree with others who have said that this Bill is an enabling Bill. In essence, it gives the Government a lot of power and trusts them to go off and implement what we have decided without many checks and balances. I cannot imagine that there are that many people left in the UK who actually trust the Government any more, so why should members of your Lordships' House trust them?

The collective theme of the many great amendments in this group is that they would, in one way or another, force the Government to show their working and allow Parliament to mark their homework. I think this is something that we need to take very seriously.

Turning to the amendments to which I have attached my name, Amendments 127, 134 and 137 are important because they will tie the Bill to the Environment Bill and ensure that funding is sufficiently allocated to achieve the environmental aims. There is little written into either the Environment Bill or the Agriculture Bill—two enormous Bills—to create a cohesive framework; both seem rather to create their own stand-alone systems.

[BARONESS JONES OF MOULSECOOMB]

It is as if two teams drafted them and they were not allowed to speak to one another but just got on and produced their own Bill. Both Bills are setting up very long-term systems that will spread their tendrils throughout huge parts of our economy, and it makes sense to bring these together now, or we will be back here in a few years' time, trying to close the gaps.

Lord Judd [V]: My Lords, I am very glad to support this amendment. It seems to me absolutely crucial that at this juncture, of all times, we should be committing ourselves to making sure that proper funding is available for agriculture. It is one of these difficult situations: for quite a long time in Parliament I have been concerned about it. We have a Minister in our midst who takes these issues very seriously, but he will not necessarily be there for ever—alas—and that means that we do not know what lies ahead; nor do we know how far the Treasury and other key members of the Government share the commitment and aspirations that we know he has.

It seems to me, therefore, very wise of my noble friend to table this amendment, because it is saying that we must not allow circumstances, inadvertently or deliberately, to create situations in which the amount of funding available for agriculture decreases. This is the very time that this should not happen, and I believe that this amendment relates to other amendments, not least those by my noble friend Lord Whitty which are coming up in a moment—or at least this evening, we hope—in which he talks about smallholdings and the rest. The point here is that I think we are entering an economic phase in which land and the opportunities it offers for productive, constructive and creative activity will become necessarily more available and more important than ever. I am very glad that my noble friend has wisely tabled this amendment.

Viscount Trenchard: My Lords, I have heard it said many times by Ministers that the total amount of agricultural subsidy to be paid in 2021 will be no lower than the amount to be paid in the current year. I look forward to hearing the Minister's confirmation of this. However, I am not sure that the noble Lord, Lord Grantchester, is quite right in his drafting of Amendment 105, because “the total amount provided” under Section 1 in 2020 is obviously zero. I think that what the noble Lord wanted to say was that the amount to be paid is no less than the total amount, including amounts provided under the direct payment scheme and other existing schemes.

I am not sure that it is fair to limit the proportion of financial support spent on administration or consultancy. A farmer might spend a high proportion on consultancy in one year and then nothing for several years. Different farmers categorise spending on administration in different ways, and if a farmer spends all his financial support on unnecessary administration, it follows that he will not be achieving the approved purposes and will not therefore qualify to continue to receive support. I am therefore unable to support Amendments 107 and 123, but I would support Amendment 112, permitting carry-over of unspent funds—but probably only to the next year, which I think is reasonable. Amendment 128,

proposed by my noble friend Lady Rock, achieves the same purpose, although, again, I suggest limiting the right to carry over to the following year only.

8 pm

The noble Baroness, Lady Jones of Whitchurch, in Amendment 129, seeks to require the Secretary of State to have regard for the current environmental improvement plan in setting out his strategic priorities. I should have thought that this would be the case whether or not it is included in the Bill.

I cannot support the amendment by the noble Earl, Lord Devon, to extend planned periods to seven years, because five years is quite far enough ahead to expect the Secretary of State to plan for these purposes. In addition, I do not think the reason given by the noble Earl is valid. Even if the Fixed-term Parliaments Act is not repealed, as I hope it will be, the noble Earl must be aware that general elections have not taken place regularly every five years.

My noble friend Lord Lucas seeks to require a new plan to be published a full two years before an existing plan expires. He is surely right to suggest that the new plan should not be published the day before the old plan expires. But would the Minister not agree that publication one year before the old plan expires might be a sensible compromise? This would not only allow Parliament two months to debate the new plan, as proposed by the noble Earl, Lord Devon, in Amendment 133, but would allow farmers to have a full year to adjust their business models to match the new strategy.

Amendment 137, tabled by my noble friend Lady McIntosh, seeks to widen the purposes of financial assistance under the scheme in ways that would damage its focus and clarity. I could not support it, although I respect my noble friend's tireless work in protecting the environment.

The noble Lord, Lord Addington, is surely right in asking for more information about how much financial support will be given for each of the approved purposes. Farmers need to know this now so that they can plan. The amendment by the noble Lord may be too prescriptive, but I would like to ask the Minister whether he can inform the House how much information on this the Government intend to provide, and—importantly—when.

I cannot see that the purpose of Amendment 139, in the name of the noble Lord, Lord Krebs, is not already adequately covered in the Bill.

Amendment 232, tabled by the noble Baroness, Lady Bennett of Manor Castle, would be a tough biannual burden on the Secretary of State, the benefits of which, some might say, would not justify it. Besides, it is strongly weighted towards the priorities of the noble Baroness, rather than those of the wider farming community and the consumer.

Baroness Young of Old Scone [V]: My Lords, I support Amendment 129 in the name of my noble friend Lady Jones of Whitchurch. It would require the Secretary of State to take into account the current environmental improvement plan in agreeing priorities for incentives. It is about a big concern of mine at the moment, which is that we start to join up some of

these silos that are growing—environment, forestry, other land management purposes and agriculture. There are myriad schemes that are going to be coming towards farmers that will affect land, agriculture, forestry and the environment. There is the ELM scheme itself, as enshrined in this Bill, the 25-year environment plan, the provisions of the Environment Bill, the climate guarantee scheme, the Nature4Climate fund, the biodiversity net gain provisions and nature recovery networks. It feels more overheated than I have experienced for a long time in this area, which is great, because it means that everyone is putting effort, energy and funding into those sorts of issues—but it would be quite nice if we could join them up a bit.

Way back, I had a pious hope that we could have one Bill—a joint agriculture and environment Bill. I thought it would be a good idea. But in view of the pace at which this Bill is going through the House—and despite the aspirations of previous speakers that the Minister stay in his post for ever—I think that if we had had a joint agriculture and environment Bill, the Minister would probably have done a runner at that stage.

We need to find a way to bring all these initiatives together. Amendment 129 would at least be a modest start in joining up the environmental and agricultural agenda, as it should be.

The Deputy Chairman of Committees (Baroness of Garden of Frognal) (LD): The noble Earl, Lord Caithness, has withdrawn. I call the noble Baroness, Lady Neville-Rolfe.

Baroness Neville-Rolfe (Con) [V]: My Lords, it is always a pleasure to follow the noble Baroness, Lady Young of Old Scone. She is right about pace. I am sorry that we have lost the noble Earl, Lord Caithness; I think he sacrificed himself to help this important Bill make progress. I congratulate him on the earlier debate on Amendment 73 and his closing emphasis on the importance of sequestration in meeting any climate change targets.

I agree with the spirit of the lead amendment in this group, Amendment 105, in the name of the noble Lord, Lord Grantchester. I agree with him that the transition to a new funding system should not result in a reduction in the overall financial assistance provided for agriculture and associated purposes. However, this may go a bit far, given the disastrous impact of Covid-19; everyone, including the agriculture community, may have to make a contribution to recovery.

However, farmers will need continued support from next year, as we leave the CAP on 31 December, albeit for different functions. Farms are mainly small businesses. I understand the issues well, as my father was a farmer who went bust in the 1960s when his credit with the bank ran out—that was before the CAP changed everything. Farmers' work is vital to the rural community, our landscape and our food webs, and a free market is not an option, particularly given the level of support for agriculture almost everywhere else in the world.

I refer also to Amendment 112 in the name of the noble Lord, Lord Grantchester, and to the similar amendment, Amendment 128, in the name of my noble friend Lady Rock. These would allow unspent

funds allocated in one year to be carried over into future years. The Treasury, where I had the honour to be a Minister, will rightly never allow this. The wider ramifications for control of public expenditure are unacceptable and it could be a recipe for wasteful spending.

My main interest—perhaps “concern” would be a better word—in this group is Amendment 135 in the names of the noble Lords, Lords Lucas and Lord Addington. This seeks financial assistance for the provision of advice, with less emphasis than proposed on regulatory enforcement and penalties. Others assisting with the scrutiny of this Bill have talked about a revival of something like ADAS for this purpose. I do not support either proposal. What we need—I hope my noble friend the Minister will agree—is a professional implementation plan for all the new schemes, especially ELMS, with proper training and lead times, as you would find in a commercial context. It needs to be very clear and consulted on, with a view to successful, easy compliance and not just to satisfy interest groups. As much effort needs to be put into implementation as to policy formation. Much of that is, unfortunately, still to do, as the Lord, Lord Adonis, pointed out earlier.

We can learn from the initial failures in the health and safety context when the EU six-pack was introduced; that included things like manual handling, risk assessment and, indeed, PPE. It was burdensome and chaotic, providing opportunities for consultants, who flourished on the complications. There was uproar, especially in small businesses, but under a very able official, Jenny Bacon, the system was radically simplified with good guidance written by the HSE. The political heat went out of the issue despite the inevitable burden of these EU laws. The use of digital for documents and seminars for farmers and land managers makes all of this easier today.

I would be very happy to offer the Minister and his officials thoughts from my long experience at Tesco—I register an interest, as I am still a shareholder. Simplicity, clarity and training were essential to successful projects, whatever the scale. We do not want or need to set up a costly new advisory service, or to reimburse the cost of advice.

Finally, I do not agree with Amendment 232 in the name of the noble Baroness, Lady Bennett. Of course data should and will be collected, but this should be done as part of Defra's normal research programme and in the context of a five-yearly review of food security.

Lord Naseby [V]: My Lords, those are some wise words from my noble friend Lady Neville-Rolfe, which I hope the Minister will reflect upon. There is no doubt that her previous experience, both as a Tesco director and as a Minister, is enormously helpful in planning something as difficult and challenging as this transition—and that is what we are talking about.

I can comment only on those farmers in Bedfordshire and Northamptonshire, where all are worried—of course they are; I would be if I was any sort of farmer, but I am not. I think that Amendment 105 has the kernel of an answer; it may not be the ideal answer, but it is up to the Government to have a look at it.

[LORD NASEBY]

The amendment covers the

“financial assistance available in the first year in which the Secretary of State intends to exercise the power under section 1”. Secondly, it addresses the fact that the total amount provided in the preceding financial year should be adjusted for inflation. In other words, year 1 is whatever figure it is, and then there is inflation on top of that. The amendment proposes that in the third, fourth and fifth financial years there should be some forecast.

That seems to me a basis on which a farmer could work. The farmers I know in my part of the world, particularly those on the larger farms, are sophisticated businessmen. Although my noble friend Lady Neville-Rolfe says that Covid-19 may influence these figures, my view is that because this is such a big transition, from Europe to the UK, the farming community should not be asked to do that in this instance.

I note just a couple of other points en route. The noble Lord who spoke from the Opposition Front Bench said that the Bill implied a reduction after one Parliament. I have been in the House long enough to know that no one Government can be committed to something by their predecessors, so I just do not see that as being the case at all. I am not sure where his evidence comes from.

Amendment 128 sounds good, but it is pretty unusual in any organisation for underspending to be automatically spent somewhere else. It is perfectly normal, if there is a budget and something has not come up to scratch, to spend it on an existing project, but not on another one.

I think that the noble Earl, Lord Devon, is absolutely right in Amendment 133. You need to have a minimum of two months to discuss any forthcoming budget. As for the noble Baroness, Lady Bennett, I remember starting life politically in a part of London where compulsory purchase orders were the methodology whereby you could dictate to landowners what should happen. They failed miserably, and I suspect her project on land use will fail equally.

I finish by saying that, in my judgment, the noble Lord, Lord Greaves, is full of detail but also full of despair. I would rather have the words of my noble friend Lord Trenchard—who is sitting there still, as I look across: there were a lot of wise words in his contribution.

8.15 pm

Lord Cormack (Con) [V]: My Lords, I am afraid that I could not hear much of my noble friend Lord Naseby’s speech, but I gather that he gave his support to Amendment 105, moved by the noble Lord, Lord Grantchester. I was certainly glad to ask for my name to be added to it because it seems a prudent, sensible and balanced approach. I will not weary your Lordships by going through a whole list of amendments.

It is important that our farmers have a degree of clarity and the opportunity to plan. They are going through a very difficult time. I live in Lincolnshire, a great farming county. I talked to a farmer whose family has farmed here for generations, going back a couple of centuries or more. He was a very worried man. He said, “We had those desperate floods in the latter part of last year and the beginning of this one. We then had the driest spring that we can remember.

We have all the uncertainties created by Covid-19. Dairy farmers were pouring hundreds of thousands of gallons of milk away because there was no custom from the catering trade. This is creating a real deterrent to young people because we have all the uncertainty created by our leaving the European Union and we do not know precisely what is planned for us.” I hope that, this evening, my noble friend the Minister can give some real guidance, clarity and certainty.

The noble Earl, Lord Devon, with his enormous knowledge of farming, spoke about this, but of course there are so many small farmers. We do not want to see the creation of a farming community that consists of, relatively speaking, a handful of major industrial concerns. The farmers who live on the land, who love the land, who have created the land and who, quite rightly, will be rewarded for maintaining it also have the duty of producing food for our people. We talked about this on Tuesday evening—that is, the security of the food supply being essential to the very defence and existence of the nation. They deserve some clarity and stability. I hope that, in responding to the debate, my noble friend the Minister will be able to give that.

Without our farmers, this country would be in a parlous state. We have a national duty to give them clarity and the opportunity for stability, and to encourage our younger generation to go into farming. It is one of the noblest callings; indeed, it is a vocation, with the hours that farmers work and the uncertainties of the weather that they face. We must not let down our farming community.

The Earl of Dundee [V]: My Lords, as has been intimated, many of us are particularly grateful to the noble Lord, Lord Krebs, for tabling Amendment 139. If adopted, it would greatly increase efficiency since the type of monitoring here envisaged is a comprehensive one that would apply to regulation, productivity improvements, ancillary activities and market interventions. However, to maintain consistent and improved clarity, competent monitoring must be allied with timely parliamentary scrutiny, as advocated in Amendments 133 and 232, tabled by the noble Earl, Lord Devon, and the noble Baroness, Lady Bennett of Manor Castle, respectively.

Therefore, I hope that my noble friend the Minister will accept both these qualifications and my noble friend Lord Northbrook’s Amendment 126, which, in calling for financial assistance to protect the production of food in an environmentally friendly and sustainable way, precisely reflects the central new joint purposes of the Bill.

Baroness Northover (LD) [V]: I will speak briefly in support of Amendment 105. As we all made clear at Second Reading, British agriculture is now in a period of enormous uncertainty. This has run as a theme through the Committee stage of the Bill. As the NFU notes, British agriculture does not know what will happen in relation to its main market, the EU, or access to labour from the EU, let alone arrangements for other markets around the world.

Farming is an especially long-term enterprise—as the noble Lord, Lord Cameron, rightly emphasised—and is risky and uncertain, especially for small farmers and tenant farmers, who farm a third of the UK’s

agricultural land. It is therefore vital that when the Government talk about the transition period from the CAP for agriculture, they sustain the level of financial assistance to this sector despite the many demands that will be in competition.

Amendment 105 aims to ensure that there is not a reduction in the level of that financial assistance. It has been striking how short a period the Government have attached to their funding commitments, and already there are cuts. It is all very well the Government saying they “may” take certain action, as the Bill has it, but that does not mean they must or will deliver it, as my noble friend Lord Greaves said. Like him, I recall the chaos of the Rural Payments Agency.

If we bear in mind the many changes planned for the United Kingdom from next January—right across the economy, including in agriculture, and as we may or may not be coming out of the pandemic—it is understandable that farmers are deeply worried. I therefore welcome Amendment 105.

Baroness Quin (Lab) [V]: My Lords, I also will speak in support of Amendment 105 as well as Amendment 112, both in the name of my noble friend Lord Grantchester. Indeed, I associate myself with the remarks he made on those amendments. They are designed to give farmers some degree of certainty during a challenging time of adapting to new circumstances.

So many recent speakers in the debate have stressed the importance of a smooth transition, and we certainly need to ensure there is no gap between the new system of ELMs and the present system. Such a hiatus in payment at a time of such uncertainty would be completely unacceptable. I certainly know of farmers in my own part of the country who in the past have suffered both mental stress and financial hardship as a result of schemes not being fully operational or involving late payments. We need to ensure as far as we possibly can that those problems do not recur. I am not trying to make a party-political point here. I am well aware that administrative problems and problems of implementing schemes are not unique to Governments of particular political complexions.

I also support the principle of limiting expenditure on administration and consultancy as a proportion of overall expenditure. One or two of the amendments mention that, but this point has not been raised so far in the debate. I am not sure whether the 5% limit mentioned in one amendment is the best limit, but I am interested to know whether the Government have a view on that.

Finally, I very much support the point made in the amendment from the noble Earl, Lord Devon, that Parliament should be given time to consider the plans. Obviously, we are concerned here about how much time your Lordships’ House has to consider these proposals, but it will also be crucial that the other place, the House of Commons, has ample time. As Members of Parliament have constituencies, they will want time to evaluate what the effects will be on the areas they represent. They will also want to discuss these proposals with farmers, environmental organisations and others in their constituency before coming to a verdict on them.

Lord Blencathra (Con) [V]: My Lords, it is an honour to have participated in the debates today. They have been informed by the wisdom and farming experience of noble Lords who collectively have farmed this country and made our land what it is with over 1,000 years of experience between them. I refer to two Dukes, four Earls, a Viscount—and of course we Barons, who are 10 a penny. As a Scot, I might be right in saying that the nobility of Dundee and Montrose have about 1,000 years of experience of farming in Scotland between them.

However, tonight, I want to commend in particular a Baroness, my noble friend Lady Neville-Rolfe, and her words of wisdom. We do not need a new ADAS; the best advisory service on nature-friendly farming, the environment, wildlife and ELMS is Natural England, and I declare my interest, as per the register, as a member of its board.

I did not seek to speak after the Minister, my noble friend Lord Gardiner, at the conclusion of his last wind-up but, wearing my hat as chair of the Delegated Powers Committee, I stress that the codes of practice that he referred to should be subject to parliamentary scrutiny simply via the negative procedure. Far too much government guidance and far too many codes that avoid parliamentary scrutiny are coming out, imposing possibly quite severe consequences for business and subjects. Parliament should have a chance to look at those codes.

The noble Baroness, Lady Jones of Moulsecoomb, and I often agree on things—to our joint consternation—but on this amendment I disagree with her. I trust and have trusted the Government, the Secretary of State and his predecessor before him when they have said that the Government will spend the same amount on supporting British agriculture, although by different means, as has been spent under the EU regime. I passionately support maintaining the same level of funding.

I am afraid that it is a bit naive of us, and it is also fairly meaningless, to try to put that commitment on the face of the Bill, since it guarantees nothing. If a Chancellor of the Exchequer wanted to reduce the amount in the future, a simple amendment in the Finance Bill would negate such a provision and remove this clause. If it were possible to tie the Treasury’s hands to a future level of funding when passing a Bill, the statute book would be awash with such Acts of Parliament. I am confident that the Government will honour the promises they have made and that there is no need for this amendment.

Baroness Bakewell of Hardington Mandeville [V]: My Lords, this group also deals with funding and the snappily titled “multi-annual financial assistance plans”. We have heard much about the level of funding that the Government are guaranteeing for the farming community. This is set at £2.8 billion. It sounds sufficient, but exactly what it is proposed to cover is unclear. Many of the amendments that we debated on the first day in Committee sought to ensure that certain aspects of our agriculture were included in that funding.

Many noble Lords have spoken in favour of Amendment 105. Payments to farmers should definitely arrive on time. The noble Lord, Lord Grantchester, is

[BARONESS BAKEWELL OF HARDINGTON MANDEVILLE] seeking to ensure that the overall financial assistance is not reduced and that no more than 5% of this assistance is spent on administration and consultancy. I am sure that we have all had experience of the costs of consultancy spiralling out of control. My noble friend Lord Greaves referred to this. The Government will have difficulty in reining consultancy back once it has begun. Similarly, it is important that any funds unspent in one year are carried forward to the next and future years, rather than being returned to the Treasury, when they will likely be lost to agriculture. The noble Lord, Lord Grantchester, and the noble Baroness, Lady Rock, drew attention to that. Can the Minister give us some reassurance that this will happen?

The question of public access to farmland, water and woodland, and how it will be funded and monitored, was raised by my noble friends Lady Scott of Needham Market, Lord Addington and Lord Greaves, and the noble Baroness, Lady Grey-Thompson. This is also extremely important for the health, well-being and enjoyment of the public in general. It is necessary to understand how the plan will work to deliver public good in this area.

8.30 pm

The noble Lord, Lord Grantchester, on behalf of the noble Lord, Lord Krebs, pressed the case for the Secretary of State to ensure that environmental improvement plans are given full consideration. I support that aim. As we have reiterated time and again, the environmental improvement and sustainability of agriculture must be at the top of the list of priorities. The noble Baronesses, Lady McIntosh of Pickering and Lady Jones of Moulsecomb, have spoken on the same theme, and believe that the Secretary of State must seek advice from the office for environmental protection. I look forward to the Minister's response to those points.

I have great sympathy with the noble Earl, Lord Devon, and the noble Lord, Lord Cameron of Dillington, in wishing to extend the multiannual assistance plan period from five to seven years, so that it does not coincide with general elections. It would be the very worst outcome for agriculture if it became a political football on the campaign trail. Extending the plan period from five to seven years would help farmers with their planning. Farming is a long-term business, as my noble friend Lady Northover has said. Whatever period is chosen, there will always be the danger that the Government of the day will be having a tough time, for a variety of reasons, and will decide to call a general election, ignoring the Fixed-term Parliaments Act, so on that basis it might be best to stick with five years. What is the Minister's view?

I have added my name to Amendment 127, which asks the Secretary of State to ensure that he or she produces a proper budget, setting out what should be achieved in each of the strategic priority areas for the planned period, and how much in the way of resources the Government are planning to allocate to each priority. That is common sense. The noble Baronesses, Lady Ritchie of Downpatrick and Lady Jones of Moulsecomb, made the arguments well. Can the Minister tell us how much will be allocated to each priority in the plan?

I agree with the wish of the noble Lord, Lord Cormack, to provide clarity and stability for farmers. That is extremely important. I am afraid that, as usual, I do not agree with the noble Viscount, Lord Trenchard. The noble Lord, Lord Blencathra, mentioned the expertise of Dukes, Viscounts and Earls. It is undoubtedly true that the great landowners have much to contribute to the debate, but we would be wise to remember the smaller farmer in our deliberations too. I support the general thrust of this group of amendments and look forward to the Minister's response.

Baroness Bloomfield of Hinton Waldrist: I thank the noble Lord, Lord Grantchester, for tabling Amendment 105, with which I will also address Amendments 107 and 104, tabled by the noble Lord, Lord Addington, and Amendment 127, tabled by my noble friend Lady McIntosh. The Government's 2019 manifesto guarantees the current annual budget in every year of the new Parliament, which gives significant certainty on funding for the coming years. We demonstrated our commitment to this further when, in December 2019, the Chancellor announced £2.852 billion of funding for direct payments in the UK for 2020.

The noble Lord, Lord Grantchester, mentioned the cut in financial support. The maximum reduction of £150 million will immediately be ploughed back into the new countryside stewardship scheme and the productivity grant, which will be brought in next year. I hope that this also reassures the noble Baronesses, Lady Bennett of Manor Castle, Lady Ritchie of Downpatrick and Lady Northover.

The Government have reflected carefully on the scrutiny by the other place during the passage of the previous Agriculture Bill, and we introduced Clause 4 to address the concerns raised about funding. The clause requires the Government to publish a multiannual financial assistance plan before the start of the agricultural transition. This will set out the strategic priorities for the transition and describe the financial assistance schemes expected to be in operation during the transition. As part of our commitment under Clause 4, and to ensure that we keep stakeholders aware of the latest developments, I can confirm that the Government intend to set out our plans for financial assistance during the first years of the transition in the early autumn.

Clause 4(2)(b) already places a duty on the Secretary of State to have regard to the strategic priorities established when making any decisions regarding what financial assistance schemes are to be supported under Clause 1. The noble Lord, Lord Addington, asked about the Government's requirements to report. This is covered in detail in Clause 6. In addition, Clause 5 commits the Government to publish annual reports on the total amount spent on financial assistance, as well as the total spent on each financial assistance scheme. Clause 6 requires periodic reports on the impact and effectiveness of spending on financial assistance schemes.

There are existing processes for determining funding arrangements. These will apply to domestic spending when we leave the EU. Parliament has the opportunity to vote on Defra's budget each year through the estimates process, and of course the EFRA Committee takes a close interest in scrutinising Defra's accounts.

The noble Baroness, Lady Scott, also asked about the link between public access and the Government's strategic priorities. I believe that Clause 1(1)(b) embodies this link. Clause 1(1) also covers access. The multiannual financial assistance plan will require the Government to publish information about their strategic priorities and how the financial assistance powers in Clause 1 will be used in future years. The Government make decisions through a structured and comprehensive process, which allows us to assess spending in the round.

On Amendment 123, in the name of the noble Lord, Lord Grantchester, the running costs for Defra and the Defra group are considered separately from the payments being made to beneficiaries. As the Government continue to develop their future schemes, they may find that they need to include some administration costs for third parties, such as those potentially incurred to run farm clusters or other groups that bring multiple farmers and land managers together to work in partnership. There may be very valid reasons why administration or consultancy costs may be higher than 5%. For example, investing in the early years of a scheme, when development and testing are critical, could lead to greater efficiencies and refinements later.

On Amendment 112, in the name of the noble Lord, Lord Grantchester, and Amendment 128, in the name of my noble friend Lady Rock, the Government are determined that farming in the UK should not see a reduction in government support at this very important time. That is why they have pledged to guarantee the current annual budget in every year of the new Parliament. The Government recognise that even with the best financial planning, underspends can happen. The concept the amendments raise would, in principle, be beneficial. However, legislation is not the best route to pursue this. Instead, it is more appropriate that the Government first discuss such an arrangement as part of the spending review process, when they will look at spending priorities across government. We should not legislate now for such flexibility without going through the proper process to ensure that spending can be considered in the round.

I will address Amendments 131 and 133, in the name of the noble Earl, Lord Devon, alongside Amendment 132, in the name of my noble friend Lord Lucas. Clause 4 replicates existing multiyear funding cycles, but provides for some flexibility as necessary around the length of individual plans. As the clause stands, it states that future plans must be for at least five years. The Secretary of State has discretion to design a longer plan, which I hope will reassure the noble Lords, Lord Cameron and Lord Wigley. The first plan was designed to cover the whole seven-year transition, to provide certainty to farmers while they adapt to the significant changes that the transition will bring. Although plans must run for at least five years, the Secretary of State has discretion to design a longer plan. The first plan will span the length of the agricultural transition and run for the seven years. This is an example of the Government's commitment to designing plans appropriately with regard to farmers' needs.

I was asked by the noble Earl, Lord Devon, why we could not confirm the budget for the length of the agricultural transition. Future funding allocations will

be determined through future fiscal events, as is right and proper, to ensure that government spending is considered in the round. The regular cycle of spending reviews, single departmental plans and supply estimates at departmental level is well established. Parliament can vote on Defra's budget each year through the estimates process.

The clause also states that the first plan period will run for the seven years. It will expire at the end of 2027 and the next plan must be in place by 1 January 2028. Therefore, it is likely that the renewal of plans will happen at a different time from elections, although of course that cannot be guaranteed. I assure noble Lords that there will always be a multiannual financial assistance plan in place, with no gaps.

The agriculture transition will be a key time for the development of government policy. Schemes will be tested and piloted, and the findings from those experiences will inform the development of future schemes and strategic objectives. Accelerating the production of future plans during the agriculture transition period would be counterproductive to our aim of assessing schemes and taking a considered view of what works and what does not.

Clause 4 requires that a multiannual plan be updated and put before Parliament as soon as it is practicable to do so. This requirement will ensure that the plan is a live document that can respond to any necessary changes to financial assistance schemes or strategic objectives.

On Amendment 126, tabled by my noble friend Lord Northbrook, Clause 4 already places a requirement on the Secretary of State to consider in as much detail as considered appropriate each financial assistance scheme that is in or will be in operation during the plan period. If deemed appropriate, this could include how the scheme is to give regard to the production of food in an environmentally sustainable way.

Amendment 138 concerns reports on financial assistance and is in the name of the noble Lord, Lord Addington. Clause 5 as drafted already commits to providing an appropriate level of detail and clarity on the delivery of public goods through each scheme. Furthermore, it is important to note that many of the schemes that the Government are developing, and the individual actions within those schemes, cover multiple purposes. For instance, under ELM we might pay for hedge planting to protect or improve the environment while also restoring cultural or natural heritage and at the same time protecting from or reducing environmental hazards. It would not always be possible to unpick these relationships.

I turn now to Amendment 139 on monitoring the impacts of financial assistance in the name of the noble Lord, Lord Krebs. Clause 6 already requires the Secretary of State to monitor the impact of each financial assistance scheme and make one or more reports on the impact and effectiveness of the scheme, having had regard to the monitoring effects that have taken place.

On Amendment 129 in the name of my noble friend Lady Rock and Amendments 134 and 137 tabled by my noble friend Lady McIntosh of Pickering, the Government are committed to achieving their aim of leaving the environment in a better state than they

[BARONESS BLOOMFIELD OF HINTON WALDRIST] found it. That is why they seek to legislate for environment improvement plans in the Environment Bill. Environment improvement plans will have the objective of delivering significant improvement to the natural environment. Plans must set out the specific steps that the Government intend to take to improve the natural environment.

My noble friend Lady McIntosh and the noble Baroness, Lady Bakewell, also asked about the Office for Environmental Protection. Under the Environment Bill, the OEP is required to monitor progress on improving the natural environment. It must produce an annual report on its findings and could, for example, recommend that additional funding be provided to deliver the purposes set out in Clause 1 of this Bill. Where issues are identified, the OEP may engage in constructive dialogue with the Government and advise on necessary remedial measures. The OEP can also investigate alleged serious breaches of environmental law by public authorities and take legal action where necessary. The reports of the OEP must be published and laid before Parliament and the Government are specifically required to address any recommendations made. Therefore, when the Secretary of State determines the funding for the strategic priorities set out in the Government's multiannual financial assistance plans, they will be able to consider any advice provided by the OEP under its duties as set out in the Environment Bill. The Secretary of State will also have had to respond to any advice. Both the OEP's reports and the Secretary of State's responses will be published and laid before Parliament.

The Government are actively engaging with many public bodies about the proposed future financial assistance schemes, for example, 17 environmental land management schemes and tests and trials projects are working with public bodies including national park authorities, Historic England, Natural England, the Environment Agency, the Forestry Commission and the National Association for Areas of Outstanding Natural Beauty to provide expert insight and input into the development of policy.

I turn now to Amendment 232 in the name of the noble Baroness, Lady Bennett of Manor Castle. The Government already produce reports that cover a number of these points. For example, Defra publishes a set of England biodiversity indicators to assist in the evaluation of progress on the outcomes and commitments of *Biodiversity 2020*, our strategy for England's wildlife and ecosystems. In addition, the Government produce the *Agriculture in the UK* report annually, which contains a range of data including farm incomes, land use, livestock numbers, prices, the production of key commodities, overseas trade, organic farming and the environment. A new requirement to report on the state of agricultural land would replicate what is already available.

The noble Lord, Lord Greaves, asked a number of rather gloomy questions, which I will endeavour to address. There are a lot of different schemes, and a lot of advice will be provided. The environmental land management scheme is running live tests and trials to test how elements of the scheme will work ahead of the national pilot. Advice and guidance is one of the priority areas, and 34 tests and trials are feeding into

that theme. Evidence shows that for advice to be effective, it must be trusted, consistent, credible and cost effective. The Government are considering how these principles can be embedded into advice for all schemes and are working with farmers and other land managers to do so.

8.45 pm

On how people will get advice, the Government are clear that accessible advice and guidance are critical to the success of the schemes, which is why we are working hard to ensure that there are robust mechanisms in place to achieve that. As outlined in the policy update of February, the Government are considering carefully the role of advice and guidance and have already committed to having in place a future system of agricultural regulation which understands and implements better ways to provide advice and guidance.

The noble Lord, Lord Greaves, also asked about details of tier 3 of the ELMS provisions. Tier 3 could focus on delivering landscape-scale land use change projects that can make substantial contributions to our environmental commitments, such as nature recovery and net-zero targets. It would likely require collaboration from farmers and other land managers. We are exploring how we could incentivise land managers to collaborate with each other and other relevant stakeholders.

The noble Baroness, Lady Bennett, asked about new entrants to farming, and county farms in particular. We will be offering funding to councils with county farm estates, landowners and other organisations which want to invest in creating new opportunities for new-entrant farmers. We will invite applicants to set out how they would use the funding to meet our ambitions for new entrants. Funding could be used to undertake estate planning and reorganisation activities or as part of other investments that might be needed to make more holdings available to new entrants.

The noble Baroness, Lady Ritchie of Downpatrick, asked about the devolution settlements and how the Government will engage with the devolved Administrations. The UK Government are committed to working closely with the devolved Administrations to implement a UK agricultural support framework. The aim of this is to ensure effective co-ordination and dialogue between the Administrations on agriculture subsidy and a range of other issues.

With those reassurances, I ask the noble Lord, Lord Grantchester, to withdraw his amendment.

The Deputy Chairman of Committees: My Lords, I have received requests to speak after the Minister from the noble Earl, Lord Devon, and the noble Lord, Lord Lucas. I remind noble Lords that these should be brief interventions.

The Earl of Devon [V]: My Lords, I am sorry for keeping us late. I note that I can hear the combine rolling outside my window—today is the first day of combining. The farmers are still working late, so I am sure that noble Lords will not mind working a little late too. I thank the Minister for confirming that the multiannual financial assistance plan will be published in early autumn this year. Does that mean that the Government agree to Amendment 133?

Baroness Bloomfield of Hinton Waldrist: I am afraid that I cannot give the noble Earl that assurance at this juncture.

Lord Lucas [V]: My Lords, I apologise to the Minister if I did not hear her answer correctly, but I did not detect an answer to my Amendment 132. Surely it is not acceptable for the Government to publish a new five-year plan on the last day of the old one. That would cause enormous disruption to agriculture. People would be unable to plan until the new plan was there and then it would then take them a year or so to put their new plans into place. We would get a year when nothing was happening. Surely there must be a decent overlap.

Baroness Bloomfield of Hinton Waldrist: As I think I said in my speech, we have built flexibility in to the planning stage, although it does not need to be five years, and in all cases there will be no gap between one plan and another.

Lord Grantchester: I thank all contributors to this debate for speaking to the various amendments. Even the negative comments were interesting.

If the Government commit to having multiannual plans, as stated in the Bill, it would seem conceivable that they would honour a package that financed the plan ahead in its entirety from the start through to the finish. The amendments scrutinise the Government's plans around financial assistance in delivering outcomes that are sufficiently robust in their application—with the necessary oversight, as stressed by the noble Lord, Lord Blencathra.

I thank especially the noble Baroness, Lady Rock, for her amendment in sympathy with mine and the noble Baroness, Lady Neville-Rolfe, for her emphasis on a robust implementation plan being adopted by Defra. I am also grateful to the noble Lord, Lord Cormack, for adding his support.

As with so much in every group of amendments, the Minister has been exhaustive and considerate in responding to the many points raised. Along with other noble Lords, I will consider her reply carefully, but at this stage I beg leave to withdraw my amendment.

Amendment 105 withdrawn.

Clause 2: Financial assistance: forms, conditions, delegation and publication of information

Amendments 106 to 116 not moved.

Clause 2 agreed.

Amendment 117 not moved.

Clause 3: Financial assistance: checking, enforcing and monitoring

Amendments 118 to 121 not moved.

Clause 3 agreed.

Amendments 122 to 123 not moved.

Clause 4: Multi-annual financial assistance plans

Amendments 124 to 129 not moved.

House resumed.

House adjourned at 8.51 pm.

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